
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 10-Q

(Mark one)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 2024

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from to
Commission File Number 1-11411

POLARIS INC.

(Exact name of registrant as specified in its charter)

Delaware

41-1790959

(State or other jurisdiction of
incorporation or organization)

(I.R.S. Employer
Identification No.)

2100 Highway 55, Medina MN

55340

(Address of principal executive offices)

(Zip Code)

(763) 542-0500

(Registrant's telephone number, including area code)

N/A

(Former name, former address and former fiscal year, if changed
since last report)

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of each class</u>	<u>Trading Symbol(s)</u>	<u>Name of each exchange on which registered</u>
Common Stock, \$.01 par value	PII	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

As of April 16, 2024, 56,513,522 shares of Common Stock, \$.01 par value, of the registrant were outstanding.

POLARIS INC.
FORM 10-Q
For Quarterly Period Ended March 31, 2024

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Part I FINANCIAL INFORMATION
Item 1 – FINANCIAL STATEMENTS

POLARIS INC.
CONSOLIDATED BALANCE SHEETS
(In millions, except per share data)

	March 31, 2024	December 31, 2023		
	(Unaudited)			
Assets				
Current assets:				
Cash and cash equivalents	\$ 318.8	\$ 367.8		
Trade receivables, net	254.1	306.4		
Inventories, net	1,952.8	1,810.5		
Prepaid expenses and other	195.8	198.0		
Income taxes receivable	11.1	9.0		
Total current assets	2,732.6	2,691.7		
Property and equipment, net	1,214.9	1,201.5		
Investment in finance affiliate	139.6	141.1		
Deferred tax assets	300.0	295.9		
Goodwill and other intangible assets, net	899.7	906.4		
Operating lease assets	143.8	143.9		
Other long-term assets	136.8	135.8		
Total assets	\$ 5,567.4	\$ 5,516.3		
Liabilities and Equity				
Current liabilities:				
Current financing obligations	\$ 54.0	\$ 54.0		
Accounts payable	779.0	713.1		
Accrued expenses	988.1	1,123.6		
Other current liabilities	39.5	43.1		
Total current liabilities	1,860.6	1,933.8		
Long-term financing obligations	2,014.2	1,854.4		
Other long-term liabilities	300.8	297.0		
Total liabilities	\$ 4,175.6	\$ 4,085.2		
Deferred compensation	\$ 11.2	\$ 10.3		
Shareholders' equity:				
Preferred stock \$0.01 par value per share, 20.0 shares authorized, no shares issued and outstanding	—	—		
Common stock \$0.01 par value per share, 160.0 shares authorized, 56.5 shares issued and outstanding as of March 31, 2024 and December 31, 2023	\$ 0.6	\$ 0.6		
Additional paid-in capital	1,243.8	1,231.8		
Retained earnings	197.3	243.5		
Accumulated other comprehensive loss, net	(63.6)	(57.5)		
Total shareholders' equity	1,378.1	1,418.4		
Noncontrolling interest	2.5	2.4		
Total equity	1,380.6	1,420.8		
Total liabilities and equity	\$ 5,567.4	\$ 5,516.3		

The accompanying footnotes are an integral part of these consolidated statements.

POLARIS INC.
CONSOLIDATED STATEMENTS OF INCOME
(In millions, except per share data)
(Uaudited)

	Three months ended March 31,	
	2024	2023
Sales	\$ 1,736.4	\$ 2,179.7
Cost of sales	1,406.1	1,710.5
Gross profit	330.3	469.2
Operating expenses:		
Selling and marketing	126.4	137.6
Research and development	87.8	96.5
General and administrative	99.0	90.8
Total operating expenses	313.2	324.9
Income from financial services	21.9	16.8
Operating income	39.0	161.1
Non-operating expense:		
Interest expense	31.9	28.3
Other income, net	(0.6)	(12.4)
Income before income taxes	7.7	145.2
Provision for income taxes	3.8	31.6
Net income	3.9	113.6
Net income attributable to noncontrolling interest	(0.1)	(0.2)
Net income attributable to Polaris Inc.	\$ 3.8	\$ 113.4
Net income per share attributable to Polaris Inc. common shareholders:		
Basic	\$ 0.07	\$ 1.98
Diluted	\$ 0.07	\$ 1.95
Weighted average shares outstanding:		
Basic	56.9	57.4
Diluted	57.2	58.1

The accompanying footnotes are an integral part of these consolidated statements.

POLARIS INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(In millions)
(Unaudited)

	Three months ended March 31,	
	2024	2023
Net income	\$ 3.9	\$ 113.6
Other comprehensive income, net of tax:		
Foreign currency translation adjustments	(11.0)	14.1
Unrealized gain (loss) on derivative instruments	5.0	(1.4)
Retirement plan and other activity	(0.1)	0.1
Comprehensive income (loss)	(2.2)	126.4
Comprehensive income attributable to noncontrolling interest	(0.1)	(0.2)
Comprehensive income (loss) attributable to Polaris Inc.	<u><u>\$ (2.3)</u></u>	<u><u>\$ 126.2</u></u>

The accompanying footnotes are an integral part of these consolidated statements.

POLARIS INC.
CONSOLIDATED STATEMENTS OF EQUITY
(In millions)
(Unaudited)

	Number of Shares	Common Stock	Additional Paid-In Capital	Retained Earnings	Accumulated Comprehensive (Loss)	Other Comprehensive Income	Non Controlling Interest	Total Equity
Balance, December 31, 2023	56.5	\$ 0.6	\$ 1,231.8	\$ 243.5	\$ (57.5)	\$ 2.4	\$ 1,420.8	
Employee stock compensation	0.2	—	12.5	—	—	—	—	12.5
Deferred compensation	—	—	(0.4)	(0.5)	—	—	—	(0.9)
Proceeds from stock issuances under employee plans	—	—	3.7	—	—	—	—	3.7
Cash dividends paid ⁽¹⁾	—	—	—	(37.3)	—	—	—	(37.3)
Repurchase and retirement of common shares	(0.2)	—	(3.8)	(12.2)	—	—	—	(16.0)
Net income	—	—	—	3.8	—	0.1	—	3.9
Other comprehensive loss	—	—	—	—	(6.1)	—	—	(6.1)
Balance, March 31, 2024	56.5	\$ 0.6	\$ 1,243.8	\$ 197.3	\$ (63.6)	\$ 2.5	\$ 1,380.6	

	Number of Shares	Common Stock	Additional Paid-In Capital	Retained Earnings (Accumulated Deficit)	Accumulated Comprehensive (Loss)	Other Comprehensive Income	Non Controlling Interest	Total Equity
Balance, December 31, 2022	57.0	\$ 0.6	\$ 1,152.1	\$ 33.8	\$ (87.5)	\$ 2.5	\$ 1,101.5	
Employee stock compensation	0.3	—	14.7	—	—	—	—	14.7
Deferred compensation	—	—	(0.1)	(1.1)	—	—	—	(1.2)
Proceeds from stock issuances under employee plans	0.1	—	13.2	—	—	—	—	13.2
Cash dividends paid ⁽¹⁾	—	—	—	(37.0)	—	—	—	(37.0)
Repurchase and retirement of common shares	(0.5)	—	(11.0)	(51.8)	—	—	—	(62.8)
Net income	—	—	—	113.4	—	0.2	—	113.6
Other comprehensive income	—	—	—	—	12.8	—	—	12.8
Balance, March 31, 2023	56.9	\$ 0.6	\$ 1,168.9	\$ 57.3	\$ (74.7)	\$ 2.7	\$ 1,154.8	

⁽¹⁾ Polaris Inc. declared and paid a dividend of \$ 0.66 per share for the three month period ended March 31, 2024 and a dividend of \$ 0.65 per share for the three month period ended March 31, 2023.

The accompanying footnotes are an integral part of these consolidated statements.

POLARIS INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In millions)
(Unaudited)

	Three months ended March 31,	
	2024	2023
Operating Activities:		
Net income	\$ 3.9	\$ 113.6
Adjustments to reconcile net income to net cash provided by (used for) operating activities:		
Depreciation and amortization	62.9	61.8
Noncash compensation	12.5	14.7
Noncash income from financial services	(13.8)	(8.7)
Deferred income taxes	(4.3)	(10.5)
Other, net	(0.6)	(0.7)
Changes in operating assets and liabilities:		
Trade receivables	46.4	19.1
Inventories	(161.0)	(47.6)
Accounts payable	68.6	20.3
Accrued expenses	(128.0)	(65.2)
Income taxes payable/receivable	(5.9)	29.5
Prepaid expenses and other, net	13.9	(2.1)
Net cash provided by (used for) operating activities	(105.4)	124.2
Investing Activities:		
Purchase of property and equipment	(72.1)	(94.4)
Distributions from (investment in) finance affiliate, net	15.4	5.3
Net cash used for investing activities	(56.7)	(89.1)
Financing Activities:		
Borrowings under financing obligations	842.0	573.4
Repayments under financing obligations	(676.7)	(528.4)
Repurchase and retirement of common shares	(16.0)	(62.8)
Cash dividends to shareholders	(37.3)	(37.0)
Proceeds from stock issuances under employee plans	3.7	13.2
Net cash provided by (used for) financing activities	115.7	(41.6)
Impact of currency exchange rates on cash balances	(2.8)	4.9
Net decrease in cash, cash equivalents and restricted cash	(49.2)	(1.6)
Cash, cash equivalents and restricted cash at beginning of period	382.9	339.7
Cash, cash equivalents and restricted cash at end of period	\$ 333.7	\$ 338.1
Supplemental Cash Flow Information:		
Interest paid on financing obligations	\$ 37.6	\$ 31.8
Income taxes paid	\$ 15.8	\$ 12.2
Leased assets obtained for operating lease liabilities	\$ 7.6	\$ 5.1
The following presents the classification of cash, cash equivalents and restricted cash within the consolidated balance sheets:		
Cash and cash equivalents	\$ 318.8	\$ 322.9
Other long-term assets	14.9	15.2
Total	\$ 333.7	\$ 338.1

The accompanying footnotes are an integral part of these consolidated statements.

POLARIS INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 1. Basis of Presentation and Significant Accounting Policies

Basis of presentation. The accompanying unaudited consolidated financial statements of Polaris Inc. ("Polaris" or the "Company") have been prepared in accordance with accounting principles generally accepted in the United States for interim financial statements and, therefore, do not include all information and disclosures of results of operations, financial position, and changes in cash flow in conformity with accounting principles generally accepted in the United States for complete financial statements. Accordingly, such statements should be read in conjunction with the Company's Annual Report on Form 10-K for the year ended December 31, 2023 previously filed with the Securities and Exchange Commission ("SEC"). In the opinion of management, such statements reflect all adjustments (which include only normal recurring adjustments) necessary for a fair presentation of the financial position, results of operations, equity, and cash flows for the periods presented. Due to the seasonality trends for certain products and certain changes in production and shipping cycles, results of such periods are not necessarily indicative of the results to be expected for the complete year.

Fair value measurements. Fair value is the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. Assets and liabilities measured at fair value are classified using the following hierarchy, which is based upon the transparency of inputs to the valuation as of the measurement date:

Level 1 — Quoted prices in active markets for identical assets or liabilities.

Level 2 — Observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 — Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

In making fair value measurements, observable market data must be used when available. When inputs used to measure fair value fall within different levels of the hierarchy, the level within which the fair value measurement is categorized is based on the lowest level input that is significant to the fair value measurement. The Company utilizes the market approach to measure fair value for its non-qualified deferred compensation assets and liabilities, and the income approach for foreign currency contracts, interest rate contracts, and commodity contracts. The market approach uses prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities, and for the income approach, the Company uses significant other observable inputs to value its derivative instruments used to hedge foreign currency, interest rate transactions, and commodity transactions.

Assets and liabilities measured at fair value on a recurring basis are summarized below (in millions):

	Input Level	March 31, 2024		December 31, 2023	
Assets					
Non-qualified deferred compensation assets	Level 1	\$	48.1	\$	46.7
Foreign exchange contracts, net	Level 2	\$	6.3	\$	4.6
Interest rate contracts, net	Level 2	\$	4.7	\$	0.9
Liabilities					
Non-qualified deferred compensation liabilities	Level 1	\$	(48.1)	\$	(46.7)
Commodity contracts, net	Level 2	\$	(1.7)	\$	(1.3)

Fair value of other financial instruments. The carrying values of the Company's short-term financial instruments, including cash and cash equivalents, trade receivables, accounts payable and current financing obligations, approximate their fair values due to their short-term nature. As of March 31, 2024 and December 31, 2023, the fair value of the Company's long-term financing obligations was approximately \$2,099.2 million and \$1,954.3 million, respectively, and was determined primarily using Level 2 inputs by discounting projected cash flows based on quoted market rates at which similar amounts of debt could currently be borrowed. The carrying value of long-term financing obligations was \$2,068.2 million and \$1,908.4 million as of March 31, 2024 and December 31, 2023, respectively.

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Property and equipment. The Company recorded \$58.4 million and \$57.4 million of depreciation expense for the three months ended March 31, 2024 and 2023, respectively. A majority of the Company's property and equipment is located in North America.

Product warranties. The activity in the warranty reserve during the periods presented was as follows (in millions):

	Three months ended March 31,	
	2024	2023
Balance at beginning of period	\$ 181.1	\$ 172.9
Additions charged to expense	40.8	44.5
Warranty claims paid, net	(53.5)	(63.4)
Balance at end of period	\$ 168.4	\$ 154.0

New accounting pronouncements.

Reportable Segment Disclosures. In November 2023, the Financial Accounting Standards Board issued Accounting Standards Update ("ASU") 2023-07, "Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures". ASU 2023-07 is intended to enhance financial reporting by requiring incremental disclosures for significant segment expenses on an annual and interim basis by public entities required to report segment information in accordance with Accounting Standards Codification Topic 280. The amendments in ASU 2023-07 are to be applied retrospectively to all periods presented in the financial statements and early adoption is permitted. This standard will be applicable to the Company for the 2024 annual period and quarterly periods thereafter. The Company is evaluating its disclosure approach for ASU 2023-07 and anticipates adopting the standard for its Annual Report on Form 10-K for the year ended December 31, 2024 and filings thereafter.

SEC Climate Disclosure Rules. In March 2024, the SEC issued its final climate disclosure rule, which requires the disclosure of material Scope 1 and Scope 2 greenhouse gas emissions and other climate-related topics in annual reports and registration statements. For large accelerated filers, disclosure requirements will begin phasing in for fiscal years beginning on or after January 1, 2025. The Company is currently evaluating the impact these rules will have on its consolidated financial statements and related disclosures.

Apart from the items discussed above and in our Annual Report on Form 10-K for the year ended December 31, 2023, there are no other new accounting pronouncements that are expected to have a significant impact on the Company's consolidated financial statements or related disclosures.

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Note 2. Supplemental Balance Sheet Information

<i>In millions</i>	March 31, 2024	December 31, 2023
Inventories		
Raw materials and purchased components	\$ 795.2	\$ 779.3
Service parts, garments and accessories	345.8	346.9
Finished goods	912.8	779.4
Less: reserves	(101.0)	(95.1)
Inventories, net	\$ 1,952.8	\$ 1,810.5
Property and equipment		
Land, buildings and improvements	\$ 661.0	\$ 653.4
Equipment and tooling	1,779.9	1,731.8
	2,440.9	2,385.2
Less: accumulated depreciation	(1,226.0)	(1,183.7)
Property and equipment, net	\$ 1,214.9	\$ 1,201.5
Accrued expenses		
Compensation	\$ 114.7	\$ 212.7
Warranties	168.4	181.1
Sales promotions and incentives	241.1	230.9
Dealer holdback	165.2	193.2
Other accrued expenses	298.7	305.7
Total accrued expenses	\$ 988.1	\$ 1,123.6
Other current liabilities		
Current operating lease liabilities	\$ 30.0	\$ 29.5
Income taxes payable	9.5	13.6
Total other current liabilities	\$ 39.5	\$ 43.1
Other long-term liabilities		
Long-term operating lease liabilities	\$ 114.6	\$ 115.1
Long-term income taxes payable	12.4	12.1
Deferred tax liabilities	2.7	2.7
Other long-term liabilities	171.1	167.1
Total other long-term liabilities	\$ 300.8	\$ 297.0

Note 3. Revenue Recognition

The Company recognizes revenue when it satisfies a performance obligation by transferring control of a good or service to a customer. Revenue is measured based on the amount of consideration that the Company expects to be entitled to in exchange for the goods or services transferred. Sales, value add, and other taxes that are collected from a customer concurrent with revenue-producing activities are excluded from revenue. Revenue from goods and services transferred to customers at a point-in-time accounts for the majority of the Company's revenue. Revenue from products or services transferred over time is discussed in the contract liabilities section below.

The following tables disaggregate the Company's revenue by major product type and geography (in millions):

	Three months ended March 31, 2024					
	Off Road	On Road	Marine	Total		
Revenue by product type						
Wholegoods	\$ 976.3	\$ 225.5	\$ 123.5	\$ 1,325.3		
PG&A	359.4	51.7	—	411.1		
Total revenue	<u>\$ 1,335.7</u>	<u>\$ 277.2</u>	<u>\$ 123.5</u>	<u>\$ 1,736.4</u>		
Revenue by geography						
United States	\$ 1,091.3	\$ 131.8	\$ 119.7	\$ 1,342.8		
Canada	86.0	12.8	2.6	101.4		
EMEA	94.4	122.6	0.2	217.2		
APLA	64.0	10.0	1.0	75.0		
Total revenue	<u>\$ 1,335.7</u>	<u>\$ 277.2</u>	<u>\$ 123.5</u>	<u>\$ 1,736.4</u>		
	Three months ended March 31, 2023					
	Off Road	On Road	Marine	Total		
Revenue by product type						
Wholegoods	\$ 1,250.4	\$ 267.2	\$ 264.4	\$ 1,782.0		
PG&A	341.4	56.3	—	397.7		
Total revenue	<u>\$ 1,591.8</u>	<u>\$ 323.5</u>	<u>\$ 264.4</u>	<u>\$ 2,179.7</u>		
Revenue by geography						
United States	\$ 1,279.8	\$ 157.6	\$ 257.2	\$ 1,694.6		
Canada	128.4	12.4	6.8	147.6		
EMEA	117.7	134.9	—	252.6		
APLA	65.9	18.6	0.4	84.9		
Total revenue	<u>\$ 1,591.8</u>	<u>\$ 323.5</u>	<u>\$ 264.4</u>	<u>\$ 2,179.7</u>		

For the majority of wholegood vehicles, boats, and parts, garments, and accessories ("PG&A"), the Company transfers control and recognizes a sale when it ships the product from its manufacturing facility, distribution center, or vehicle holding center to the customer. The amount of consideration the Company receives and revenue it recognizes varies with changes in marketing incentives and rebates it offers to its customers. Payment terms vary by customer and most of the Company's sales are financed by the customer under floorplan financing arrangements whereby the Company receives payment within a few days of shipment of the product.

When the right of return exists, the Company adjusts the consideration for the estimated effect of returns. The Company estimates expected returns based on historical sales levels, the timing and magnitude of historical sales return levels as a percent of sales, type of product, type of customer, and a projection of this experience into the future. The Company adjusts its estimate of revenue at the earlier of when the most likely amount of consideration it expects to receive changes or when the consideration becomes fixed.

Depending on the terms of the arrangement, the Company may also defer the recognition of a portion of the consideration received because it has to satisfy a future obligation. The Company uses an observable price to determine the stand-alone selling price for separate performance obligations. The Company has elected to recognize the cost for freight and shipping when control over vehicles, boats, or PG&A has transferred to the customer as an expense in cost of sales.

The Company sells separately-priced extended service contracts ("ESCs") that extend mechanical coverages beyond the base limited warranty as well as prepaid maintenance agreements to vehicle owners. Each of these separately-priced service contracts range from 12 months to 84 months. The Company typically receives payment at the inception of the contract and recognizes revenue over the term of the agreement in proportion to the costs expected to be incurred in satisfying the obligations under the contract.

Contract Liabilities. Contract liabilities relate to deferred revenue recognized for cash consideration received at contract inception in advance of the Company's performance under the respective contract and generally relate to the sale of separately-priced ESCs. The Company finances its self-insured risks related to ESCs. The premiums for ESCs are primarily recognized in income in proportion to the costs expected to be incurred over the contract period. Warranty costs are recognized as incurred.

The activity in the deferred revenue reserve for ESCs during the periods presented was as follows (in millions):

	Three months ended March 31,	
	2024	2023
Balance at beginning of period	\$ 110.3	\$ 111.1
New contracts sold	14.2	13.7
Revenue recognized on existing contracts	(12.2)	(13.3)
Balance at end of period	<u>\$ 112.3</u>	<u>\$ 111.5</u>

The Company expects to recognize approximately \$ 35.9 million of the unearned amount over the 12 months following March 31, 2024, compared to \$ 35.6 million as of March 31, 2023. These amounts were recorded in accrued expenses in the consolidated balance sheets. The amount recorded in other long-term liabilities totaled \$76.4 million and \$75.9 million as of March 31, 2024 and 2023, respectively.

Note 4. Share-Based Compensation

Total share-based compensation expenses were as follows (in millions):

	Three months ended March 31,	
	2024	2023
Option awards	\$ 5.3	\$ 5.8
Other share-based awards	5.0	6.2
Total share-based compensation before tax	10.3	12.0
Tax benefit	2.5	2.8
Total share-based compensation expense included in net income	<u>\$ 7.8</u>	<u>\$ 9.2</u>

In addition to the above share-based compensation expenses, the Company sponsors a qualified non-leveraged employee stock ownership plan ("ESOP"). Shares allocated to eligible participants' accounts vest at various percentage rates based on years of service and require no cash payments from the recipient.

As of March 31, 2024, there was \$ 83.3 million of total unrecognized share-based compensation expense related to unvested share-based equity awards. Unrecognized share-based compensation expense is expected to be recognized over a weighted-average period of 2.0 years. Included in unrecognized share-based compensation expense was approximately \$11.9 million related to stock options and \$ 71.4 million for restricted stock.

Note 5. Financing Agreements

The carrying value of financing obligations and the average related interest rates were as follows (in millions):

	Average interest rate as of March 31, 2024	Maturity	March 31, 2024	December 31, 2023
Revolving loan facility	5.71%	June 2026	\$ 401.0	\$ 228.2
Term loan facility	6.56%	June 2026	768.0	780.0
Private senior notes	4.23%	July 2028	350.0	350.0
Public senior notes	6.95%	March 2029	500.0	500.0
Finance lease obligations	5.23%	Various through 2029	9.6	10.3
Notes payable and other	4.27%	Various through 2030	53.0	54.2
Unamortized debt issuance costs and discounts			(13.4)	(14.3)
Total financing obligations			\$ 2,068.2	\$ 1,908.4
Less: Current financing obligations			54.0	54.0
Total long-term financing obligations			\$ 2,014.2	\$ 1,854.4

Debt issuance costs and discounts are recognized as a reduction in the carrying value of the related long-term debt in the consolidated balance sheets and are being amortized to interest expense in the consolidated statements of income over the expected remaining terms of the related debt.

As of March 31, 2024, the Company had open letters of credit totaling \$ 38.3 million. The amounts are primarily related to inventory purchases and are reduced as the purchases are received.

Private senior notes. In December 2010, the Company entered into an unsecured Master Note Purchase Agreement, which has been amended and supplemented, under which it has issued senior notes. In July 2018, the Company issued \$350 million of unsecured senior notes that remain outstanding as of March 31, 2024 and are due in full in July 2028.

Unsecured credit facility. The Company maintains an unsecured credit facility which consists of a term loan facility (the "Term Loan Facility") and a revolving loan facility (the "Revolving Loan Facility"). In July 2018, the Company amended the credit facility to increase its Term Loan Facility to \$1,180 million, of which \$768.0 million was outstanding as of March 31, 2024. The Company is required to make principal payments under the Term Loan Facility totaling \$45.0 million over the next 12 months. In June 2021, the Company further amended the credit facility to increase its Revolving Loan Facility to \$1.0 billion, of which \$401.0 million was outstanding as of March 31, 2024, and extend the maturity date to June 2026. Interest is charged at rates based on adjusted Term SOFR plus the applicable add-on percentage as defined.

In November 2023, the Company amended the credit facility to terminate all guarantees provided by subsidiaries of the Company under the credit facility, remove the requirement for subsidiaries of the Company to provide guarantees of the obligations under the credit facility, and remove certain subsidiaries of the Company as co-borrowers.

The agreements governing the credit facility and the Master Note Purchase Agreement contain covenants that require the Company to maintain certain financial ratios, including minimum interest coverage and maximum leverage ratios. The agreements require the Company to maintain an interest coverage ratio of not less than 3.00 to 1.00 and a leverage ratio of not more than 3.50 to 1.00 on a rolling four quarter basis. The Company was in compliance with all such covenants as of March 31, 2024.

Public senior notes. In November 2023, the Company issued \$ 500 million aggregate principal amount of 6.95% Senior Notes pursuant to a public offering. The Company received approximately \$492 million in net proceeds from the notes offering after deducting the underwriting discount and other fees and expenses. The notes bear interest at a rate of 6.95% per year, with interest payable semi-annually in arrears in March and September of each year. The notes mature in March of 2029. The indenture governing the notes is subject to customary covenants and make-whole provisions upon early redemption.

Acquisition-related deferred payments. On July 2, 2018, pursuant to the Agreement and Plan of Merger dated May 29, 2018, the Company completed the acquisition of Boat Holdings, LLC, a privately held Delaware limited liability company, headquartered in Elkhart, Indiana that manufactures boats ("Boat Holdings"). As a component of the Boat Holdings merger agreement, the Company has committed to make a series of deferred payments to the former owners following the closing date of the merger through July 2030. The original discounted payable was for \$76.7 million, of which \$49.4 million was outstanding as of March 31, 2024. The outstanding balance is included in long-term financing obligations and current financing obligations in the consolidated balance sheets.

Note 6. Goodwill and Other Intangible Assets

Goodwill and other intangible assets, net of accumulated amortization, as of March 31, 2024 and December 31, 2023 were as follows (in millions):

	March 31, 2024	December 31, 2023
Goodwill	\$ 392.4	\$ 394.4
Other intangible assets, net	507.3	512.0
Total goodwill and other intangible assets, net	\$ 899.7	\$ 906.4

The changes in the carrying amount of goodwill by reportable segment for the three months ended March 31, 2024 and 2023 were as follows (in millions):

	Off Road	On Road	Marine	Total
Balance as of December 31, 2023	\$ 116.6	\$ 50.7	\$ 227.1	\$ 394.4
Currency translation effect on foreign goodwill balances	(0.4)	(1.6)	—	(2.0)
Balance as of March 31, 2024	\$ 116.2	\$ 49.1	\$ 227.1	\$ 392.4

	Off Road	On Road	Marine	Total
Balance as of December 31, 2022	\$ 110.7	\$ 48.4	\$ 227.1	\$ 386.2
Currency translation effect on foreign goodwill balances	0.1	1.2	—	1.3
Balance as of March 31, 2023	\$ 110.8	\$ 49.6	\$ 227.1	\$ 387.5

The components of other intangible assets were as follows (\$ in millions):

	Weighted-average useful life (years)	March 31, 2024			December 31, 2023		
		Cost	Accumulated amortization	Net	Accumulated amortization		Net
					Cost	Accumulated amortization	
Amortizable - dealer/customer related	19	\$ 341.2	\$ (101.6)	\$ 239.6	\$ 341.2	\$ (97.2)	\$ 244.0
Non-amortizable - brand/trade names		267.7	—	267.7	268.0	—	268.0
Total other intangible assets, net		\$ 608.9	\$ (101.6)	\$ 507.3	\$ 609.2	\$ (97.2)	\$ 512.0

Amortization expense for other intangible assets was \$ 4.5 million and \$4.4 million for the three months ended March 31, 2024 and 2023, respectively. Estimated future amortization expense for identifiable other intangible assets during the next five years is as follows (in millions):

	Remainder 2024	2025	2026	2027	2028	2029
Estimated amortization expense	\$ 13.2	\$ 17.7	\$ 17.7	\$ 17.7	\$ 17.7	\$ 17.7

The preceding expected amortization expense is an estimate and actual amounts could differ due to additional other intangible asset acquisitions, changes in foreign currency rates, or impairments of other intangible assets.

Note 7. Shareholders' Equity

Share repurchase program. During the three months ended March 31, 2024, the Company paid \$ 16.0 million to repurchase approximately 0.2 million shares of its common stock. As of March 31, 2024, the Board of Directors has authorized the Company to repurchase up to an additional \$1,175.1 million of the Company's common stock.

Dividends. Cash dividends declared and paid per common share for the three months ended March 31, 2024 and 2023 were as follows:

	Three months ended March 31,	
	2024	2023
Cash dividends declared and paid per common share	\$ 0.66	\$ 0.65

Net income per share. Basic net income per share was computed by dividing net income available to common shareholders by the weighted-average number of common shares outstanding during each period, including shares earned under the Deferred Compensation Plan for Directors ("Director Plan"), the ESOP and deferred stock units under the 2007 Omnibus Incentive Plan ("Omnibus Plan"). Diluted net income per share was computed under the treasury stock method and was calculated to compute the dilutive effect of outstanding stock options and certain share-based awards issued under the Omnibus Plan. Reconciliations of these amounts are as follows (in millions):

	Three months ended March 31,	
	2024	2023
Weighted average number of common shares outstanding	56.5	57.0
Director Plan and deferred stock units	0.2	0.2
ESOP	0.2	0.2
Common shares outstanding—basic	56.9	57.4
Dilutive effect of restricted stock units	0.2	0.4
Dilutive effect of stock option awards	0.1	0.3
Common and potential common shares outstanding—diluted	57.2	58.1

During the three months ended March 31, 2024, the number of options that were not included in the computation of diluted net income per share because the option exercise price was greater than the market price, and therefore the effect would have been anti-dilutive, was 2.0 million compared to 1.7 million for the same period in 2023.

Accumulated other comprehensive loss. Changes in the accumulated other comprehensive loss balance were as follows (in millions):

	Foreign Currency Translation	Cash Flow Hedging Derivatives	Retirement Plan Activity	Accumulated Other Comprehensive Loss
Balance as of December 31, 2023	\$ (62.6)	\$ 1.7	\$ 3.4	\$ (57.5)
Reclassification to the statement of income	—	(5.8)	(0.1)	(5.9)
Change in fair value	(11.0)	10.8	—	(0.2)
Balance as of March 31, 2024	<u>\$ (73.6)</u>	<u>\$ 6.7</u>	<u>\$ 3.3</u>	<u>\$ (63.6)</u>

See Note 10 for the amount of gains and losses, net of tax, reclassified from accumulated other comprehensive loss into the statements of income for cash flow derivatives designated as hedging instruments.

Note 8. Financial Services Arrangements

Polaris Acceptance, a joint venture between the Company and Wells Fargo Commercial Distribution Finance Corporation, a direct subsidiary of Wells Fargo Bank, N.A., which is supported by a partnership agreement between their respective wholly owned subsidiaries, finances substantially all of the Company's United States sales of off-road vehicles, snowmobiles, motorcycles, and related PG&A, whereby the Company receives payment within a few days of shipment of the product.

The Company's subsidiary has a 50 percent equity interest in Polaris Acceptance. The Company's allocable share of the income of Polaris Acceptance has been included as a component of income from financial services in the consolidated statements of income. The partnership agreement is effective through February 2027.

The Company's total investment in Polaris Acceptance was \$ 139.6 million as of March 31, 2024 and is accounted for under the equity method and recorded in investment in finance affiliate in the consolidated balance sheets. As of March 31, 2024, the outstanding amount of net receivables financed for dealers under this arrangement was \$1,880.4 million.

The Company has agreed to repurchase products repossessed by Polaris Acceptance up to an annual maximum of 15 percent of the aggregate average month-end outstanding Polaris Acceptance receivables and Securitized Receivables during the prior calendar year. For calendar year 2024, the potential 15 percent aggregate repurchase obligation is approximately \$219.1 million.

A subsidiary of Huntington Bancshares Incorporated ("Huntington") finances a portion of the Company's United States sales of boats whereby the Company receives payment within a few days of shipment of the product. The Company has agreed to repurchase products repossessed by Huntington up to a maximum of 100 percent of the aggregate outstanding Huntington receivables balance. As of March 31, 2024, the potential aggregate repurchase obligation was approximately \$363.3 million.

The Company has other financing arrangements related to its foreign subsidiaries in which it has agreed to repurchase repossessed products. For calendar year 2024, the potential aggregate repurchase obligations are approximately \$43.1 million.

The Company's financial exposure under these repurchase agreements is limited to the difference between the amounts unpaid by the dealer or distributor with respect to the repossessed product plus costs of repossession and the amount received on the resale of the repossessed product. No material losses have been incurred under these agreements during the periods presented.

The Company has agreements with third-party financing companies to provide financing options to end consumers of the Company's products. The Company has no material contingent liabilities for residual value or credit collection risk under these agreements. The Company's income generated from these agreements has been included as a component of income from financial services in the consolidated statements of income.

Note 9. Commitments and Contingencies

Product liability. The Company is subject to product liability claims in the normal course of business. The Company purchases excess insurance coverage annually for product liability claims, which is subject to self-insured retention and aggregate limits. The estimated costs resulting from any losses are charged to operating expenses when it is probable a loss has been incurred and the amount of the loss is reasonably estimable. The Company utilizes historical trends and actuarial analysis, along with an analysis of current claims, to assist in determining the appropriate loss reserve levels. As of March 31, 2024, the Company had an accrual of \$135.2 million for the probable payment of pending claims related to product liability litigation associated with the Company's products. This accrual is included as a component of accrued expenses in the consolidated balance sheets.

Litigation. The Company is subject to lawsuits and claims arising in the normal course of business, including matters related to intellectual property, commercial matters, employment, product liability claims and putative class actions. Additional details about certain of the pending putative class actions are provided in Part II, Item 1 – Legal Proceedings.

In the opinion of management, it is presently unlikely that any legal proceedings pending against or involving the Company will have a material adverse effect on the Company's financial position, results of operations, or cash flows. However, in many of these matters, it is inherently difficult to determine whether a loss is probable or reasonably possible or to estimate the size or range of the possible loss given the variety of potential outcomes of actual and potential claims, including legal proceedings seeking punitive damages for certain policy years for which we may not be insured, the uncertainty of future rulings, possible class certification, the behavior or incentives of adverse parties, and other factors outside of the control of the Company. Accordingly, the Company's loss reserve may change from time to time, and actual losses could exceed the amounts accrued by an amount that could be material to the Company's consolidated financial position, results of operations, or cash flows in any particular reporting period.

Regulatory. In the normal course of business, the Company's products are subject to extensive laws and regulations relating to safety, environmental, and other regulations promulgated by the United States federal government and individual states, as well as international regulatory authorities. Failure to comply with applicable regulations could result in fines, penalties, or other costs.

Note 10. Derivative Instruments and Hedging Activities

The Company is exposed to certain risks from fluctuations in foreign currency exchange rates, interest rates, and commodity prices. To reduce its exposure to such risks, the Company selectively uses derivative financial instruments. The decision of whether and when to execute derivative instruments, along with the duration of the instrument, may vary from period to period depending on market conditions, the relative costs of the instruments and capacity to hedge. The duration is linked to the timing of the underlying exposure, with the connection between the two being regularly monitored. The Company does not use any financial contracts for trading purposes. The derivative contracts contain credit risk to the extent that our bank counterparties may be unable to meet the terms of the agreements. The amount of such credit risk is generally limited to the unrealized gains, if any, in such contracts. Such risk is minimized by limiting those counterparties to major financial institutions of high credit quality and spreading the risk among such financial institutions.

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The Company conducts business in various locations throughout the world and is subject to market risk associated with certain product sourcing activities and intercompany cash flows due to changes in the value of foreign currencies in relation to its reporting currency, the U.S. dollar. The Company's foreign currency management objective is to mitigate the potential impact of currency fluctuations on the value of its U.S. dollar cash flows and to reduce the variability of certain cash flows at the subsidiary level. The Company actively manages certain forecasted foreign currency exposures and uses a centralized currency management operation to take advantage of potential opportunities to naturally offset foreign currency exposures. The Company utilizes foreign currency exchange contracts to mitigate the effects of foreign currency exchange rate fluctuations related to the Australian dollar, Canadian dollar, and Mexican peso. The Company's foreign currency exchange contracts, with maturities of less than one year, met the criteria to be accounted for as cash flow hedges during the periods presented.

The Company mitigates its interest rate risk by managing its exposure to fixed and variable rates while attempting to optimize its interest costs. The Company enters into interest rate swap transactions to hedge the variable interest rate payments for the Term Loan Facility. In connection with these contracts, the Company pays interest based upon a fixed rate and receives variable rate interest payments based on adjusted Term SOFR plus the applicable add-on percentage as defined. These contracts, with maturities through February 2026, met the criteria to be accounted for as cash flow hedges during the periods presented.

Commodity hedging contracts are entered into in order to manage fluctuating market prices of certain purchased commodities and raw materials that are integrated into the Company's end products. The Company's commodity contracts, with maturities of less than one year, met the criteria to be accounted for as cash flow hedges during the periods presented.

The notional and fair values of the Company's derivative financial instruments designated as cash flow hedges were as follows (in millions):

	March 31, 2024			December 31, 2023		
	Notional Value (in U.S. Dollars)	Fair Value — Assets	Fair Value — Liabilities	Notional Value (in U.S. Dollars)	Fair Value — Assets	Fair Value — Liabilities
Foreign currency contracts	\$ 190.0	\$ 6.7	\$ (0.4)	\$ 250.3	\$ 6.5	\$ (1.9)
Interest rate contracts	400.0	4.7	—	400.0	0.9	—
Commodity contracts	58.7	0.1	(1.8)	84.6	2.1	(3.4)
Total	\$ 648.7	\$ 11.5	\$ (2.2)	\$ 734.9	\$ 9.5	\$ (5.3)

Assets are included in prepaid expenses and other and liabilities are included in accrued expenses in the consolidated balance sheets. Assets and liabilities are offset in the consolidated balance sheet if the right of offset exists.

The amounts of gains and losses related to the Company's derivative financial instruments designated as cash flow hedges were as follows (in millions):

Derivatives Designated as Cash Flow Hedges	Three Months Ended March 31, 2024		
	Gain (Loss)		Gain Recognized in OCI
	Location of Gain (Loss) Reclassified from Accumulated OCI	Reclassified from AOCI into Income	
Foreign currency contracts	Cost of sales	\$ 5.0	\$ 1.3
Interest rate contracts	Interest expense	1.5	2.9
Commodity contracts	Cost of sales	(0.7)	0.8
Total		\$ 5.8	\$ 5.0

Derivatives Designated as Cash Flow Hedges	Three Months Ended March 31, 2023		
	Gain (Loss)		Gain (Loss) Recognized in OCI
	Location of Gain (Loss) Reclassified from Accumulated OCI	Reclassified from AOCI into Income	
Foreign currency contracts	Other income, net	\$ 3.2	\$ 2.4
Interest rate contracts	Interest expense	3.2	(4.8)
Commodity contracts	Cost of sales	(0.4)	1.0
Total		\$ 6.0	\$ (1.4)

The unrealized gains or losses, after tax, are recorded as a component of accumulated other comprehensive loss in shareholders' equity. Gains and losses on derivative instruments representing either hedge ineffectiveness or hedge components excluded from the assessment of effectiveness are recognized currently in the consolidated statements of income and were not material for the periods presented.

The net amount of the existing gains or losses as of March 31, 2024 that is expected to be reclassified into the statements of income within the next 12 months is not expected to be material.

Note 11. Segment Reporting

The Company's reportable segments are based on the Company's method of internal reporting and are comprised of various product offerings that serve multiple end markets. These results are not necessarily indicative of the results of operations that would have occurred had each segment been an independent, stand-alone entity during the periods presented. The internal reporting of these operating segments is based, in part, on the reporting and review process used by the Company's Chief Executive Officer. The Company has three operating segments: 1) Off Road, 2) On Road, and 3) Marine, which are all reportable segments. The Corporate amounts include costs that are not allocated to segments, including certain unallocated manufacturing costs and the impacts from certain foreign currency transactions.

Segment sales and gross profit data is summarized as follows (in millions):

	Three months ended March 31,	
	2024	2023
Sales		
Off Road	\$ 1,335.7	\$ 1,591.8
On Road	277.2	323.5
Marine	123.5	264.4
Total sales	\$ 1,736.4	\$ 2,179.7
Gross profit		
Off Road	\$ 233.0	\$ 331.6
On Road	60.4	69.2
Marine	19.2	61.5
Corporate	17.7	6.9
Total gross profit	\$ 330.3	\$ 469.2

Item 2 – MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion pertains to the results of operations and financial position of Polaris Inc., a Delaware corporation, for the three month period ended March 31, 2024 compared to the three month period ended March 31, 2023. The terms “Polaris,” the “Company,” “we,” “us,” and “our” as used herein refer to the business and operations of Polaris Inc., its subsidiaries and its predecessors, which began doing business in 1954. We design, engineer, manufacture and market powersports vehicles which include: off-road vehicles (“ORV”), including all-terrain vehicles (“ATV”) and side-by-side vehicles; military and commercial ORVs; snowmobiles; motorcycles; moto-roadsters; quadricycles; and boats. We also design and manufacture or source parts, garments and accessories (“PG&A”), which includes aftermarket accessories and apparel. Due to the seasonal trends for certain products and certain changes in production and shipping cycles, results of such periods are not necessarily indicative of the results to be expected for the complete year. Unless otherwise noted, all “quarter” comparisons are from the first quarter of 2024 to the first quarter of 2023. Estimates related to industry retail sales are unaudited and based on internally-generated management estimates, including estimates based on extrapolations from third-party surveys of the industries in which we compete, and are subject to change.

Overview

First quarter sales totaled \$1,736.4 million, a decrease of 20 percent from last year's first quarter sales of \$2,179.7 million. The decrease in sales for the quarter was primarily due to decreased shipments in all segments and lower net pricing, partially offset by product mix.

Our gross profit of \$330.3 million decreased 30 percent from \$469.2 million in the comparable prior year first quarter. Gross profit, as a percentage of sales, decreased primarily due to higher promotional costs.

Net income attributable to Polaris was \$3.8 million, or \$0.07 per diluted share, compared to 2023 first quarter net income attributable to Polaris of \$113.4 million, or \$1.95 per diluted share. These decreases were primarily the result of decreased shipments in all segments and lower net pricing, partially offset by decreased operating expenses. We reported first quarter Adjusted EBITDA of \$110.0 million, compared to 2023 first quarter Adjusted EBITDA of \$238.1 million. For information on how we define and calculate Adjusted EBITDA, and a reconciliation from net income to Adjusted EBITDA, see “Non-GAAP Financial Measures”.

Consolidated Results of Operations

The consolidated results of operations were as follows:

(\$ in millions except percentages and share data)	Three months ended March 31,		
	2024	2023	Change 2024 vs. 2023
Sales	\$ 1,736.4	\$ 2,179.7	(20) %
Cost of sales	\$ 1,406.1	\$ 1,710.5	(18) %
Gross profit	\$ 330.3	\$ 469.2	(30) %
Percentage of sales	19.0 %	21.5 %	-250 bps
Operating expenses:			
Selling and marketing	\$ 126.4	\$ 137.6	(8) %
Research and development	87.8	96.5	(9) %
General and administrative	99.0	90.8	9 %
Total operating expenses	\$ 313.2	\$ 324.9	(4) %
Percentage of sales	18.0 %	14.9 %	+314 bps
Income from financial services	\$ 21.9	\$ 16.8	30 %
Operating income	\$ 39.0	\$ 161.1	(76) %
Non-operating expense:			
Interest expense	\$ 31.9	\$ 28.3	13 %
Other income, net	\$ (0.6)	\$ (12.4)	(95) %
Income before income taxes	\$ 7.7	\$ 145.2	(95) %
Provision for income taxes	\$ 3.8	\$ 31.6	(88) %
Effective income tax rate	49.3 %	21.7 %	NM
Net income	\$ 3.9	\$ 113.6	(97) %
Net income attributable to noncontrolling interest	(0.1)	(0.2)	(50) %
Net income attributable to Polaris Inc.	\$ 3.8	\$ 113.4	(97) %
Percentage of sales	0.2 %	5.2 %	-499 bps
Adjusted EBITDA	\$ 110.0	\$ 238.1	(54) %
Adjusted EBITDA Margin	6.3 %	10.9 %	-459 bps
Diluted net income per share attributable to Polaris Inc. shareholders	\$ 0.07	\$ 1.95	(96) %
Weighted average diluted shares outstanding	57.2	58.1	(1) %
NM = not meaningful			

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Sales:

The decrease in sales for the quarter was due to decreased shipments and lower net pricing driven by higher promotional costs, partially offset by product mix.

The components of the consolidated sales change were as follows:

	Percent change in total Company sales compared to corresponding period of the prior year	
	Three months ended March 31, 2024	
Volume	(25)	%
Product mix and price	5	
Currency	—	
	(20)	%

The volume decrease for the quarter was primarily the result of decreased snowmobile, Marine, and ORV shipments. These decreases were partially offset by a higher sales mix of ORVs.

Sales by geographic region were as follows:

(\$ in millions)	Three months ended March 31,				
	2024	Percent of Total Sales	2023	Percent of Total Sales	Percent Change 2024 vs. 2023
United States	\$ 1,342.8	77 %	\$ 1,694.6	78 %	(21) %
Canada	101.4	6 %	147.6	7 %	(31) %
Other countries	292.2	17 %	337.5	15 %	(13) %
Total sales	\$ 1,736.4	100 %	\$ 2,179.7	100 %	(20) %

Sales in the United States decreased during the quarter primarily as a result of decreased shipments, partially offset by product mix.

Sales in Canada decreased during the quarter primarily driven by decreased snowmobile shipments. Currency rate movements had an impact of less than one percentage point on quarter-to-date sales.

Sales in other countries, primarily in Europe, decreased during the quarter, primarily driven by lower motorcycle, ORV, and snowmobile shipments. Currency rate movements had a favorable impact of one percentage point on quarter-to-date sales.

Cost of Sales:

The following table reflects our cost of sales in dollars and as a percentage of sales:

(\$ in millions)	Three months ended March 31,				
	2024	Percent of Total Cost of Sales	2023	Percent of Total Cost of Sales	Percent Change 2024 vs. 2023
Purchased materials and services	\$ 1,152.2	82 %	\$ 1,430.9	84 %	(19) %
Labor and benefits	164.8	12 %	186.1	11 %	(11) %
Depreciation and amortization	48.3	3 %	49.0	3 %	(1) %
Warranty costs	40.8	3 %	44.5	2 %	(8) %
Total cost of sales	\$ 1,406.1	100 %	\$ 1,710.5	100 %	(18) %
Percentage of sales	81.0 %		78.5 %		+250 bps

Cost of sales decreased during the quarter primarily due to reduced sales volumes and decreased labor costs.

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Gross Profit:

Gross profit for the quarter, as a percentage of sales, decreased primarily due to lower net pricing driven by higher promotional costs. This decrease was partially offset by favorable operational costs.

Operating Expenses:

Operating expenses, in absolute dollars, decreased for the quarter due to lower selling and marketing and research and development expenses, partially offset by increased general and administrative expenses. Operating expenses, as a percentage of sales, increased for the quarter primarily due to decreased leverage of fixed costs as a result of reduced sales volumes.

Income from Financial Services:

Income from financial services increased 30 percent for the quarter, primarily due to higher wholesale financing income from Polaris Acceptance driven by higher dealer inventory levels.

Interest Expense:

Interest expense increased for the quarter primarily as a result of higher interest rates.

Other income, net:

Other income is primarily the result of currency exchange rate movements and the corresponding effects on currency transactions related to our international subsidiaries.

Provision for income taxes:

The increase in the effective income tax rate for the quarter was primarily due to the impact of unfavorable share-based compensation adjustments on lower pre-tax income generated in the quarter compared to the first quarter of 2023.

Adjusted EBITDA:

Adjusted EBITDA, in absolute dollars, decreased during the quarter primarily due to decreased shipments and unfavorable impacts from foreign currency partially offset by reduced operating expenses. Adjusted EBITDA, as a percentage of sales, decreased during the quarter primarily due to decreased shipments, unfavorable impacts from foreign currency, and higher promotional, warranty and finance costs, partially offset by reduced operating expenses.

Weighted average diluted shares outstanding:

Over the time period within and between the comparable quarterly periods, weighted average diluted shares outstanding decreased, primarily due to share repurchases and a reduction in the dilutive effect of share-based equity awards.

Cash Dividends:

We paid a regular cash dividend of \$0.66 per common share on March 15, 2024 to holders of record at the close of business on March 1, 2024.

Segment Results of Operations

The summary that follows provides a discussion of the results of operations of each of our three reportable segments, Off Road, On Road, and Marine. Each of these segments is comprised of various product offerings that serve multiple end markets. We evaluate performance based on sales and gross profit. The Corporate amounts include costs that are not allocated to segments, including certain unallocated manufacturing costs.

Our sales and gross profit by reporting segment, which includes the respective PG&A, were as follows:

(\$ in millions)	Three months ended March 31,					Percent Change
	2024	Percent of Sales	2023	Percent of Sales	2024 vs. 2023	
Off Road	\$ 1,335.7	77 %	\$ 1,591.8	73 %	(16) %	
On Road	277.2	16 %	323.5	15 %	(14) %	
Marine	123.5	7 %	264.4	12 %	(53) %	
Total sales	\$ 1,736.4	100 %	\$ 2,179.7	100 %	(20) %	

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(\$ in millions)	Three months ended March 31,					
	2024	Percent of Sales	2023	Percent of Sales	Percent Change	2024 vs. 2023
Off Road	\$ 233.0	17.4 %	\$ 331.6	20.8 %	(30) %	
On Road	60.4	21.8 %	69.2	21.4 %	(13) %	
Marine	19.2	15.5 %	61.5	23.3 %	(69) %	
Corporate	17.7		6.9			
Total gross profit	\$ 330.3		\$ 469.2		(30) %	
Percentage of sales	19.0	%	21.5	%	-250 bps	

Off Road:

Off Road sales, inclusive of PG&A sales, decreased 16 percent for the quarter, primarily due to decreased snowmobile and ORV shipments, partially offset by increased PG&A sales. The average per unit sales price for the Off Road segment increased approximately four percent for the quarter primarily due to product mix.

Sales to customers outside of North America decreased 14 percent for the quarter as a result of lower ORV and snowmobile shipments.

Gross profit, as a percentage of sales, decreased during the quarter primarily due to lower net pricing driven by higher promotional costs and higher warranty expense, partially offset by operational improvements.

Additional information on our end markets for the quarter:

- Polaris North America utility unit retail sales up mid-single digits percent
- Polaris North America recreation unit retail sales down low-single digits percent
- Total Polaris North America ORV unit retail sales up low-single digits percent
- Estimated North America industry ORV unit retail sales up low-single digits percent
- Total Polaris North America ORV dealer inventories up approximately 30 percent
- Polaris North America snowmobile unit retail sales for the 2023-2024 season ending March 31, 2024 down low-twenties percent
- Estimated North America industry snowmobile unit retail sales for the 2023-2024 season ending March 31, 2024 down low-double digits percent
- Total Polaris North America snowmobile dealer inventories up approximately 115 percent

On Road:

On Road sales, inclusive of PG&A sales, decreased 14 percent for the quarter, primarily due to decreased shipments. The average per unit sales price for the On Road segment increased approximately one percent for the quarter primarily due to product mix.

Sales to customers outside of North America decreased 14 percent for the quarter primarily as a result of lower Indian Motorcycle shipments in the EMEA region.

Gross profit, as a percentage of sales, increased for the quarter driven by favorable product mix, partially offset by higher warranty expense and lower net pricing driven by higher promotional costs.

Additional information on our end markets for the quarter:

- Indian Motorcycle North America unit retail sales up low-teens percent
- Estimated North America industry 900cc cruiser, touring, and standard motorcycles unit retail sales up low-single digits percent
- Polaris North America motorcycle dealer inventories up approximately 5 percent

Marine:

Marine sales decreased 53 percent for the quarter, primarily due to decreased shipments. The average per unit sales price for the Marine segment increased approximately seven percent for the quarter primarily due to product mix.

Gross profit, as a percentage of sales, decreased for the quarter due to decreased shipments and lower net pricing driven by higher promotional costs.

Additional information on our end markets for the two-month period ended February 2024:

- Polaris U.S pontoon unit retail sales down mid-single digits percent
- Estimated U.S. industry pontoon unit retail sales down low-teens percent
- Polaris U.S deck boat unit retail sales down low-fifties percent
- Estimated U.S. industry deck boat unit retail sales down low-fifties percent

Non-GAAP Financial Measures

To supplement our consolidated financial statements, which are prepared and presented in accordance with GAAP, we use certain non-GAAP financial measures, as described below, to understand and evaluate our core operating performance. These non-GAAP financial measures, which may be different than similarly titled measures used by other companies, are presented to enhance investors' overall understanding of our financial performance and should not be considered a substitute for, or superior to, the financial information prepared and presented in accordance with GAAP.

We use the non-GAAP financial measure of Adjusted EBITDA, which is defined as net income, excluding interest expense, income tax expense, depreciation and amortization, and certain other non-cash, non-recurring, or non-operating items impacting net income from time to time. For example, costs associated with certain corporate restructuring activities, such as acquisitions and divestitures, are included as non-GAAP adjustments. We use the non-GAAP financial measure of Adjusted EBITDA Margin, which is defined as Adjusted EBITDA divided by net sales. We believe that Adjusted EBITDA and Adjusted EBITDA Margin help identify underlying trends in our business that could otherwise be masked by the effect of the expenses that we exclude from Adjusted EBITDA and Adjusted EBITDA Margin.

We believe that these measures provide useful information about our financial performance, enhance the overall understanding of our past performance and future prospects, and allow for greater transparency with respect to key metrics used by our management for financial and operational decision making. We are presenting these non-GAAP measures to assist investors in seeing our financial performance through the eyes of management, and because we believe that these measures provide an additional tool for investors to use in comparing our core financial performance over multiple periods with other companies in our industry.

Adjusted EBITDA has limitations and should not be considered in isolation from, as a substitute for, or more meaningful than, net income as determined in accordance with GAAP. Certain items excluded from Adjusted EBITDA are significant components in understanding and assessing a company's financial performance. Our presentation of Adjusted EBITDA and Adjusted EBITDA Margin should not be construed as an inference that our results will be unaffected by unusual or non-recurring items.

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The following table presents a reconciliation of net income, the most comparable GAAP financial measure, to Adjusted EBITDA for each of the periods presented:

(\$ in millions)	Three months ended March 31,	
	2024	2023
Sales	\$ 1,736.4	\$ 2,179.7
Net income	3.9	113.6
Provision for income taxes	3.8	31.6
Interest expense	31.9	28.3
Depreciation	58.4	57.4
Intangible amortization ⁽¹⁾	4.5	4.4
Acquisition-related costs ⁽²⁾	0.3	—
Restructuring expenses ⁽³⁾	5.4	0.7
Class action litigation expenses ⁽⁴⁾	1.8	2.1
Adjusted EBITDA	\$ 110.0	\$ 238.1
Adjusted EBITDA Margin	6.3	%
	10.9	%

⁽¹⁾ Represents amortization expense for acquisition-related intangible assets

⁽²⁾ Represents adjustments for integration and acquisition-related expenses

⁽³⁾ Represents adjustments for corporate restructuring

⁽⁴⁾ Represents adjustments for certain class action litigation-related expenses

Liquidity and Capital Resources

Our primary sources of liquidity have been cash provided by operating and financing activities, including funds as needed from our credit facility and issuances of long-term debt. Our primary uses of funds have been for new product development, capital investments, cash dividends to shareholders, repurchases and retirements of common stock and acquisitions. The seasonality of production and shipments cause working capital requirements to fluctuate during the year and from year to year.

We believe that existing cash balances and cash flows to be generated from operating activities, borrowing capacity under our credit facility and from future issuances or borrowings of long-term debt, will be sufficient to fund operations, new product development, cash dividends to shareholders, repurchases and retirement of common stock, and capital requirements for at least the next 12 months and for the foreseeable future thereafter.

Cash Flows

The following table summarizes the cash flows from operating, investing and financing activities:

(\$ in millions)	Three months ended March 31,		
	2024	2023	Change
Total cash provided by (used for):			
Operating activities	\$ (105.4)	\$ 124.2	\$ (229.6)
Investing activities	(56.7)	(89.1)	32.4
Financing activities	115.7	(41.6)	157.3

Operating Activities:

The decrease in net cash from operating activities was primarily due to lower net income and increased working capital additions.

Investing Activities:

The primary sources and uses of cash were for the purchase of property, equipment and tooling for continued capacity and capability at our manufacturing, distribution, and product development facilities, and distributions from and contributions to Polaris Acceptance. Net cash used for investing activities decreased due to a reduction in property, equipment and tooling purchases, as well as increased distributions from Polaris Acceptance.

Financing Activities:

The increase in net cash from financing activities was primarily due to increased net borrowings under debt arrangements and lower share repurchases. Net borrowings totaled \$165.3 million for the three months ended March 31, 2024, compared to \$45.0 million of net borrowings for the comparable period in 2023.

Financing Arrangements:

We are party to an unsecured Master Note Purchase Agreement, as amended and supplemented, under which we have issued senior notes. As of March 31, 2024, outstanding borrowings under the Master Note Purchase Agreement totaled \$350.0 million.

We are also party to an unsecured credit facility, which includes a \$1.0 billion variable interest rate Revolving Loan Facility that matures in June 2026, under which we have unsecured borrowings. As of March 31, 2024, there were borrowings of \$401.0 million outstanding under the Revolving Loan Facility. Our credit facility also includes a Term Loan Facility, on which \$768.0 million was outstanding as of March 31, 2024. We are required to make principal payments under the Term Loan Facility totaling \$45 million over the next 12 months. For the credit facility, interest is charged at rates based on adjusted Term SOFR plus the applicable add-on percentage as defined. As of March 31, 2024, we had \$591.5 million of availability on the Revolving Loan Facility.

In November 2023, we amended the credit facility to terminate all guarantees provided by our subsidiaries under the credit facility, remove the requirement for our subsidiaries to provide guarantees of the obligations under the credit facility, and remove certain of our subsidiaries as co-borrowers.

The agreements governing the facility and the Master Note Purchase Agreement contain covenants that require the Company to maintain certain financial ratios, including minimum interest coverage and maximum leverage ratios. The agreements also require the Company to maintain an interest coverage ratio of not less than 3.00 to 1.00 and a leverage ratio of not more than 3.50 to 1.00 on a rolling four quarter basis.

In November 2023, we issued \$500 million aggregate principal amount of 6.95% Senior Notes pursuant to a public offering. We received approximately \$492 million in net proceeds from the notes offering after deducting the underwriting discount and other fees and expenses. The notes bear interest at a rate of 6.95% per year, with interest payable semi-annually in arrears in March and September of each year. The notes mature in March of 2029. The indenture governing the notes is subject to customary covenants and make-whole provisions upon early termination.

On July 2, 2018, pursuant to the Agreement and Plan of Merger dated May 29, 2018, the Company completed the acquisition of Boat Holdings, LLC, a privately held Delaware limited liability company, headquartered in Elkhart, Indiana which manufactures boats ("Boat Holdings"). As a component of the Boat Holdings merger agreement, we have committed to make a series of deferred payments to the former owners through July 2030. The original discounted payable was for \$76.7 million, of which \$49.4 million was outstanding as of March 31, 2024.

As of March 31, 2024, we were in compliance with all debt covenants and our debt to total capital ratio was 60 percent. Additionally, as of March 31, 2024, we had letters of credit outstanding of \$38.3 million, primarily related to purchase obligations for raw materials.

Share Repurchases:

We repurchased a total of 0.2 million shares of our common stock for \$16.0 million during the first three months of 2024, which had an impact of less than one cent on diluted net income per share. As of March 31, 2024, our Board of Directors has authorized us to repurchase up to an additional \$1,175.1 million of our common stock.

Wholesale Customer Financing Arrangements:

We have arrangements with certain finance companies to provide secured floor plan financing for our dealers. These arrangements provide liquidity by financing dealer purchases of our products without the use of our working capital. A majority of the worldwide sales of snowmobiles, ORVs, motorcycles, boats and related PG&A are financed under similar arrangements whereby we receive payment within a few days of shipment of the product. We participate in the cost of dealer financing up to certain limits.

Under these arrangements, we have agreed to repurchase products repossessed by these finance companies. As of March 31, 2024, the potential aggregate repurchase obligations were approximately \$625.5 million. Our financial exposure under these repurchase agreements is limited to the difference between the amounts unpaid by the dealer with respect to the repossessed product plus costs of repossession and the amount received on the resale of the repossessed product. No material losses have been incurred under these agreements during the periods presented.

Retail Customer Financing Arrangements:

We have agreements with third-party financing companies to provide financing options to end consumers of our products. We have no material contingent liabilities for residual value or credit collection risk under these agreements.

Critical Accounting Policies

See our most recent Annual Report on Form 10-K for the year ended December 31, 2023 for a discussion of our critical accounting policies. There have been no material changes to our critical accounting policies discussed in such report.

Note Regarding Forward Looking Statements

This report contains not only historical information, but also "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," "anticipates," "expects," "estimates" or words of similar import. Similarly, statements that describe our future plans, objectives or goals, such as future sales, future cash flows and capital requirements, operational initiatives, supply chain, 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, are also forward-looking. Forward-looking statements may also be made from time to time in oral presentations, including telephone conferences and/or webcasts open to the public.

Potential risks and uncertainties include such factors as the Company's ability to successfully implement its manufacturing operations strategy and supply chain initiatives; 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, including as a result of supply chain disruptions; 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; product offerings, promotional activities and pricing strategies by competitors that may make our products less attractive to consumers; the Company's ability to strategically invest in innovation and new products, including as compared to our competitors; economic conditions that impact consumer spending or consumer credit, including recessionary conditions and changes in interest rates; 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 on the Company's supply chain, manufacturing operations and consumer demand; commodity costs; freight and tariff costs (tariff relief or ability to mitigate tariffs); changes to international trade policies and agreements; uninsured product liability and class action claims (including claims seeking punitive damages) and other litigation expenses incurred due to the nature of

our 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 global economic, social and political environment.

The risks and uncertainties discussed in this report are not exclusive and other factors that we may consider immaterial or do not anticipate may emerge as significant risks and uncertainties.

Any forward-looking statements made in this report or otherwise speak only as of the date of such statement, and we undertake no obligation to update such statements to reflect actual results or changes in factors or assumptions affecting such forward-looking statements. We advise you, however, to consult any further disclosures made on related subjects in future Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K that are filed with or furnished to the Securities and Exchange Commission.

Item 3 – QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Refer to the Company's Annual Report on Form 10-K for the year ended December 31, 2023 for a complete discussion on the Company's market risk. There have been no material changes in market risk from those disclosed in the Company's Form 10-K for the year ended December 31, 2023. Refer below for further discussion on commodity cost risk, foreign currency exchange rate risk, and interest rate risk.

Inflation:

We are subject to market risk from fluctuating market prices of certain purchased commodities and raw materials, including steel, aluminum, copper, petroleum-based resins, certain rare earth metals and diesel fuel. In addition, we are a purchaser of components and parts containing various commodities, including steel, aluminum, rubber and others, which are integrated into our end products. While such materials are typically available from numerous suppliers, commodity raw materials are subject to price fluctuations. We generally buy these commodities and components based upon market prices that are established with the vendor as part of the purchase process. We enter into commodity hedging contracts in order to manage fluctuating market prices of certain commodities such as steel and diesel fuel. Based on our current outlook for commodity prices, the total impact of commodities is expected to have a favorable impact on our gross profit margins for full-year 2024 when compared to 2023.

Foreign Exchange Rates:

The changing relationships of the U.S. dollar to foreign currencies can have a material impact on our financial results.

Euro: We have operations in the Eurozone through wholly owned subsidiaries and distributors. We also purchase components from certain suppliers directly for our U.S. operations in transactions denominated in Euros. Fluctuations in the Euro to U.S. dollar exchange rate impacts sales, cost of sales and net income.

Canadian Dollar: We operate in Canada through a wholly owned subsidiary. The relationship of the U.S. dollar in relation to the Canadian dollar impacts sales, cost of sales and net income.

Other currencies: We operate in various countries, principally in Europe, Mexico and Australia, through wholly owned subsidiaries. We also sell to certain distributors in other countries and purchase components from certain suppliers directly for our U.S. operations in transactions denominated in these foreign currencies. The relationship of the U.S. dollar in relation to these other currencies impacts sales, cost of sales and net income.

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We actively manage our exposure to fluctuating foreign currency exchange rates by entering into foreign exchange hedging contracts. A portion of our foreign currency exposure is mitigated with the following open foreign currency hedging contracts as of March 31, 2024:

Foreign Currency	Currency Position	Foreign currency hedging contracts		
		Notional amounts (in millions of U.S. Dollars)	Average exchange rate of open contracts	
Australian Dollar	Long	\$ 18.6	\$0.65 to 1 AUD	
Canadian Dollar	Long	128.8	\$0.74 to 1 CAD	
Mexican Peso	Short	42.6	19 Peso to \$1	

During the quarter ended March 31, 2024, after consideration of the existing foreign currency hedging contracts, foreign currencies had a negative impact on net income compared to 2023. We expect currencies to have a negative impact on full-year net income in 2024 compared to 2023.

The assets and liabilities in all of our international entities are translated at the foreign exchange rate in effect at the balance sheet date. Translation gains and losses are reflected as a component of accumulated other comprehensive loss, net in the shareholders' equity section of the consolidated balance sheets. Revenues and expenses in all of our international entities are translated at the average foreign exchange rate in effect for each month of the year. Certain assets and liabilities related to intercompany positions reported on our consolidated balance sheets that are denominated in a currency other than the entity's functional currency are translated at the foreign exchange rates at the balance sheet date and the associated gains and losses are included in net income.

Interest Rates:

We are a party to an unsecured credit facility with various lenders consisting of a \$1.0 billion Revolving Loan Facility and a \$1.2 billion Term Loan Facility. Interest accrues on the revolving loan and term loans at variable rates based on adjusted Term SOFR plus the applicable add-on percentage as defined. As of March 31, 2024, there was \$401.0 million outstanding on the Revolving Loan Facility and \$768.0 million outstanding on the Term Loan Facility. We enter into interest rate swaps in order to manage our exposure to fixed and variable interest rates associated with our debt. We expect interest rates to have a negative impact on full-year net income in 2024 compared to 2023.

Borrowings pursuant to our private senior notes and public senior notes bear interest at fixed rates. We are subject to changes in the fair value of fixed-rate borrowings as a result of potential changes in prevailing interest rates. Changes in the fair value of fixed-rate borrowings have no impact on the amount of interest incurred, cash flows or our financial position.

Item 4 – CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

The Company carried out an evaluation, under the supervision and with the participation of the Company's management, including the Company's Chief Executive Officer and its Chief Financial Officer, of the effectiveness of the design and operation of the Company's disclosure controls and procedures (as defined in Rule 13a-15(e) of the Securities Exchange Act of 1934 (the "Exchange Act")) as of the end of the period covered by this report. Based on that evaluation, the Company's Chief Executive Officer and Chief Financial Officer have concluded that, as of the end of the period covered by this Quarterly Report on Form 10-Q, the Company's disclosure controls and procedures were effective to ensure that information required to be disclosed by the Company in reports that it files or submits under the Exchange Act is (1) recorded, processed, summarized and reported within the time periods specified in SEC rules and forms, and (2) accumulated and communicated to the Company's management, including its Chief Executive Officer and Chief Financial Officer, in a manner that allows timely decisions regarding required disclosure.

Changes in Internal Controls

There have been no changes in the Company's internal control over financial reporting during the latest fiscal quarter covered by this Quarterly Report on Form 10-Q that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

Part II OTHER INFORMATION

Item 1 – LEGAL PROCEEDINGS

We are involved in a number of legal proceedings incidental to our business, none of which is presently expected to have a material effect on our financial position, results of operations or cash flows, or the financial results of our business.

As of the date hereof, we are party to certain putative class actions brought by the same plaintiff's counsel and largely repeating the same allegations regarding various state consumer protection laws focused on rollover protection structures' certifications for various Polaris off-road vehicles sold in California. The first case brought related to this matter—*Guzman/Albright*—was first reported in the Company's Annual Report on Form 10-K for the year ended December 31, 2020. The district court granted summary judgment against both plaintiffs' claims, which the plaintiffs appealed. The Ninth Circuit issued two rulings in September 2022 that reversed the district court's summary judgment rulings and remanded the case to the district court with instructions to dismiss one plaintiff's claims without prejudice. The plaintiff whose claims were dismissed without prejudice refiled a putative class action in California State Court under the name *Albright*. In June 2023, the *Albright* court granted the parties' stipulation to stay that case pending a decision on class certification in the *Guzman* case. On September 27, 2023, the district court in *Guzman* entered an order granting in part and denying in part plaintiff's motion for class certification. The district court certified a California class for plaintiff's claim seeking money damages under the California Consumers Legal Remedies Act but denied class certification on plaintiff's claim seeking injunctive relief under Fed. R. Civ. P. 23(b)(2). On October 11, 2023, Polaris filed a petition to appeal the portion of the district court's order granting class certification. On December 14, 2023, the Ninth Circuit denied Polaris's petition. On December 20, 2023, the court in *Albright* entered an order setting a hearing for June 27, 2024 to review the stay of proceedings in that case. On January 30, 2024, the *Guzman* court entered an amended scheduling order in that case setting dates for further expert discovery, the filing of dispositive motions and other pre-trial motions, and a trial date of December 3, 2024. On February 27, 2024, the *Guzman* plaintiff filed a motion for approval of class notice. On March 12, 2024, the *Guzman* court entered an order approving a joint stipulation filed by the parties regarding the plaintiff's motion for approval of class notice. The second case—*Hellman/Berlanga*—was first reported in the Company's quarterly report for the period ended June 30, 2021. Plaintiffs' counsel, in both the *Albright* and *Hellman/Berlanga* cases, filed similar putative class actions on behalf of certain plaintiffs dismissed from the *Hellman/Berlanga* case in Texas (*Lollar*), Nevada (*Mitchell*), and Oregon (*Artoff*), though the *Lollar* and *Mitchell* matters have since been dismissed, the parties reached a final settlement agreement of the plaintiff's individual claims in *Artoff*, and another plaintiff from the *Hellman/Berlanga* matter, Michael Hellman, has been dismissed. In May 2023, the remaining plaintiff in the *Berlanga* case filed a motion for class certification. We have filed an opposition to the plaintiff's motion for class certification and have filed a motion to exclude the opinions of certain of plaintiff's expert witnesses. On August 28, 2023, the United States District Court for the Eastern District of California transferred the *Berlanga* case to the United States District Court for the Central District of California. On September 13, 2023, the district court in the *Guzman* case consented to the transfer of the *Berlanga* case. That district court has not yet ruled on the *Berlanga* plaintiff's motion for class certification or Polaris's motion to exclude the opinions of plaintiff's expert witnesses in that case. On February 16, 2024, the plaintiff in the *Guzman* case discussed above filed a motion to consolidate the *Guzman* and *Berlanga* cases. That motion has been briefed by the parties and is pending a decision by the *Guzman* court.

With respect to each of the aforementioned putative class action lawsuits, we are unable to provide any reasonable evaluation of the likelihood that a loss will be incurred or any reasonable estimate of the range of possible loss.

As previously reported in the Company's quarterly report on Form 10-Q for the period ended September 30, 2021, the district court in *In re Polaris* dismissed half of the plaintiffs and their claims related to alleged fire hazards in certain Polaris products. Plaintiffs' counsel voluntarily dismissed the remaining plaintiffs to appeal. The Eighth Circuit affirmed dismissal of the claims brought by plaintiffs who had appealed. On April 28, 2022, the *In re Polaris* plaintiffs' counsel filed a new, substantially similar putative class action in California State Court, seeking damages for alleged economic loss: *James DeBiasio v. Polaris Industries Inc.* (County of Los Angeles, Ca.). We removed the matter to federal court (C.D. Cal) in June 2022 and moved to dismiss the plaintiff's claims; plaintiff filed a motion to remand the case. The district court denied plaintiff's motion to remand and granted our motion to dismiss, allowing plaintiff to file an amended complaint. We moved to dismiss plaintiff's amended complaint, which the Court denied in March 2023. On February 5, 2024, the *DeBiasio* court entered an amended scheduling order setting dates for fact and expert discovery, and the filing of class certification, dispositive, and other motions. The court did not set a trial date. On March 11, 2024, the *DeBiasio* court entered an order extending the dates in its amended scheduling order by four weeks. The parties recently agreed to confidentially resolve plaintiff's claims on an individual basis. The settlement will be finalized and the case will be dismissed in the second quarter of 2024. The settlement will not be material to the Company's consolidated results of operations.

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Item 1A – RISK FACTORS

Please consider the factors discussed in Part I, Item 1A. “Risk Factors” in our Annual Report on Form 10-K for the year ended December 31, 2023. There have been no material changes or additions to our risk factors discussed in such report which could materially affect the Company’s business, financial condition, or future results.

Item 2 – UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

The table below sets forth the information with respect to purchases made by or on behalf of Polaris of its own stock during the first quarter of the fiscal year ended December 31, 2024.

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares	Approximate Dollar Value of Shares That May Yet Be Purchased Under the Program ⁽¹⁾	
			Purchased as Part of Publicly Announced Program	Purchased Under the Program ⁽¹⁾	
January 1 — 31, 2024	105,000	\$ 91.16	105,000	\$ 1,175,531,443	
February 1 — 29, 2024	5,000	\$ 90.45	5,000	\$ 1,175,079,243	
March 1 — 31, 2024	—	\$ —	—	\$ —	1,175,079,243
Total	110,000	\$ 91.13	110,000		

(1) In October 2023, the Company’s Board of Directors authorized the purchase of up to an additional \$1.0 billion of the Company’s outstanding common stock, in addition to the amount still outstanding on its April 2021 share repurchase program. As of March 31, 2024, the Company was authorized to repurchase up to an additional \$1,175.1 million of the Company’s common stock. The share repurchase program does not have an expiration date.

Item 5 – OTHER INFORMATION

Trading Arrangements

Terminations

On February 16, 2024, James P. Williams, the Company’s Chief Human Resources Officer, terminated a written plan for the sale of an aggregate 159,609 shares of common stock. Such plan was intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) under the Exchange Act. The plan was originally adopted on August 4, 2023.

Item 6 – EXHIBITS

<u>Exhibit</u>	<u>Number</u>	<u>Description</u>
3.a		Certificate of Incorporation of Polaris Inc. effective April 28, 2023, incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed May 1, 2023.
3.b		Bylaws of Polaris Inc., effective April 28, 2023, incorporated by reference to Exhibit 3.2 to the Company's Current Report on Form 8-K filed May 1, 2023.
4.1		Description of Securities.
10.a		Form of Nonqualified Stock Option Award Agreement (2024) made under the Polaris Inc. 2007 Omnibus Incentive Plan (As Amended and Restated April 30, 2020).*
10.b		Form of Restricted Stock Award Agreement (2024) made under the Polaris Inc. 2007 Omnibus Incentive Plan (As Amended and Restated April 30, 2020).*
10.c		Form of Performance Restricted Stock Unit Award Agreement (2024) made under the Polaris Inc. 2007 Omnibus Incentive Plan (As Amended and Restated April 30, 2020).*
31.a		Certification of Chief Executive Officer required by Exchange Act Rule 13a-14(a).
31.b		Certification of Chief Financial Officer required by Exchange Act Rule 13a-14(a).
32.a		Certification furnished pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.b		Certification furnished pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101		The following financial information from Polaris Inc.'s Quarterly Report on Form 10-Q for the period ended March 31, 2024, filed with the SEC on April 23, 2024, formatted in Inline eXtensible Business Reporting Language (iXBRL): (i) the Consolidated Balance Sheets as of March 31, 2024 and December 31, 2023, (ii) the Consolidated Statements of Income for the three month periods ended March 31, 2024 and 2023, (iii) the Consolidated Statements of Comprehensive Income for the three month periods ended March 31, 2024 and 2023, (iv) the Consolidated Statements of Equity for the three month periods ended March 31, 2024 and 2023, (v) the Consolidated Statements of Cash Flows for the three month periods ended March 31, 2024 and 2023, and (vi) Notes to Consolidated Financial Statements.
104		The cover page from the Quarterly Report on Form 10-Q of the Company for the quarter ended March 31, 2024 formatted in iXBRL.

* Management contract or compensatory plan.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

POLARIS INC.
(Registrant)

Date: April 23, 2024

/s/ MICHAEL T. SPEETZEN

Michael T. Speetzen
Chief Executive Officer
(Principal Executive Officer)

Date: April 23, 2024

/s/ ROBERT P. MACK

Robert P. Mack
Chief Financial Officer
(Principal Financial and Accounting Officer)

DESCRIPTION OF THE REGISTRANT'S SECURITIES REGISTERED PURSUANT TO SECTION 12 OF THE SECURITIES EXCHANGE ACT OF 1934

The following description sets forth certain material terms and provisions of the securities of Polaris Inc. (the “Company”) that are registered under Section 12 of the Securities Exchange Act of 1934, as amended, and relevant provisions of the General Corporation Law of the State of Delaware (the “DGCL”). This description does not purport to be complete and is subject to and qualified in its entirety by reference to the applicable provisions of the DGCL, the Company’s Certificate of Incorporation (the “Certificate of Incorporation”) and the Company’s Bylaws (the “Bylaws” and, together with the Certificate of Incorporation, the “Charter Documents”). Each of the Charter Documents is incorporated herein by reference and attached as an exhibit to the Company’s most recent Annual Report on Form 10-K filed with the Securities and Exchange Commission (the “SEC”). For additional information, please read the Charter Documents and the applicable provisions of the DGCL.

Authorized Capital Stock

The Company is authorized to issue an aggregate of 180,000,000 shares of capital stock consisting of up to 160,000,000 shares of common stock, par value \$0.01 per share (the “Common Stock”), and 20,000,000 shares of preferred stock, par value \$0.01 per share (the “Preferred Stock”).

Common Stock

Dividend Rights

Subject to the rights of the holders of Preferred Stock and any other class or series having a preference as to dividends over the Common Stock then outstanding, the holders of the Common Stock are entitled to receive ratably, to the extent permitted by law, such dividends as may be declared from time to time by the Company’s Board of Directors (the “Board”) upon the terms and conditions provided by law and the Certificate of Incorporation.

Voting Rights

The holders of shares of Common Stock are entitled to one vote for each share held of record on all matters submitted to a vote of stockholders, including the election of directors. The Certificate of Incorporation does not permit cumulative voting in the election of directors. Subject to the rights, if any, of the holders of one or more classes or series of Preferred Stock issued by the Company, each director of the Company shall be elected at a meeting of stockholders by the vote of the majority of votes cast with respect to that director, provided that directors of the Company shall be elected by a plurality of the votes present and entitled to vote on the election of directors at any such meeting for which the number of nominees exceeds the number of directors to be elected. Voting rights with respect to certain significant corporate transactions may require more than a majority vote in certain circumstances as described below under “Potential Anti-Takeover Effects.” Holders of Common Stock may act by unanimous

written consent in lieu of meeting with respect to any action required or permitted to be taken at a meeting of the stockholders.

Classified Board

Members of the Board are divided into three classes and serve staggered three-year terms. This means that approximately one-third of the directors are elected at each annual meeting of stockholders and that it would take two years to replace a majority of the directors unless they are removed. Under the Certificate of Incorporation, directors can be removed from office only with cause during their terms and only if holders of at least 75% of the outstanding voting stock, voting together as one class, approve the removal. At least 75% of the outstanding voting stock, voting together as one class, must approve any proposal to amend or repeal, or adopt any provisions inconsistent with, these provisions of the Certificate of Incorporation.

Liquidation Rights

Upon the voluntary or involuntary liquidation, dissolution, distribution of assets or winding-up of the Company, the holders of the Common Stock are entitled to share ratably in all assets remaining after payment of liabilities and the liquidation preferences of any Preferred Stock.

Other Rights

The Common Stock has no sinking fund or redemption provisions or preemptive, conversion, or exchange rights. The absence of preemptive rights could result in a dilution of the interest of investors should additional capital stock be issued. The Common Stock is not liable to further call or assessment by the Company or subject to any restriction on alienability, except as required by law.

Listing

The Common Stock is currently traded on the New York Stock Exchange under the symbol "PIL."

Preferred Stock

The rights of holders of our Common Stock may be materially limited or qualified by the rights of holders of our Preferred Stock that may be issued in the future.

The Board is authorized at any time and from time to time, subject to any limitations prescribed by law, to provide for the issuance of Preferred Stock in one or more classes and/or series, to establish the number of shares to be included in each such series, and to fix by resolution the designation, powers, preferences and rights of the shares of such series and any qualifications, limitations or restrictions thereof. The number of authorized shares of Preferred Stock may be increased or decreased (but not below the number of shares thereof then outstanding) by the affirmative vote of the holders of a majority of the Common Stock, without a vote of the holders of the Preferred Stock, or of any series thereof, unless a vote of any such

holders is required pursuant to the certificate or certificates establishing the series of Preferred Stock.

Potential Anti-Takeover Effects

The Charter Documents and the DGCL contain certain provisions that may delay, defer, discourage, or prevent a change in control of the Company. These provisions include:

Special Meetings of Stockholders; Stockholder Action by Unanimous Written Consent; and Advance Notice of Stockholder Business Proposals and Nominations

Special meetings of the Company's stockholders may be called by the Company's chief executive officer, chief financial officer, the Board or two or more directors, the chairman of the Board, or stockholders holding 10% or more of the voting power of all shares entitled to vote, except that a special meeting demanded by stockholders for the purpose of considering any action to directly or indirectly facilitate or effect a business combination, including any action to change or otherwise affect the composition of the Board for that purpose, must be called by 25% or more of the voting power of all shares entitled to vote. Action also may be taken by stockholders without a meeting only by unanimous written consent. The Bylaws provide an advance written notice procedure with respect to stockholder proposals of business and stockholder nominations of candidates for election as directors. Stockholders at an annual meeting are able to consider only the proposals and nominations specified in the notice of meeting or otherwise brought before the meeting by or at the direction of the Board or by a stockholder that has delivered timely written notice in proper form to the Company's Secretary of the business to be brought before the meeting.

Business Combination Provision

Section 203 of the DGCL generally prohibits the Company or any of its subsidiaries from entering into any merger, stock exchange, sale of material assets or similar transaction with a 15% stockholder within three years following the date the person became a 15% stockholder, unless (a) the Board approved either the transaction or the person's acquisition of shares prior to the person becoming a 15% stockholder, (b) upon consummating the transaction that resulted in the person becoming a 15% stockholder, the interested stockholder owned at least 85% of the voting stock of the Company outstanding at the time the transaction commenced (excluding shares owned by persons who are both officers and directors of the Company and shares held by certain employee stock ownership plans), or (c) on or after the date the person becomes a 15% stockholder, the business combination is approved by the Board and at an annual or special meeting of stockholders by the affirmative vote of at least 66-2/3% of the Company's outstanding voting stock that is not owned by the 15% stockholder.

A corporation can elect to have Section 203 of the DGCL not apply to it by expressly providing so in its certificate of incorporation or bylaws; the Company has not made such an election.

Authority of the Board

The Board has the power to issue any or all of the shares of the Company's capital stock, including the authority to establish one or more series of Preferred Stock, setting forth the designation of each such series and fixing the relative rights and preferences for each such series, without seeking stockholder approval in most instances. In addition, under the Bylaws, the Board has the right to fill vacancies of the Board (including a vacancy created by an increase in the size of the Board).

POLARIS INC.
NONQUALIFIED STOCK OPTION AGREEMENT

NAME
 ADDRESS

Grant:

Plan:

ID:

In accordance with the terms of the Polaris Inc. 2007 Omnibus Incentive Plan (As Amended and Restated April 30, 2020) (the "Plan"), Polaris Inc. (the "Company") has granted to you, the Participant named above, an Option to purchase from the Company up to the number of shares of the Company's common stock (the "Common Stock") set forth in the table below at the specified Option Price per share. The terms and conditions of this Option Award are set forth in this Nonqualified Stock Option Agreement (the "Agreement"), consisting of this cover page and the Option Terms and Conditions on the following pages, and in the Plan document, a copy of which has been provided to you. Any capitalized term that is not defined in this Agreement will have the meaning set forth in the Plan as it currently exists or as it is amended in the future.

Number of shares of Common Stock subject to
 the Option:

Grant Date:

Option Price per share:

Expiration Date of Option: Close of business on _____, 2034

Vesting Date

Number of Options that Vest

Vesting and Exercise Schedule: _____, 2025
 _____, 2026
 _____, 2027

All terms, provisions and conditions applicable to the Option set forth in the Plan and not set forth in this Agreement are incorporated by reference into this Agreement.

By signing below or otherwise evidencing your acceptance of this Agreement in a manner approved by the Company, you agree to all of the terms and conditions contained in this Agreement and in the Plan. Unless you notify the Company in writing of your non-acceptance within 30 days of the Grant Date, you will be deemed to have accepted this Agreement and to be bound by all of the terms and conditions contained in this Agreement and in the Plan. If you notify the Company of your non-acceptance of this Option Award this Option Award will be canceled and no longer effective. This Agreement supersedes any prior agreement between you and the Company related to equity vesting or retirement eligibility or retirement benefits. You acknowledge that you have received and reviewed these documents and that they set forth the entire agreement between you and the Company regarding your rights and obligations in connection with this Option Award.

POLARIS INC.

/s/ James P. Williams

James P. Williams
 SVP, CHRO

Attachment: Option Terms and Conditions

Polaris Inc.
2007 Omnibus Incentive Plan
(As Amended and Restated April 30, 2020)
Nonqualified Stock Option Agreement

Option Terms and Conditions

1. **Nonqualified Stock Option.** This Option is not intended to be an "incentive stock option" within the meaning of Section 422 of the Code and will be interpreted accordingly.
2. **Vesting and Exercisability of Option.**
 - (a) **Scheduled Vesting.** This Option will vest and become exercisable as to the number of Shares of Common Stock and on the dates specified in the Vesting and Exercise Schedule on the cover page to this Agreement, so long as you have continuously provided service to the Company or any of its Affiliates in the capacity of an Employee, Nonemployee Director or Third-Party Service Provider since the Grant Date. For purposes of this Agreement, use of the terms "employment" and "employed" refers to providing service in any of these capacities to the Company and its Affiliates. The Vesting and Exercise Schedule is cumulative, meaning that to the extent the Option has not already been exercised and has not expired or been terminated or cancelled, you or the person otherwise entitled to exercise the Option as provided in this Agreement may at any time purchase all or any portion of the Shares subject to the vested portion of the Option.
 - (b) **Accelerated Vesting.** Vesting and exercisability of this Option may be accelerated or extended during the term of the Option under the circumstances described in Section 9 of this Agreement and Article 11 of the Plan, and at the discretion of the Committee in accordance with Section 3.2 of the Plan.
 - (c) **Change of Control.** If a Change of Control occurs after the Grant Date but before the Expiration Date and while you continue to be employed, then the following shall apply:
 - i. If this Award is continued, assumed or replaced in connection with the Change of Control but you experience an involuntary termination of employment for reasons other than Cause, or you terminate your employment for Good Reason (as defined below), and in either case such termination occurs within one year after the Change of Control, then this Option (or any replacement therefor) shall fully vest as of the termination date, and shall remain exercisable for one year following such termination of employment, but not after the scheduled Expiration Date.
 - ii. If this Award is not continued, assumed or replaced in connection with a Change of Control, then this Option shall fully vest and be exercisable as provided in Section 11.1(b) of the Plan.

For purposes of this Section 2(c), "Good Reason" means, without your express written consent, (w) any material reduction in the scope of your authority, duties or responsibilities; (x) any material reduction in your base compensation; (y) any material change in the geographic location of your principal place of employment; or (z) any action or inaction that constitutes a material breach by the Company of any agreement under which you provide services to the Company. Good Reason shall not, however, exist unless you have first provided written notice to the Company of the initial occurrence of one or more of the events under clauses (w) through (z) above within ninety (90) days of

the event's occurrence, and such event is not fully remedied by the Company within thirty (30) days after the Company's receipt of written notice from you.

3. **Expiration.** This Option will expire and will no longer be exercisable on the earliest of:
 - (a) The Expiration Date specified on the cover page of this Agreement;
 - (b) Termination of your employment with the Company and its Affiliates for Cause;
 - (c) The expiration of any applicable period specified in Section 9 of this Agreement or specified pursuant to Article 11 of the Plan during which this Option may be exercised after termination of your employment with the Company and its Affiliates; or
 - (d) The date (if any) fixed for termination or cancellation of this Option pursuant to Article 11 of the Plan.
4. **Service Requirement.** Except as otherwise provided in Section 9 of this Agreement and Sections 11.1 and 11.2 of the Plan, this Option may be exercised only while you continue to be employed by the Company or any Affiliate, and only if you have continuously been so employed since the Grant Date.
5. **Exercise of Option.** Subject to Sections 6 and 7 of this Agreement, the vested and exercisable portion of this Option may be exercised in whole or in part by delivering electronic notice of exercise to the Company's third-party stock plan administrator (as the Company's agent), which electronic notice must be in a form approved by the Company stating the number of Shares to be purchased, the method of payment of the aggregate Option Price, and directions for the delivery of the Shares to be acquired, and must be signed or otherwise authenticated by the person exercising this Option. This Option may also be exercised by such other means as the Committee may approve from time to time, including by providing notice of exercise to the third-party administrator by telephone or by using the third-party administrator's Internet web site. If you are not the person exercising this Option, the person exercising the Option must also submit appropriate proof of his or her right to exercise this Option. For purposes of this Section 5, "third-party stock option administrator" means E*Trade Financial Corporate Services or, as applicable, any successor designated by the Committee.
6. **Payment of Option Price.** When you submit your notice of exercise, you must include payment of the aggregate Option Price of the Shares being purchased through one or a combination of the following methods:
 - (a) Cash or its equivalent (including a check payable to the order of the Company);
 - (b) To the extent then not prohibited by the Committee, a broker-assisted cashless exercise in which you irrevocably instruct a broker to deliver proceeds of a sale of all or a portion of the Shares for which the Option is being exercised (or proceeds of a loan secured by such Shares) to the Company in payment of the purchase price of such Shares;
 - (c) To the extent then not prohibited by the Committee, by delivering (either actual delivery or using attestation procedures approved by the Company) to the Company or its designated agent unencumbered Shares having an aggregate fair market value on the date of exercise equal to the purchase price of the Shares for which the Option is being exercised; or
 - (d) To the extent then not prohibited by the Committee, by directing the Company to withhold a number of Shares otherwise issuable to you upon such exercise having an aggregate fair market value on the date of exercise equal to the purchase price of the Shares for which the Option is being exercised.

7. **Withholding Taxes.** The Company will make such provisions for the withholding or payment of taxes as it deems necessary under applicable law. Unless expressly agreed otherwise between you and the Company, the Company will satisfy any withholding or payment of taxes by delivering a number of Shares with respect to the Options that is net of taxes and applicable withholdings, unless the Company (the Committee, if you are subject to reporting under Section 16 of the Exchange Act) determines otherwise in its sole discretion, in which case the Company will have the right to deduct from payments of any kind otherwise due to you or alternatively to require you to remit to the Company an amount in cash, by wire transfer of immediately available funds, certified check or such other form as may be acceptable to the Company, sufficient to satisfy at the time when due any federal, state, or local taxes or other withholdings of any kind required by law to be withheld with respect to the Options.
8. **Delivery of Shares.** As soon as practicable after the Company receives the notice of exercise and payment of the aggregate Option Price as provided above, and determines that all other conditions to exercise, including satisfaction of withholding tax obligations and compliance with applicable laws as provided in Section 19.6 (*Requirements of Law*) of the Plan, have been satisfied, it will arrange for the issuance or transfer and delivery of the Shares being purchased. Delivery of the Shares will be effected by the issuance of a stock certificate, by an appropriate entry in the stock register maintained by the Company's transfer agent with a notice of issuance provided, or by the electronic delivery of the Shares to a designated brokerage account. The Company will pay any original issue or transfer taxes with respect to the issuance and delivery of the Shares to you, and all fees and expenses incurred by it in connection therewith.
9. **Termination of Employment.** Subject to Article 11 (*Change in Control*) of the Plan, if your employment by the Company and its Affiliates terminates before the scheduled Expiration Date and before the Option has been exercised in full, then the following will apply:
 - (a) If your employment terminates for any reason other than disability (within the meaning of Section 22(e)(3) of the Code) ("Disability"), death or Retirement as defined below, then any unvested portion of the Option will terminate on the date your employment terminates and be of no further force and effect.
 - (b) Subject to Section 3(b), if your employment terminates for any reason other than Disability, death, or Retirement, then any vested portion of the Option that has not yet been exercised on the date of termination will continue to be exercisable for a period of ninety (90) days after such date, but not after the scheduled Expiration Date.
 - (c) If your employment terminates by reason of your death or Disability, then (i) any unvested portion of the Option will vest immediately and become exercisable; and (ii) the portion of the Option that has not yet been exercised will remain exercisable for a period of one (1) year following the date of termination of employment, but not after the scheduled Expiration Date.
 - (d) If your employment terminates by reason of your Retirement, then (i) any unvested portion of the Option shall vest and become exercisable immediately upon such Retirement, and (ii) the portion of the Option that has not yet been exercised shall remain exercisable until the scheduled Expiration Date. For these purposes, "Retirement" means any termination of your employment with the Company and its Affiliates, other than termination for Cause, that occurs (A) at least twelve (12) months after the Grant Date, and (B) at or after you reach the age of fifty-five (55) and have completed at least ten (10) years of continuous service with the Company or its Affiliates, provided that in the event of your Retirement, you must give the Company written notice that you are considering Retirement at least one year prior to the date of termination to be entitled to such vesting of this Award.
10. **Transfer of Option.** During your lifetime, only you (or your guardian or legal representative in the event of legal incapacity) may exercise this Option. You may not assign or transfer this Option

other than a transfer upon your death in accordance with your will, by the laws of descent and distribution or pursuant to a beneficiary designation submitted in accordance with Article 13 of the Plan. Following any such transfer, this Option will continue to be subject to the same terms and conditions that were applicable to this Option immediately prior to its transfer and may be exercised by such permitted transferee as and to the extent that this Option has become exercisable and has not terminated in accordance with the provisions of the Plan and this Agreement. Whenever you are referred to in any provision of this Agreement under circumstances where the provision should logically be construed to apply to any permitted transferee of the Option, such references will be deemed to include such person or persons.

11. **Compensation Recovery.** Notwithstanding any other provision of this Agreement to the contrary, you acknowledge and agree that this Agreement and the award described herein (and any settlement thereof) are subject to (a) the terms and conditions of the Company's clawback policies as may be in effect from time to time, including specifically to implement Section 10D of the Exchange Act and any applicable rules or regulations promulgated thereunder (including applicable rules and regulations of any national securities exchange on which the Shares may be traded) (the "NYSE Compensation Clawback Policy"), and that, to the extent the NYSE Compensation Clawback Policy, by its terms, is applicable to your Option, relevant sections of this Agreement shall be (if necessary) deemed superseded by and subject to the terms and conditions of the NYSE Compensation Clawback Policy from and after the effective date thereof; and (b) forfeiture to or reimbursement of the Company under the circumstances and to the extent provided in Section 304 of the Sarbanes-Oxley Act of 2002 if you are one of the individuals expressly subject to such Section 304. Further, by accepting the Option covered by this Agreement, you (i) consent to be bound by the terms of this Section 11 and the NYSE Compensation Clawback Policy, as applicable, (ii) agree and acknowledge that you are obligated to and will cooperate with, and will provide any and all assistance necessary to, the Company in any effort to recover or recoup any compensation or other amounts subject to clawback or recovery pursuant to this Section 11, the NYSE Compensation Clawback Policy and/or applicable laws, rules, regulations, stock exchange listing standards or other Company policy, and (iii) agree that the Company may enforce its rights under this Section 11 and the NYSE Compensation Clawback Policy through any and all reasonable means permitted under applicable law as it deems necessary or desirable under the NYSE Compensation Clawback Policy.
12. **Governing Plan Document.** This Agreement and Option Award are subject to all the provisions of the Plan, and to all interpretations, rules and regulations which may, from time to time, be adopted and promulgated by the Committee pursuant to the Plan. If there is any conflict between the provisions of this Agreement and the Plan, the provisions of the Plan will govern.
13. **Binding Effect.** This Agreement will be binding in all respects on your heirs, representatives, successors and assigns, and on the successors and assigns of the Company.
14. **Notices.** Unless and until some other address is so designated, all notices or communications by you to the Company will be mailed or delivered to the Company at:

Polaris Inc.
Attn: Chief Human Resources Officer
2100 Highway 55, Medina, Minnesota 55340

With a copy to:

Polaris Inc.
Attn: General Counsel
2100 Highway 55, Medina, Minnesota 55340

15. **Entire Agreement; Amendment; Severability.** This Agreement and the Plan embody the entire understanding of the parties with respect to this Option Award and supersede all other oral or written agreements or understandings between you and the Company regarding the subject

matter hereof. Except as otherwise provided in Section 15.4 (*Amendment to Conform to Law*) of the Plan, no change, alteration or modification hereof may adversely affect in any material way your rights under this Agreement without your prior written consent. If any provision of this Agreement or the application of any provision hereof is declared to be illegal, invalid, or otherwise unenforceable by a court of competent jurisdiction, the remainder of this Agreement will not be affected thereby.

16. **Choice of Law.** This Agreement will be governed by, and interpreted and enforced in accordance with, the laws of the state of Minnesota (without regard to its conflicts or choice of law principles).
17. **Certain References.** References to you in any provision of this Agreement under circumstances where the provision should logically be construed to apply to your executors or administrators, or to the person or persons to whom all or any portion of the Option may be transferred by will or the laws of descent and distribution, will be deemed to include such person or persons.
18. **Electronic Delivery.** The Company may deliver any documents or notices related to this Option Award by electronic means, including through its third-party stock plan administrator. You hereby consent to receive all applicable documentation by electronic delivery and to participate in the Plan through an on-line (and/or voice activated) system established and maintained by the Company or the Company's third-party stock plan administrator.
19. **Country of Residence Appendix.** This Option Award and the Shares acquired under the Plan upon exercise of the Option shall be subject to any and all special terms and provisions, if any, as set forth in the Appendix for your country of residence, which Appendix is incorporated into and made a part of this Agreement.

* * * * *

POLARIS INC.
RESTRICTED STOCK UNIT AWARD AGREEMENT

NAME
 ADDRESS

Grant:

Plan:

ID:

In accordance with the terms of the Polaris Inc. 2007 Omnibus Incentive Plan (As Amended and Restated April 30, 2020) (the "Plan"), Polaris Inc. (the "Company") has granted to you, the Participant named above, an award of Restricted Stock Units for the number of such Units set forth in the table below. The terms and conditions of this Award are set forth in this Restricted Stock Units Award Agreement (the "Agreement"), consisting of this cover page, the Award Terms and Conditions on the following pages, and in the Plan document, a copy of which has been made available to you. Any capitalized term that is not defined in this Agreement will have the meaning set forth in the Plan as it currently exists or as it is amended in the future.

Number of Restricted Stock Units Granted:

Grant Date: _____, 2024

Vest Date: _____, 2027

All terms, provisions and conditions applicable to the Restricted Stock Units set forth in the Plan and not set forth in this Agreement are incorporated by reference into this Agreement.

By signing below or otherwise evidencing your acceptance of this Agreement in a manner approved by the Company, you agree to all the terms and conditions contained in this Agreement and in the Plan. Unless you notify the Company of your non-acceptance within 30 days of the Grant Date, you will be deemed to have accepted this Agreement and to be bound by all of the terms and conditions contained in this Agreement and in the Plan. If you notify the Company of your non-acceptance of this Restricted Stock Units Award, then this Restricted Stock Units Award will be canceled and no longer effective. This Agreement supersedes any prior agreement between you and the Company related to equity vesting or retirement eligibility or retirement benefits. You acknowledge that you have received and reviewed these documents and that they set forth the entire agreement between you and the Company regarding your rights and obligations in connection with this Restricted Stock Units Award.

POLARIS INC.

/s/ James P. Williams

James P. Williams
 SVP, CHRO

Attachments: Award Terms and Conditions

Polaris Inc.
2007 Omnibus Incentive Plan
(As Amended and Restated April 30, 2020)
Restricted Stock Unit Award Agreement

Award Terms and Conditions

1. **Award of Restricted Stock Units.** The Company hereby confirms the grant to you, as of the Grant Date and subject to the terms and conditions of this Agreement and the Plan, of the number of Restricted Stock Units identified on the cover page of this Agreement (the "Units"). Each Unit represents the right to receive one Share of the Company's Common Stock. The Units granted to you will be credited to an account in your name maintained by the Company. This account will be unfunded and maintained for book-keeping purposes only, with the Units simply representing an unfunded and unsecured obligation of the Company.
2. **Restrictions Applicable to Units.** Neither this Award nor the Units subject to this Award may be sold, assigned, transferred, exchanged or encumbered other than by will or the laws of descent and distribution. Any attempted transfer in violation of this Section 2 will be void and ineffective. The Units and your right to receive Shares in settlement of the Units under this Agreement will be subject to forfeiture except to extent the Units have vested as provided in Section 4.
3. **No Shareholder Rights.** The Units subject to this Award do not entitle you to any rights of a shareholder of the Company, including with respect to dividends or dividend equivalents. You will not have any of the rights of a shareholder of the Company in connection with the grant of Units subject to this Agreement unless and until Shares are issued to you upon settlement of the Units as provided in Section 5.
4. **Vesting and Forfeiture of Units.** The Units will vest at the earliest of the following times and to the degree specified. For purposes of this Agreement, use of the terms "employment" and "employed" refers to providing services to the Company and its Affiliates in the capacity of an Employee, Nonemployee Director or Third-Party Service Provider.
 - (a) *Scheduled Vesting.* The Units will vest in accordance with the Vesting Schedule set forth on the cover page to this Agreement, so long as your employment has been continuous since the Grant Date.
 - (b) *Change of Control.* If a Change of Control occurs after the Grant Date while you continue to be employed and before all of the Units have otherwise vested in accordance with the Vesting Schedule, then the following shall apply:
 - (1) If this Award is continued, assumed or replaced in connection with a Change of Control but you experience an involuntary termination of employment for reasons other than Cause, or you terminate your employment for Good Reason (as defined below), and in either case such termination occurs within one year after the Change of Control, then all of the Units subject to this Award shall vest as of the termination date.
 - (2) If this Award is not continued, assumed or replaced in connection with a Change of Control, then all of the Units subject to this Award shall vest as of the date of and immediately prior to the Change of Control.

For purposes of this Section 4(b), "Good Reason" means, without your express written consent, (w) any material reduction in the scope of your authority, duties or responsibilities; (x) any material reduction in your base compensation; (y) any material change in the geographic location of your principal place of employment; or (z) any action

or inaction that constitutes a material breach by the Company of any agreement under which you provide services to the Company. Good Reason shall not, however, exist unless you have first provided written notice to the Company of the initial occurrence of one or more of the events under clauses (w) through (z) above within ninety (90) days of the event's occurrence, and such event is not fully remedied by the Company within thirty (30) days after the Company's receipt of written notice from you.

- (c) *Retirement.* If your employment terminates by reason of your Retirement, then any unvested Units shall continue to vest in accordance with the Vesting Schedule set forth on the cover page to this Agreement. For these purposes, "Retirement" means any termination of your employment with the Company and its Affiliates, other than termination for Cause, that occurs (i) at least twelve (12) months after the Grant Date, and (ii) at or after you reach the age of fifty-five (55) and have completed at least ten (10) years of continuous service with the Company or its Affiliates, provided that in the event of your Retirement, you must give the Company written notice that you are considering Retirement at least one year prior to the date of termination to be entitled to such vesting of this Award. Notwithstanding any provision to the contrary, if the Award is continued, assumed or replaced in connection with a Change of Control, in the event of a Retirement within one year after the Change of Control, then all of the unvested Units subject to this Award shall vest as of such Retirement.
- (d) *Forfeiture of Unvested Units.* If your employment terminates prior to the final scheduled Vesting Date under circumstances other than as set forth in Section 4(b), 4(c), or 4(e), all unvested Units shall immediately be forfeited.
- (e) *Death or Disability.* If your employment terminates by reason of your death or disability (within the meaning of Section 22(e)(3) of the Code) ("Disability"), then all of the Units subject to this Award shall continue to vest in accordance with the Vesting Schedule set forth on the cover page to this Agreement. Notwithstanding any provision to the contrary, if the Award is continued, assumed or replaced in connection with a Change of Control, in the event your employment terminates by reason of your Disability within one year of a Change of Control, then all of the unvested Units subject to this Award shall vest as of such termination of employment.

5. **Settlement of Units.** After any Units vest pursuant to Section 4, the Company will, as soon as practicable (but no later than the later of (a) the end of the calendar year in which such Units vest or (b) the 15th day of the third calendar month after the vesting date), cause to be issued or transferred and delivered to you, or to your designated beneficiary or estate in the event of your death, one Share in payment and settlement of each vested Unit. Delivery of the Shares will be effected by the issuance of a stock certificate, by an appropriate entry in the stock register maintained by the Company's transfer agent with a notice of issuance provided, or by the electronic delivery of the Shares to a designated brokerage account, will be subject to satisfaction of withholding tax obligations as provided in Section 6 and compliance with all applicable legal requirements as provided in Section 19.6 of the Plan, and will be in complete satisfaction and settlement of such vested Units. The Company will pay any original issue or transfer taxes with respect to the issuance and delivery of the Shares to you, and all fees and expenses incurred by it in connection therewith. If the Award is continued, assumed or replaced in connection with a Change of Control, notwithstanding any provision to the contrary, any Units at the time of the Change of Control that are outstanding and not subject to a "substantial risk of forfeiture" (within the meaning of Section 409A of the Code) will be deemed to be vested at the time of such Change of Control.

6. **Withholding Taxes.** The Company will make such provisions for the withholding or payment of taxes as it deems necessary under applicable law. Unless expressly agreed otherwise between you and the Company, the Company will satisfy any withholding or payment of taxes by delivering a number of Shares with respect to the Units that is net of taxes and applicable withholdings, unless the Company (the Committee, if you are subject to reporting under Section 16 of the

Exchange Act) determines otherwise in its sole discretion, in which case the Company will have the right to deduct from payments of any kind otherwise due to you or alternatively to require you to remit to the Company an amount in cash, by wire transfer or immediately available funds, certified check or such other form as may be acceptable to the Company, sufficient to satisfy at the time when due any federal, state, or local taxes or other withholdings of any kind required by law to be withheld with respect to the Units.

7. **Compensation Recovery.** Notwithstanding any other provision of this Agreement to the contrary, you acknowledge and agree that this Agreement and the award described herein (and any settlement thereof) are subject to (a) the terms and conditions of the Company's clawback policies as may be in effect from time to time, including specifically to implement Section 10D of the Exchange Act and any applicable rules or regulations promulgated thereunder (including applicable rules and regulations of any national securities exchange on which the Shares may be traded) (the "NYSE Compensation Clawback Policy"), and that, to the extent the NYSE Compensation Clawback Policy, by its terms, is applicable to your Units, relevant sections of this Agreement shall be (if necessary) deemed superseded by and subject to the terms and conditions of the NYSE Compensation Clawback Policy from and after the effective date thereof; and (b) forfeiture to or reimbursement of the Company under the circumstances and to the extent provided in Section 304 of the Sarbanes-Oxley Act of 2002 if you are one of the individuals expressly subject to such Section 304. Further, by accepting the Units covered by this Agreement, you (i) consent to be bound by the terms of this Section 7 and the NYSE Compensation Clawback Policy, as applicable, (ii) agree and acknowledge that you are obligated to and will cooperate with, and will provide any and all assistance necessary to, the Company in any effort to recover or recoup any compensation or other amounts subject to clawback or recovery pursuant to this Section 7, the NYSE Compensation Clawback Policy and/or applicable laws, rules, regulations, stock exchange listing standards or other Company policy, and (iii) agree that the Company may enforce its rights under this Section 7 and the NYSE Compensation Clawback Policy through any and all reasonable means permitted under applicable law as it deems necessary or desirable under the NYSE Compensation Clawback Policy.
8. **Governing Plan Document.** This Agreement and Award are subject to all the provisions of the Plan, and to all interpretations, rules and regulations which may, from time to time, be adopted and promulgated by the Committee pursuant to the Plan. If there is any conflict between the provisions of this Agreement and the Plan, the provisions of the Plan will govern.
9. **Binding Effect.** This Agreement will be binding in all respects on your heirs, representatives, successors and assigns, and on the successors and assigns of the Company.
10. **Entire Agreement; Amendment; Severability.** This Agreement and the Plan embody the entire understanding of the parties regarding the subject matter hereof and will supersede all prior agreements and understandings, oral or written, between the parties with respect thereto. Except as otherwise provided in Section 15.4 (*Amendment to Conform to Law*) of the Plan, no change, alteration or modification of this Agreement may adversely affect in any material way your rights under this Agreement without your prior written consent. If any provision of this Agreement or the application of any provision hereof is declared to be illegal, invalid, or otherwise unenforceable by a court of competent jurisdiction, the remainder of this Agreement will not be affected thereby.
11. **Certain References.** References to you in any provision of this Agreement under circumstances where the provision should logically be construed to apply to your executors or administrators, or to the person or persons to whom all or any portion of the Units may be transferred by will or the laws of descent and distribution, will be deemed to include such person or persons.
12. **Notices.** Unless and until some other address is so designated, all notices or communications by you to the Company will be mailed or delivered to the Company at:

Polaris Inc.
Attn: Chief Human Resources Officer

2100 Highway 55, Medina, Minnesota 55340

With a copy to:

Polaris Inc.
Attn: General Counsel
2100 Highway 55, Medina, Minnesota 55340

13. **Choice of Law.** This Agreement will be governed by, and interpreted and enforced in accordance with, the laws of the state of Minnesota (without regard to its conflicts or choice of law principles).
14. **Electronic Delivery.** The Company may deliver any documents or notices related to this Award by electronic means, including through its third-party stock plan administrator. You hereby consent to receive all applicable documentation by electronic delivery and to participate in the Plan through an on-line (and/or voice activated) system established and maintained by the Company or the Company's third-party stock plan administrator.
15. **Country of Residence Appendix.** This Restricted Stock Units Award and any Shares or cash acquired under such Award shall be subject to any and all special terms and provisions, if any, as set forth in the Appendix for your country of residence, which Appendix is incorporated into and made a part of this Agreement.

* * * * *

POLARIS INC.
PERFORMANCE RESTRICTED STOCK UNITS AWARD AGREEMENT

NAME
 ADDRESS

Grant:

Plan:

ID:

In accordance with the terms of the Polaris Inc. 2007 Omnibus Incentive Plan (As Amended and Restated April 30, 2020) (the "Plan"), Polaris Inc. (the "Company") has granted to you, the Participant named above, an award of Performance Restricted Stock Units for the target number of Performance Restricted Stock Units set forth in the table below (the "Units"). The terms and conditions of this Award are set forth in this Performance Restricted Stock Units Award Agreement (the "Agreement"), consisting of this cover page, the Award Terms and Conditions on the following pages and the attached Exhibit A, and in the Plan document, a copy of which has been made available to you. Any capitalized term that is not defined in this Agreement will have the meaning set forth in the Plan as it currently exists or as it is amended in the future.

Target Number of Performance Restricted Stock Units
 Granted:

Target Number of Units for Revenue Growth:

Target Number of Units for EBITDA Margin:

Target Number of Units for EBITDA Dollars:

Target Number of Units for Relative TSR:

Grant Date:

Performance Period:

Performance Goals: See Exhibit A

All terms, provisions and conditions applicable to the Units set forth in the Plan and not set forth in this Agreement are incorporated by reference into this Agreement.

By signing below or otherwise evidencing your acceptance of this Agreement in a manner approved by the Company, you agree to all the terms and conditions contained in this Agreement and in the Plan. Unless you notify the Company of your non-acceptance within 30 days of the Grant Date, you will be deemed to have accepted this Agreement and to be bound by all of the terms and conditions contained in this Agreement and in the Plan. If you notify the Company of your non-acceptance of this Performance Restricted Stock Units Award, then this Performance Restricted Stock Units Award will be canceled and no longer effective. This Agreement supersedes any prior agreement between you and the Company related to equity vesting or retirement eligibility or retirement benefits. You acknowledge that you have received and reviewed these documents and that they set forth the entire agreement between you and the Company regarding your rights and obligations in connection with this Performance Restricted Stock Units Award.

POLARIS INC.

/s/ James P. Williams

James P. Williams
SVP, CHRO

Attachments: Award Terms and Conditions

Exhibit A

Polaris Inc.
2007 Omnibus Incentive Plan
(As Amended and Restated April 30, 2020)
Performance Restricted Stock Units Award Agreement

Award Terms and Conditions

1. **Award of Performance Restricted Stock Units.** The Company hereby confirms the grant to you, as of the Grant Date and subject to the terms and conditions of this Agreement and the Plan, of an award of Performance Restricted Stock Units in an amount initially equal to the Target Number of Performance Restricted Stock Units granted as specified on the cover page of this Agreement ("Target Number of Units"). The Target Number of Units granted is determined by the fair value of the award using the closing stock price on the date of grant for Units allocated for Revenue Growth, EBITDA Margin and EBITDA Dollars, whereas a Monte Carlo valuation is used to determine the grant date fair value for Units allocated for Relative TSR. The number of Units that may actually be earned and become eligible to vest pursuant to this Award can be from 0% to 200% of the Target Number of Units. Each Unit that is earned as a result of the performance goals specified in Exhibit A to this Agreement having been satisfied and which thereafter vests represents the right to receive one Share of the Company's common stock. The Units granted to you will be credited to an account in your name maintained by the Company. This account will be unfunded and maintained for book-keeping purposes only, with the Units simply representing an unfunded and unsecured obligation of the Company.
2. **Restrictions Applicable to Units.** Neither this Award nor the Units subject to this Award may be sold, assigned, transferred, exchanged or encumbered other than by will or the laws of descent and distribution. Any attempted transfer in violation of this Section 2 will be void and ineffective. The Units and your right to receive Shares in settlement of the Units under this Agreement are subject to forfeiture except to extent the Units have vested as provided in Section 4.
3. **No Shareholder Rights.** The Units subject to this Award do not entitle you to any rights of a shareholder of the Company, including with respect to dividends or dividend equivalents. You will not have any of the rights of a shareholder of the Company in connection with the grant of Units subject to this Agreement unless and until Shares are issued to you upon settlement of the Units as provided in Section 5.
4. **Vesting and Forfeiture of Units.** The Units will vest at the earliest of the following times and to the degree specified. For purposes of this Agreement, use of the terms "employment" and "employed" refers to providing services to the Company and its Affiliates in the capacity of an Employee, Nonemployee Director or Third-Party Service Provider.
 - (a) ***Scheduled Vesting.*** The number of Units that have been earned during the Performance Period will be eligible to vest on the Scheduled Vesting Date, so long as your employment has been continuous since the Grant Date through the last day of the Performance Period. The actual number of earned Units that will vest on the Scheduled Vesting Date will be determined by the Committee as provided in Exhibit A. For these purposes, the "Scheduled Vesting Date" means the date the Committee certifies (i) the degree to which the applicable performance goals for the Performance Period have been satisfied and (ii) the number of Units that have been earned and will vest as determined in accordance with Exhibit A, which certification shall occur after the end of the Performance Period but no later than March 15 of the calendar year immediately following the calendar year during which the Performance Period ended.

(b) *Change of Control.* If a Change of Control occurs after the Grant Date but before the Payment Date (as defined in Section 5) and while you continue to be employed, then the following will apply:

- (1) If the Change of Control occurs on or after the last day of the Performance Period, the number of Units determined to have been earned as of the end of the Performance Period in accordance with Exhibit A will vest as of the Scheduled Vesting Date.
- (2) If the Change of Control occurs before the last day of the Performance Period, and if this Award is not continued, assumed or replaced in connection with the Change of Control, then a pro rata portion of the Target Number of Units will vest as of the date of and immediately prior to the Change of Control. The pro rata portion will be determined in the same manner as provided in Section 4c) (*Death, Disability, or Retirement*).
- (3) If the Change of Control occurs before the last day of the Performance Period, and if this Award is continued, assumed or replaced in connection with the Change of Control but you experience an involuntary termination of employment for reasons other than Cause, or you terminate your employment for Good Reason (as defined below), and in either case such termination occurs within one year after the Change of Control, then a pro rata portion of the Target Number of Units shall vest as of your employment termination date. The pro rata portion shall be determined in the same manner as provided in Section 4(c) (*Death, Disability, or Retirement*).
- (4) For purposes of this Section 4(b), "Good Reason" means, without your express written consent, (A) any material reduction in the scope of your authority, duties or responsibilities; (B) any material reduction in your base compensation; (C) any material change in the geographic location of your principal place of employment; or (D) any action or inaction that constitutes a material breach by the Company of any agreement under which you provide services to the Company. Good Reason shall not, however, exist unless you have first provided written notice to the Company of the initial occurrence of one or more of the events under clauses (A) through (D) above within ninety (90) days of the event's occurrence, and such event is not fully remedied by the Company within thirty (30) days after the Company's receipt of written notice from you.

(c) *Death, Disability, or Retirement.* If your employment terminates by reason of your death, disability (within the meaning of Section 22(e)(3) of the Code), or Retirement prior to the last day of the Performance Period, then you will be entitled to have vest on the Scheduled Vesting Date a pro rata portion of the Units that would otherwise have been determined to vest on the Scheduled Vesting Date in accordance with Exhibit A if you had remained continuously employed until the last day of the Performance Period. The pro rata portion shall be determined by multiplying the number of Units that would otherwise have been determined to vest by a fraction whose numerator is the number of full calendar months during the Performance Period prior to your employment termination date and whose denominator is thirty-six (36). For these purposes, "Retirement" means any termination of your employment with the Company and its Affiliates, other than termination for Cause, that occurs (i) at least twelve (12) months after the Grant Date, and (ii) at or after you reach the age of fifty-five (55) and have completed at least ten (10) years of continuous employment with the Company or its Affiliates, provided that in the event of your Retirement, you must give the Company written notice that you are

considering Retirement at least one year prior to the date of termination to be entitled to vesting of this Award.

- (d) *Severance Agreement.* If your employment terminates prior to the last day of the Performance Period at a time when you are party to a severance agreement with the Company, and if such termination of employment constitutes a "Non-Change of Control Termination" as defined in the severance agreement, then you will be entitled to have vest on the Scheduled Vesting Date a pro rata portion of the Units that would otherwise have been determined to vest on the Scheduled Vesting Date in accordance with Exhibit A if you had remained continuously employed through the last day of the Performance Period. The pro rata portion shall be determined in the same manner as provided in Section 4(c) (*Death, Disability, or Retirement*).
- (e) *Forfeiture of Unvested Units.* Except as expressly provided in this Section 4, any Units that do not vest on the applicable vesting date as provided herein will immediately be forfeited. If your employment terminates before the last day of the Performance Period under circumstances other than as set forth in Section 4, all unvested Units will immediately be forfeited.

5. **Settlement of Units.** After any Units vest pursuant to Section 4, other than pursuant to Section 4(b)(2) or Section 4(b)(3), the Company will, on the second Tuesday of February in the calendar year immediately following the calendar year in which the Performance Period ends or as soon as practicable after (but no later than March 15th of the calendar year immediately following the calendar year in which the Performance Period ends) (the "Payment Date") cause to be issued or transferred and delivered to you, or to your designated beneficiary or estate in the event of your death, one Share in payment and settlement of each vested Unit. In the event that the Units vest pursuant to Section 4(b)(2) or Section 4(b)(3), the Company will, as soon as practicable after, but no later than 30 days following (a) the date of and immediately prior to the Change of Control, in the case of Section 4(b)(2), or (b) the date of the termination of employment, in the case of Section 4(b)(3), cause to be issued or transferred and delivered to you, or to your designated beneficiary or estate in the event of your death, one Share in payment and settlement of each vested Unit. Delivery of the Shares will be effected by an appropriate entry in the stock register maintained by the Company's transfer agent with a notice of issuance provided to you, by the electronic delivery of the Shares to a designated brokerage account or by delivery of a stock certificate to you, will be subject to satisfaction of withholding tax obligations as provided in Section 6 and compliance with all applicable legal requirements as provided in Section 19.6 of the Plan, and will be in complete satisfaction and settlement of such vested Units.

6. **Withholding Taxes.** The Company will make such provisions for the withholding or payment of taxes as it deems necessary under applicable law. Unless expressly agreed otherwise between you and the Company, the Company will satisfy any withholding or payment of taxes by delivering a number of Shares with respect to the Units that is net of taxes and applicable withholdings, unless the Company (the Committee, if you are subject to reporting under Section 16 of the Exchange Act) determines otherwise in its sole discretion, in which case the Company will have the right to deduct from payments of any kind otherwise due to you or alternatively to require you to remit to the Company an amount in cash, by wire transfer of immediately available funds, certified check or such other form as may be acceptable to the Company, sufficient to satisfy at the time when due any federal, state, or local taxes or other withholdings of any kind required by law to be withheld with respect to the Units.

7. **Compensation Recovery.** Notwithstanding any other provision of this Agreement to the contrary, you acknowledge and agree that this Agreement and the award described herein (and any settlement thereof) are subject to (a) the terms and conditions of the Company's clawback policies as may be in effect from time to time, including specifically to implement Section 10D of

the Exchange Act and any applicable rules or regulations promulgated thereunder (including applicable rules and regulations of any national securities exchange on which the Shares may be traded) (the "NYSE Compensation Clawback Policy"), and that, to the extent the NYSE Compensation Clawback Policy, by its terms, is applicable to your Units, relevant sections of this Agreement shall be (if necessary) deemed superseded by and subject to the terms and conditions of the NYSE Compensation Clawback Policy from and after the effective date thereof; and (b) forfeiture to or reimbursement of the Company under the circumstances and to the extent provided in Section 304 of the Sarbanes-Oxley Act of 2002 if you are one of the individuals expressly subject to such Section 304. Further, by accepting the Units covered by this Agreement, you (i) consent to be bound by the terms of this Section 7 and the NYSE Compensation Clawback Policy, as applicable, (ii) agree and acknowledge that you are obligated to and will cooperate with, and will provide any and all assistance necessary to, the Company in any effort to recover or recoup any compensation or other amounts subject to clawback or recovery pursuant to this Section 7, the NYSE Compensation Clawback Policy and/or applicable laws, rules, regulations, stock exchange listing standards or other Company policy, and (iii) agree that the Company may enforce its rights under this Section 7 and the NYSE Compensation Clawback Policy through any and all reasonable means permitted under applicable law as it deems necessary or desirable under the NYSE Compensation Clawback Policy.

8. **Governing Plan Document.** This Agreement and Award are subject to all the provisions of the Plan, and to all interpretations, rules and regulations which may, from time to time, be adopted and promulgated by the Committee pursuant to the Plan. If there is any conflict between the provisions of this Agreement and the Plan, the provisions of the Plan will govern.
9. **Binding Effect.** This Agreement will be binding in all respects on your heirs, representatives, successors and assigns, and on the successors and assigns of the Company.
10. **Entire Agreement; Amendment; Severability.** This Agreement and the Plan embody the entire understanding of the parties regarding the subject matter hereof and will supersede all prior agreements and understandings, oral or written, between the parties with respect thereto. Except as otherwise provided in Section 15.4 (*Amendment to Conform to Law*) of the Plan, no change, alteration or modification of this Agreement may adversely affect in any material way your rights under this Agreement without your prior written consent. If any provision of this Agreement or the application of any provision hereof is declared to be illegal, invalid, or otherwise unenforceable by a court of competent jurisdiction, the remainder of this Agreement will not be affected thereby.
11. **Certain References.** References to you in any provision of this Agreement under circumstances where the provision should logically be construed to apply to your executors or administrators, or to the person or persons to whom all or any portion of the Units may be transferred by will or the laws of descent and distribution, will be deemed to include such person or persons.
12. **Notices.** Unless and until some other address is so designated, all notices or communications by you to the Company will be mailed or delivered to the Company at:

Polaris Inc.
Attn: Chief Human Resources Officer
2100 Highway 55, Medina, Minnesota 55340

With a copy to:

Polaris Inc.
Attn: General Counsel
2100 Highway 55, Medina, Minnesota 55340

13. **Choice of Law.** This Agreement will be governed by, and interpreted and enforced in accordance with, the laws of the state of Minnesota (without regard to its conflicts or choice of law principles).
14. **Electronic Delivery.** The Company may deliver any documents or notices related to this Award by electronic means, including through its third-party stock plan administrator. You hereby consent to receive all applicable documentation by electronic delivery and to participate in the Plan through an on-line (and/or voice activated) system established and maintained by the Company or the Company's third-party stock plan administrator.
15. **Country of Residence Appendix.** This Performance Restricted Stock Units Award and any Shares or cash acquired under such Award shall be subject to any and all special terms and provisions, if any, as set forth in the Appendix for your country of residence, which Appendix is incorporated into and made a part of this Agreement.

* * * * *

I, Michael T. Speetzen, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Polaris Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ MICHAEL T. SPEETZEN

Michael T. Speetzen

Chief Executive Officer

Date: April 23, 2024

I, Robert P. Mack, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Polaris Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ ROBERT P. MACK

Robert P. Mack

Chief Financial Officer

Date: April 23, 2024

POLARIS INC.
STATEMENT PURSUANT TO 18 U.S.C. §1350

I, Michael T. Speetzen, Chief Executive Officer of Polaris Inc., a Delaware corporation (the "Company"), hereby certify as follows:

1. This statement is provided pursuant to 18 U.S.C. § 1350 in connection with the Company's Quarterly Report on Form 10-Q for the period ended March 31, 2024 (the "Periodic Report");
2. The Periodic Report fully complies with the requirements of Sections 13(a) and 15(d) of the Securities Exchange Act of 1934, as amended; and
3. The information contained in the Periodic Report fairly presents, in all material respects, the financial condition and results of operations of the Company as of the dates and for the periods indicated therein.

Date: April 23, 2024

/s/ MICHAEL T. SPEETZEN

Michael T. Speetzen

Chief Executive Officer

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to Polaris Inc. and will be retained by Polaris Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

POLARIS INC.
STATEMENT PURSUANT TO 18 U.S.C. §1350

I, Robert P. Mack, Chief Financial Officer of Polaris Inc., a Delaware corporation (the "Company"), hereby certify as follows:

1. This statement is provided pursuant to 18 U.S.C. § 1350 in connection with the Company's Quarterly Report on Form 10-Q for the period ended March 31, 2024 (the "Periodic Report");
2. The Periodic Report fully complies with the requirements of Sections 13(a) and 15(d) of the Securities Exchange Act of 1934, as amended; and
3. The information contained in the Periodic Report fairly presents, in all material respects, the financial condition and results of operations of the Company as of the dates and for the periods indicated therein.

Date: April 23, 2024

/s/ ROBERT P. MACK

Robert P. Mack
Chief Financial Officer

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to Polaris Inc. and will be retained by Polaris Inc. and furnished to the Securities and Exchange Commission or its staff upon request.