Thursday, July 23, 2026

Harley-Davidson Q2 2026 Earnings Results

Q2 2026 Earnings Results

Speakers

- Artie Starrs, President and CEO
- Jonathan Root, Chief Financial Officer
  and Chief Commercial Officer
- Shawn Collins, Director of Investor Relations

Back To The Bricks Spotlight: Q2 Strategy Execution

Restoring profitable growth

- Raising full-year guidance following strong first-half execution

Winning in North America

- Third consecutive quarter of year-over-year retail growth, led by continued strength in Touring

Building the next phase of growth

- Super Glide® launch exceeded expectations and H-D Sprint® and Sportster® launches remained on track

Strengthening the dealer network

- Dealer inventory reductions continued to help drive improved dealer profitability

We are executing our strategy with confidence and raising full-year guidance

Back To The Bricks Spotlight: 2026 Super Glide®

- In June, Harley-Davidson revived an iconic motorcycle in celebration of America's 250th Anniversary
- Introduced 55 years after the original Factory Custom motorcycle launched in 1971
- Limited-edition with 2,500 serialized motorcycles
- Limited availability in the U.S. and Canada with an MSRP of $15,999 USD
- **RIDE.** marketing campaign and Super Glide launch have been exceptionally well received by both dealers and customers

The Super Glide launch demonstrates Harley-Davidson's renewed excitement and pace of product innovation under Back to the Bricks

Q2 2026 Business Highlights

Motorcycle Retail

- North American retail motorcycle sales of 29,751 units, up 3% vs. prior year
- Global retail motorcycle sales of 42,467 units, up 1% vs. prior year
- U.S. Touring market share growth of 1.5 percentage points (to 68.5 percent) vs. prior year

Motorcycle Portfolio

- Global dealer inventory levels of new motorcycles ended Q2 ’26 down 17% vs. end Q2 ’25 and down from Q1 ‘26
- Introduced 2026 Super Glide® in June
- Continued positive reception of the new redesigned Trike

HDMC Financials

- HDMC revenue of $1.1 billion, up 6% vs. prior year
- Global motorcycle shipments of 39,209, up 9% vs. prior year
- YOY improvement in Operating Income
- Adjusted EBITDA margin[1] >10%

HDFS Financials

- Operating under updated capital light model while rebuilding balance sheet
- HDFS operating income margin of 18.5%
- Managed retail credit losses below same period in both 2024 & 2025

HDI Financials

- Delivered diluted EPS of $0.75
- Repurchased $30 million of shares (1.3 million shares) on a discretionary basis
- Positioned to raise FY 2026 guidance for Retail sales and HDMC & HDFS Operating Income

Other Activities

- Incurred $3 million in restructuring costs related to strategic changes

[1] "Adjusted EBITDA Margin %" is a non-GAAP financial measures. Please see Appendix for full reconciliation to the most directly comparable GAAP financial measures.

Harley-Davidson Worldwide Retail Sales & Market Share

Q2 '26 H-D Motorcycle Retail Sales (vs. PY)

	North America	EMEA	APAC	Latin America	Worldwide
Units	29,751	6,959	4,990	767	42,467
YoY Change	**3%**	-9%	0%	4%	**1%**

1H '26 H-D Motorcycle Retail Sales (vs. PY)

	North America	EMEA	APAC	Latin America	Worldwide
Units	53,554	11,993	8,957	1,470	75,974
YoY Change	7%	-6%	-4%	12%	**4%**

New 601+cc Market Share

	FY '25	Q1 '26	Q2 '26	YTD '26
H-D U.S. Share[1]	34%	38%	32%	34%
- H-D U.S. Touring	71%	75%	69%	72%
- H-D U.S. Total Cruiser[2]	54%	53%	54%	54%
H-D Europe Share[1]	3%	4%	3%	3%

Regional Highlights in Q2 2026

North America

- Strength in the Touring and Sport categories
- Positive response to the redesigned '26 Trike motorcycle line-up

EMEA

- Experienced growth in Touring and Sport categories
- German region[3] experienced a decline

APAC

- Australia & New Zealand led the region from a growth standpoint, up more than 20% vs. prior year and H-D securing #1 market share in 601+cc category
- Japan experienced a decline

Latin America

- Mexico and other Latin American markets were up, while Brazil was down, for a net positive

3rd Consecutive quarter of NA retail growth (year-over-year) demonstrates continued progress in Harley-Davidson's core market
North American retail up 3% vs. Q2 prior year

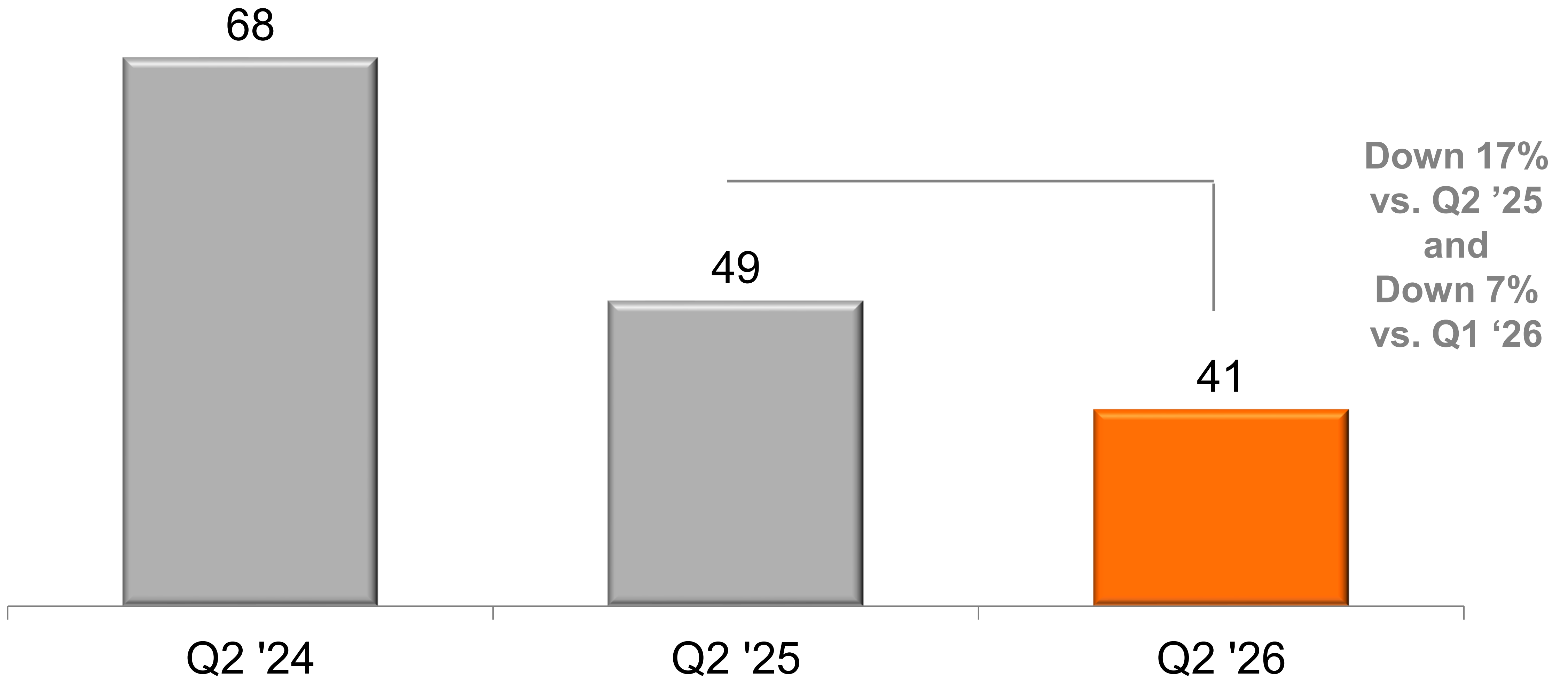
[1] Source: Motorcycle Industry Council (MIC) for U.S. share and Management Services Helwig Schmitt GmbH for Europe share
[2] Total Cruiser category includes both Large Cruiser category (1201+cc) and the Small Cruiser category (601-1200cc)
[3] The German region includes Germany, Austria, and Switzerland.

Harley-Davidson Shipments & Dealer Inventory

HDMC Worldwide Motorcycle Shipments
Units (in Thousands)

Units (Thousands)	Q2 Results[1]			YTD Results[2]		
	Q2 ‘25	Q2 ‘26	Y-o-Y Change	1H ‘25	1H ‘26	Y-o-Y Change
Touring	18,080	19,641	9%	41,758	41,161	-1%
Cruiser	13,110	13,550	3%	24,970	24,209	-3%
Sport & Lightweight	3,188	4,617	45%	5,296	8,348	58%
Adventure Touring	1,459	1,401	-4%	2,414	2,786	15%
Total Shipments	35,837	**39,209**	9%	74,438	**76,504**	3%

Global HDMC Motorcycle Dealer Inventory Levels
Units (in Thousands)



Global dealer inventory levels down 17% at end of Q2 ‘26 vs. end of Q2 ‘25
HDMC wholesale shipments up 9% in Q2 ‘26 vs. Q2 ‘25

[1]“Q2 ‘26” represents the period April 1 to June 30, 2026
[2]“YTD ‘26” represents the period January 1 to June 30, 2026

HDMC Revenue

(in $ millions)	Q2 Results			YTD Results		
	Q2 ‘25	Q2 ‘26	Y-o-Y Change	1H ‘25	1H ‘26	Y-o-Y Change
Motorcycles	$778	$848	9%	$1,642	$1,684	3%
Parts and Accessories	187	177	-5%	330	319	-3%
Apparel & Licensing	61	62	2%	122	126	3%
Other	18	17	-4%	31	31	-3%
HDMC Total Revenue	$1,044	$**1,104**	6%	$2,125	$**2,160**	2%

Higher shipments and disciplined execution drove revenue growth during the quarter
Driven by HDMC wholesale shipments up 9% in Q2 ‘26 vs. Q2 ’25

HDMC Income Statement

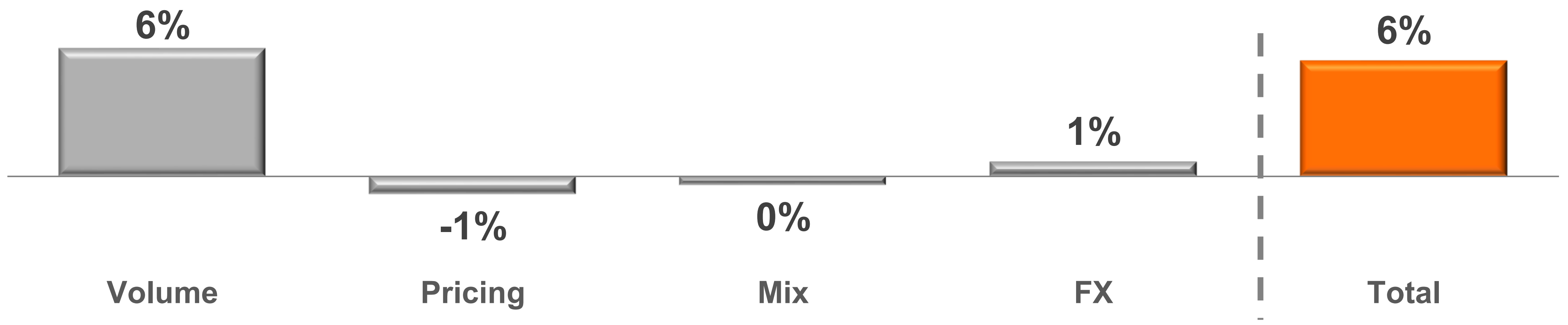
(in $ millions)	Q2 Results: Q2 ‘25	Q2 ‘26	Change	YTD Results: 1H ‘25	1H ’26	Change
HDMC Revenue	$1,044	$1,104	6%	$2,125	$2,160	2%
Gross Profit	299	304	2%	614	571	-7%
Gross Margin %	28.6%	27.5%	-108 bps	28.9%	26.4%	-245 bps
Operating Expenses[1]	237	232	-2%	436	480	10%
Operating Income[1]	$61	$72	18%	$178	$91	-49%
Operating Income %	5.9%	6.6%	68 bps	8.4%	4.2%	-413 bps
Adjusted EBITDA[2]	$97	$115	18%	$249	$189	-24%
Adjusted EBITDA Margin %[2]	9.3%	10.4%	111 bps	11.7%	8.8%	-297 bps

Revenue growth & operating expense discipline drove +18% growth in adjusted EBITDA in Q2
Q2 ‘26 Operating Income margins increased 68 basis points relative to Q2 ’25

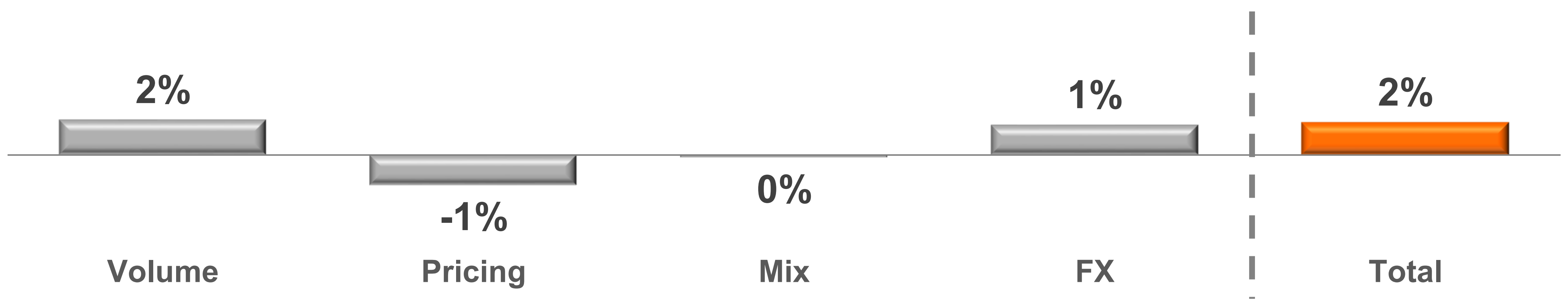
[1] Includes restructuring expenses of $3 million and $17 million for Q2 '26 and 1H '26, respectively. There were no restructuring expenses in 2025.
[2] ”Adjusted EBITDA” and "Adjusted EBITDA Margin %" are non-GAAP financial measures. Please see Appendix for full reconciliation to the most directly comparable GAAP financial measures.

HDMC Revenue & Gross Margin Bridges[1]

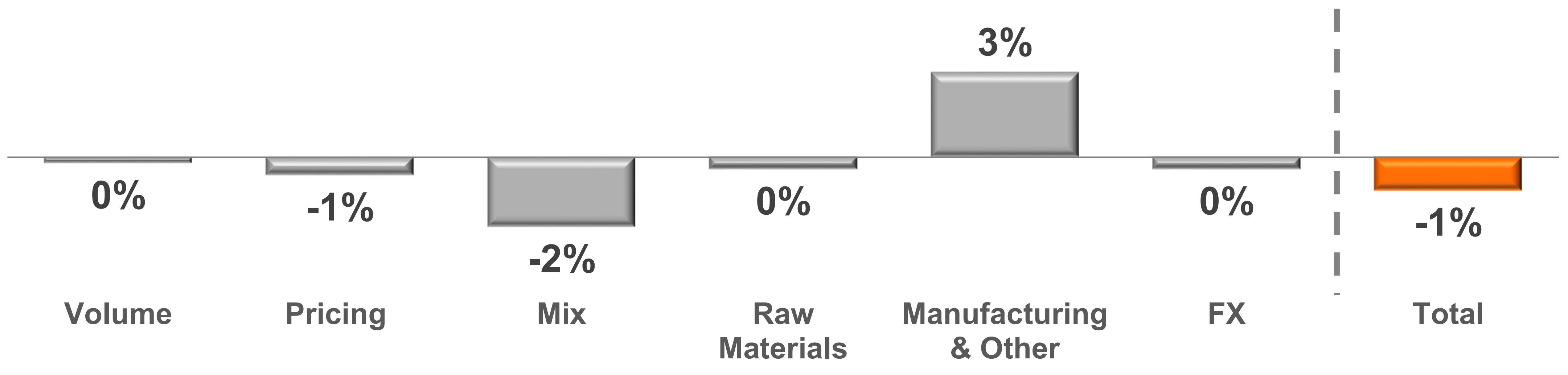
Q2 ‘26 Revenue Bridge (in %)



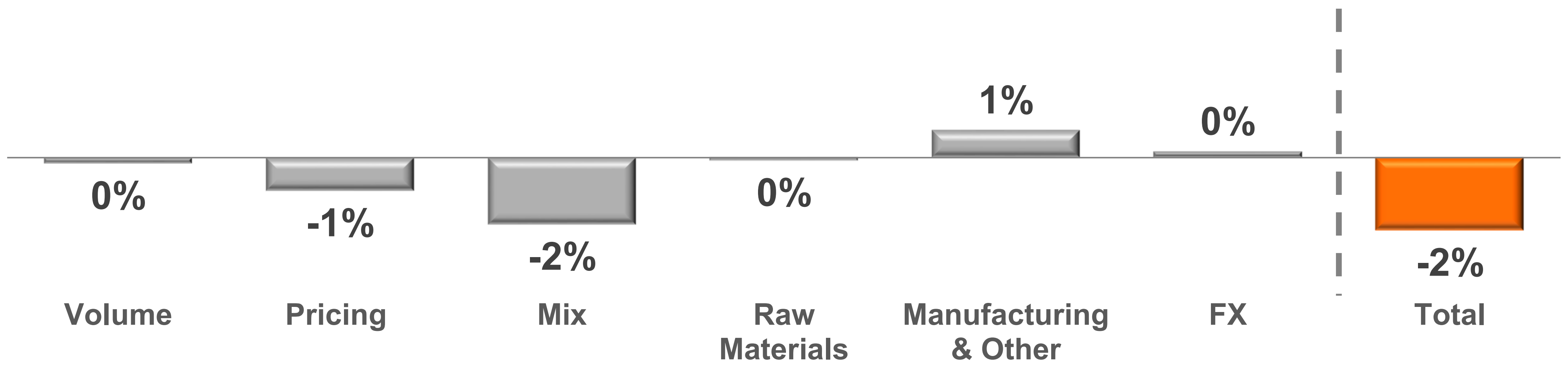
YTD ‘26 Revenue Bridge (in %)



Q2 ‘26 Gross Margin Percent Bridge (in %)



YTD ‘26 Gross Margin Percent Bridge (in %)



Q2 ’26 gross profit driven favorably by manufacturing & other, offset unfavorably by mix, net pricing, raw materials, and FX

[1] Amounts may not sum due to rounding.

HDFS Income Statement

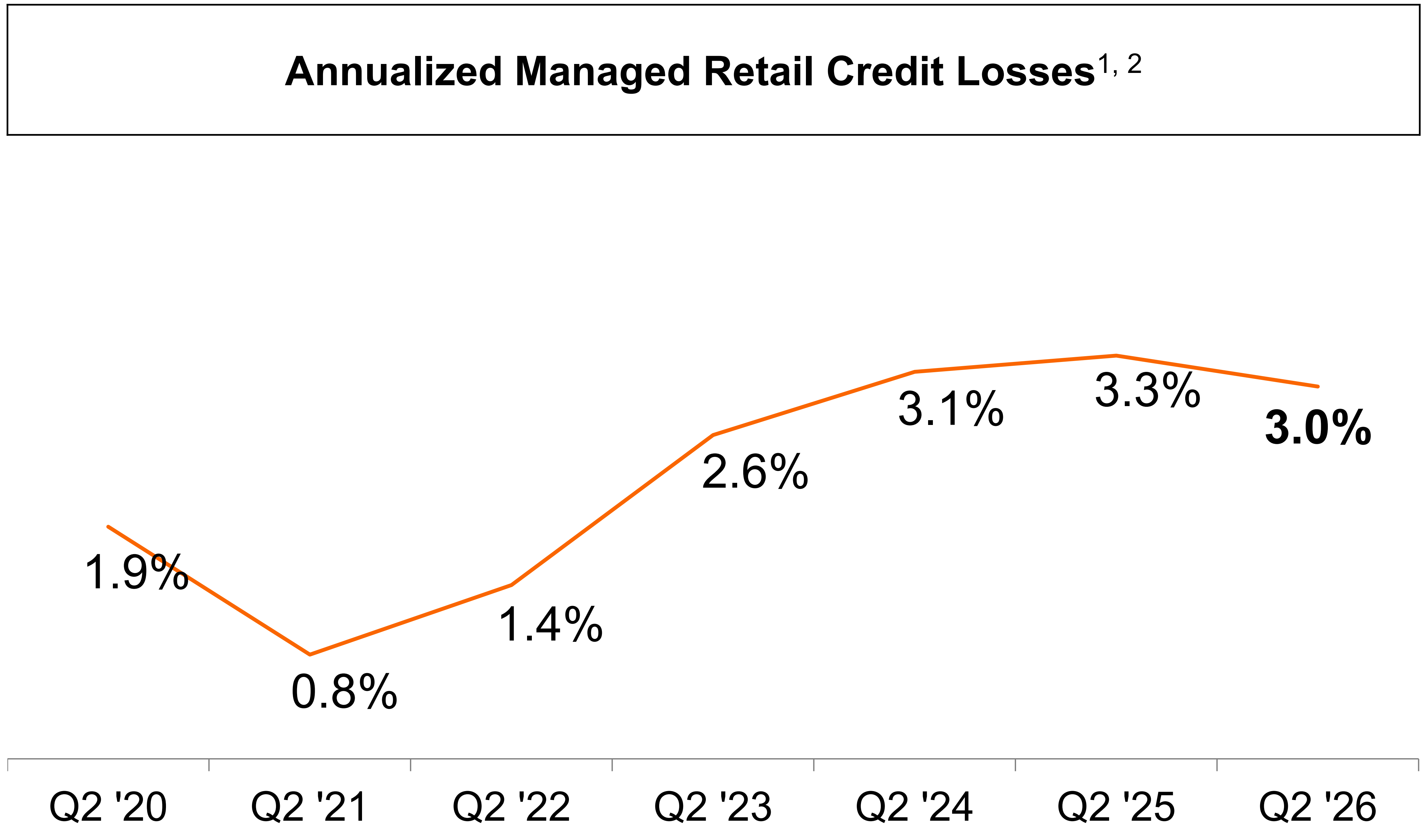
(in $ millions)	Q2 Results			YTD Results		
	Q2 '25	Q2 '26	Y-o-Y Change	1H '25	1H '26	Y-o-Y Change
Interest Income	$215	$61	-72%	$424	$111	-74%
Other Income	42	56	33%	78	118	52%
HDFS Revenue	257	117	-55%	502	229	-54%
Interest Expense	93	30	-67%	182	69	-62%
Provision for Credit Losses	50	18	-65%	103	31	-70%
Operating Expenses	44	47	7%	83	85	2%
Total Expenses	187	95	-49%	368	185	-50%
Operating Income	**$70**	**$22**	-69%	**$134**	**$44**	-67%
Margin %	27.1%	18.5%		26.6%	19.1%	

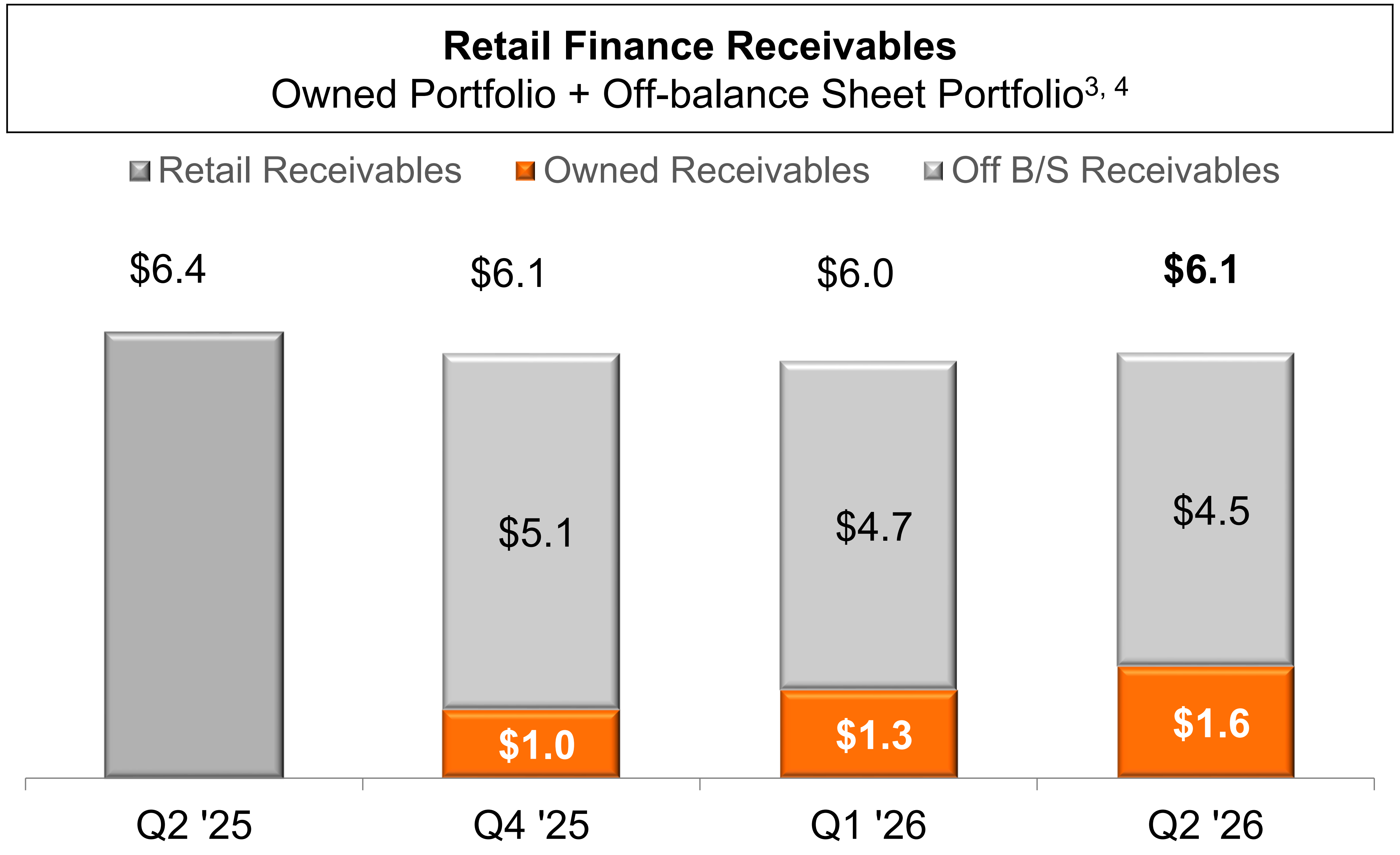
Second Quarter 2026 Highlights

- HDFS Operating Income margin of 18.5%
- Other Income was up 33%, due to favorable servicing fees
- Total retail loan originations were up 10% vs. Q2 '25

HDFS Revenue was down primarily due to lower retail finance receivable balances resulting from new capital light model
Decline in retail receivables due to the sale of loan assets in the prior year

HDFS Segment Performance





HDFS Managed Retail Loss Ratio was 3.0% in Q2 ’26

HDFS continued to experience improved loss ratios in Q2 ’26

[1] 2020, 2021, and 2022 results were impacted by federal stimulus payments and a high volume of COVID-19 pandemic related retail loan payment due date extensions for qualified customers.

[2] Represents annualized retail credit losses for all loans managed by HDFS for the six-month period ending at the end of Q2 for the periods shown.

[3] For the above periods prior to Q3 2025, the Retail Finance Receivables were owned by HDFS and presented on its balance sheet. Starting in 2H 2025, the above figures include both ‘Owned Finance Receivables’ (i.e., those included on the HDFS balance sheet) and ‘Off-balance sheet Finance Receivables’ (i.e., those not held on the HDFS balance sheet, but serviced by HDFS) that are sold to third parties (KKR/PIMCO). The sum of owned and off-balance sheet finance receivables is referenced as ‘Managed Finance Receivables’. This portfolio represents all loans that are serviced by HDFS, whether or not the finance receivables are on its balance sheet.

[4] Represents principal balances only, which exclude accrued interest and deferred loan costs, to provide a more direct comparison to historical periods.

LiveWire Segment Results

$ millions[1, 2]	Q2			YTD 2026		
	2025	2026	% vs PY	2025	2026	% vs PY
Consolidated Unit Sales	4,785	5,269	10%	6,756	9,169	36%
Revenue	$6.0	$9.1	52%	$8.8	$14.2	63%
Operating Loss	($18.7)	($17.9)	4%	($38.5)	($35.6)	7%
Adjusted EBITDA[4]	($16.1)	($15.3)	5%	($32.8)	($30.2)	8%

- **Q2 Revenue** increase of 52% and **YTD Revenue** increase of 63% due to increase in volumes of electric motorcycles and STACYC electric balance bikes
- **Q2 Operating Loss** decrease of $0.8 million and **YTD Operating Loss** decrease of $2.9 million driven by increased revenue and decreased selling, administrative and engineering expense, offset by increased cost of goods sold
- Commenced production of the **S4 Honcho**™
- Completed the acquisition of Dust Motorcycles, Inc. in May 2026
- Continued as **#1 retailer**[3] of EV street legal motorcycles in the U.S. for Q2 2026

[1] Represents results of the LiveWire reportable segment as determined in accordance with *ASC 280 Segment Reporting,* which may differ from LiveWire Group, Inc. results
[2] Revenue and consolidated unit sales are comprised of both LiveWire electric motorcycles and STACYC electric balance bikes and electric bike units, both wholesale units to dealers and direct on-line sales to consumer
[3] Source: U.S. 50+hp EV Street Legal Market Share for June 2026 from Motorcycle Industry Council (MIC)
[4] "Adjusted EBITDA" is a non-GAAP term. Please see Appendix for full reconciliation to the most directly comparable GAAP financial measure.

Capital Allocation & Financial Position

Capital Allocation Prioritization

- Reinvest in key growth initiatives
- Return of capital through share buybacks and dividends
- Opportunistic acquisitions

Demonstrated Return of Capital to Shareholders

- $50 million in total capital returned in Q2 ‘26
  - $30 million shares repurchased[1]
  - $20 million in cash dividends
- $199 million in total capital returned in YTD June 30, 2026
  - $158 million shares repurchased[1]
  - $41 million in cash dividends

Operating Cash Flow Generation & Free Cash Flow

Harley-Davidson, Inc. (HDI)

	HDI	
	6-Months ended June 30	
In $ millions	‘25	‘26
Operating Cash Flow	$509	($59)
Capital Expenditures	(65)	(45)
Free Cash Flow[2]	$444	($104)

- Capex was ~30% lower as significant recent portfolio investments are in market
- Operating cash flow was lower in YTD ’26, in part, due to 67% reduction in HDFS operating income after sale of retail finance receivables in 2H ’25
- Retail loan origination growth due to strong NA retail sales and timing of forward flow sales

We believe the Company’s strong balance sheet allows for support of capital allocation priorities
$1,896 million cash & equivalents on June 30, 2026

[1] This represents discretionary share repurchases and does not include non-discretionary repurchases related to shares tendered to the Company by employees to cover tax withholding obligations upon the vesting of restricted stock units and performance share units. YTD discretionary shares include 3.1 million shares received in Q1 '26 pursuant to an accelerated share repurchase (ASR) program entered into in Q4 '25. The value of the shares based on the share price at delivery was $65 million. The related cash outflow under the ASR was made in Q4 '25 with no additional cash outflow in 2026.

[2] "Free Cash Flow" is a non-GAAP financial measure. Please see Appendix for full reconciliation to the most directly comparable GAAP financial measures.

Select Balance Sheet Items

Select Balance Sheet Items by Segment – as of June 30, 2026

Harley-Davidson, Inc. (HDI)	HDMC	HDFS	HDI[2]
In $ millions	6/30/26	6/30/26	6/30/26
Total Debt + Total Deposits	$297	$2,461	$2,758
Cash & Equivalents	1,230	613	1,896
Net Cash / (Net Debt)[1]	$933	($1,848)	($862)
Finance Receivables Held for Investment, Net		$2,099	$2,099
Net Debt % of Total Receivables[3]		88%	

- Cash & Equivalents at HDI increased from $1,805 million in Q1 '26 to $1,896 million in Q2 '26
- HDMC cash and equivalents with limited debt resulted in a significant net cash position
- HDFS has a different capital structure with finance receivables greater than net debt, highlighting solid financial position

1. "Net Cash / (Net Debt)" are non-GAAP financial measures. Please see Appendix for full reconciliation to the most directly comparable GAAP financial measures.
2. Harley-Davidson, Inc. Consolidated (HDI) includes HDMC, HDFS, and the LiveWire subsidiary (majority owned, public ticker LVWR). The focus here is primarily on HDMC and HDFS balance sheets. HDI also includes Cash at Livewire of $53 mm at 6/30/26.
3. Net Debt as % of Total Finance Receivables has not been calculated for HDI as the HDFS business finances its finance receivables with debt whereas HDMC does not originate or hold finance receivables. As a result, this metric is meaningful to HDFS, but not HDMC or the broader HDI business.

Consolidated Results

Harley-Davidson, Inc. (HDI)

In $ millions, except EPS	Q2 '26 Results HDMC	Q2 '26 Results HDFS	Q2 '26 Results LVWR	Q2 '26 Results HDI	YTD '26 Results HDMC	YTD '26 Results HDFS	YTD '26 Results LVWR	YTD '26 Results HDI
Revenue	**$1,104**	**$117**	**$9**	**$1,230**	**$2,160**	**$229**	**$14**	**$2,403**
% vs PY	6%	-55%	52%	-6%	2%	-54%	63%	-9%
Operating Income (Loss)[2]	**$72**	**$22**	**($18)**	**$76**	**$91**	**$44**	**($36)**	**$100**
Margin %	6.6%	18.5%	NM[1]	6.2%	4.2%	19.1%	NM[1]	4.1%
% vs PY	18%	-69%	4%	-32%	-49%	-67%	7%	-64%
Net Income Attributable to HDI[2]				**$80**				**$105**
Margin %				6.5%				4.4%
Diluted EPS				**$0.75**				**$0.97**
% vs PY				-15%				-50%

Delivered Diluted EPS of $0.75 in Q2
Diluted EPS of $0.97 for 1H '26 with Q2 seeing a significant improvement vs. Q1

[1] "NM" means non-meaningful
[2] Includes HDMC restructuring expenses of $3 million and $17 million for Q2 '26 and YTD '26, respectively. There were no restructuring expenses in 2025.

Harley-Davidson, Inc. – 2026 Financial Guidance

Raising Guidance:

HDMC

Global Motorcycle Retail Sales
133,500 to 138,500 units
From previous 130,000 to 135,000 units

Global Motorcycle Wholesale Shipments
133,500 to 138,500 units
From previous 130,000 to 135,000 units

Operating Income / (Loss)
$10 million to $50 million
From previous ($40 million) to $10 million

Raising Guidance:

HDFS

Operating Income
$55 million to $70 million
From previous $45 million to $60 million

HDMC & HDFS Operating Income
$65 million to $120 million
From previous $5 million to $70 million

Continue to Expect:

LiveWire

Operating Loss
($70 million) to ($80 million)

Continue to Expect:

Harley-Davidson, Inc. Capital Investment
$175 million to $200 million

Back to the Bricks Execution

- Improved Q2 results demonstrate execution against Back to the Bricks strategy
- North America retail motorcycle sales grew year-over-year for the third quarter in a row
- Dealer profitability improved which we expect to aid in driving growth
- Recent motorcycle introductions have engaged the riding community with encouraging sell-through rate
- We believe we are on track for $150 million of fixed cost savings for 2027, and continue to target $350 million or more of Adjusted EBITDA for 2027
- Excited for the upcoming Harley-Davidson Sprint® and Sportster® launches

APPENDIX

HDMC – Tariff Update

Full Year Tariff Picture[1]
as of July 17, 2026

Full Year Tariff Picture[1]		
$ in millions	**2025A**	**2026 Est.**
Total [1, 2, 3]	$67	**~$75 - $90**
Prior Estimate at Q1 '26 Earnings on May 5, 2026		~$75 - $90

Harley-Davidson
Tariff Environment

Harley-Davidson
- U.S. centric manufacturing footprint
- U.S. market sales & U.S. centric sourcing approach

Tariff Environment
- Termination of IEEPA tariffs and the introduction of Section 122 tariffs was a positive development for Harley-Davidson
- U.S. Administration on Trade – on April 2, 2026:
  Provided exemption for certain motorcycle parts for use in U.S. manufacturing
- The overall global tariff regulatory environment remains uncertain

Continue to expect cost of new or increased tariffs[1] to be ~$75 - $90 million in full year 2026
The incurred expense for these tariffs was $45 million in Q1 '26 and $22 million in Q2 '26 [3]

[1] Includes direct tariff exposure (H-D importing / exporting product) and indirect tariff exposure (from suppliers) related to new or increased tariffs implemented in FY 2025 and Q1 2026. Excludes pricing mitigation actions and operational costs related to new or increased tariffs. Excludes recoveries from tariff activity.
[2] Actual FY 2025 cost of new or increased tariffs by quarter was $9 mm, $9 mm, $27 mm, and $22 mm in Q1, Q2, Q3, and Q4, respectively.
[3] In Q2 '26, we recorded ~$20 million related to tariff recoveries, primarily related to IEEPA recoveries, that are not included in the above table or figures.

Non-GAAP Reconciliations

HDMC Net Income / (Loss) Reconciliation to Adjusted EBITDA[2]

$ in millions	Q2 ‘25	Q2 ‘26	YTD ‘25	YTD ‘26
Net income	**$106**	**$79**	**$237**	**$103**
Interest expense	8	4	15	7
Provision for income taxes	24	16	72	34
Investment income	(11)	(12)	(20)	(21)
Other income, net	(14)	(11)	(31)	(25)
Operating income	**$112**	**$76**	**$273**	**$100**
Less: LiveWire operating loss	(19)	(18)	(38)	(36)
Less: HDFS operating income	70	22	134	44
HDMC operating income	**$61**	**$72**	**$178**	**$91**
HDMC depreciation and amortization	35	40	72	81
Adjustments[1]	-	3	-	17
HDMC Adjusted EBITDA	**$97**	**$115**	**$249**	**$189**

HDMC Adjusted EBITDA Margin % Calculation

$ in millions	Q2 ‘25	Q2 ‘26	YTD ‘25	YTD ‘26
HDMC Net revenue	$1,044	$1,104	$2,125	$2,160
HDMC Adjusted EBITDA	97	115	249	189
HDMC Adjusted EBITDA Margin %	9.3%	10.4%	11.7%	8.8%

[1] The Company may exclude from Adjusted EBITDA the impact of certain events, gains, losses or other costs and charges (such as corporate restructuring activities, reorganizations or one-time employee termination benefits) that affect the period-to-period comparability of the Company's operating performance. In the periods reflected above, the Company has excluded restructuring expenses in Q2 2026 and YTD 2026. There were no similar amounts in the comparable periods.
[2] Certain figures may not foot in whole numbers due to rounding.

Non-GAAP Reconciliations

LiveWire Net Income / (Loss) Reconciliation to Adjusted EBITDA[2]

$ in millions	Q2 '25	Q2 '26	YTD '25	YTD '26
Net income	**$106**	**$79**	**$237**	**$103**
Interest expense	8	4	15	7
Provision for income taxes	24	16	72	34
Investment income	(11)	(12)	(20)	(21)
Other income, net	(14)	(11)	(31)	(25)
Operating income	**$112**	**$76**	**$273**	**$100**
Less: HDMC operating income	61	72	178	91
Less: HDFS operating income	70	22	134	44
LiveWire operating loss	**($19)**	**($18)**	**($38)**	**($36)**
LiveWire depreciation and amortization	3	2	6	5
Adjustments[1]	-	-	-	1
LiveWire Adjusted EBITDA	**($16)**	**($15)**	**($33)**	**($30)**

[1] The Company may exclude from Adjusted EBITDA the impact of certain events, gains, losses or other costs and charges (such as corporate restructuring activities, reorganizations or one-time employee termination benefits) that affect the period-to-period comparability of the Company's operating performance. In the periods reflected above, the Company has excluded transaction costs related to the acquisition of Dust Motorcycles, Inc. and expenses associated with the LiveWire At-The-Market Program. These round to zero for Q2 2026.

[2] Certain figures may not foot in whole numbers due to rounding.

Non-GAAP Reconciliations

Operating Cash Flow to Free Cash Flow

$ in millions	Q2 '25 YTD	Q2 '26 YTD
Operating Cash Flow	**$509**	**($59)**
Capital expenditures	(65)	(45)
Free Cash Flow	**$444**	**($104)**

Cash and Cash Equivalents / Debt & Deposits Reconciliation to Net Cash / (Net Debt)

$ in millions as of June 30, 2026	HDMC	HDFS	HDI
Cash and cash equivalents	**$1,230**	**$613**	**$1,896**
Short term deposits, net	-	266	266
Short term debt	-	613	613
Current portion of long term debt, net	-	498	498
Long term deposits, net	-	250	250
Long term debt, net	297	834	1,131
Debt and deposits	**$297**	**$2,461**	**$2,758**
Net Cash / (Net Debt)	**$933**	**($1,848)**	**($862)**

Non-GAAP Financial Measures That Supplement GAAP Measures

This presentation includes financial information that is not presented in accordance with generally accepted accounting principles in the United States ("U.S. GAAP", "GAAP"), including Adjusted EBITDA for HDMC and LiveWire, Adjusted EBITDA Margin for HDMC, consolidated Free Cash Flow, and Net Cash / Net Debt. These non-GAAP financial measures, which may be different from similarly-titled measures disclosed by other companies, are presented to enhance investors' overall understanding of the Company's financial performance.

Adjusted EBITDA for HDMC and Adjusted EBITDA for LiveWire are defined as Harley-Davidson, Inc. consolidated net income, excluding, on a consolidated basis, interest expense, income tax provision, investment income, and other income, net. Depreciation and amortization for HDMC and LiveWire, respectively, are excluded from Adjusted EBITDA for the HDMC and LiveWire segments, respectively. In addition, certain other items impacting consolidated net income are excluded from HDMC Adjusted EBITDA and/or LiveWire Adjusted EBITDA. For example, the Company may exclude from HDMC or LiveWire Adjusted EBITDA the impacts of certain events, gains, losses or other costs and charges, such as corporate restructuring activities, reorganizations or one-time employee termination benefits, that affect the period-to-period comparability of HDMC's and LiveWire's operating performance. Adjusted EBITDA Margin is used by HDMC and is defined as HDMC Adjusted EBITDA divided by HDMC revenue. Free Cash Flow is defined as consolidated net cash (used) provided by operating activities less consolidated capital expenditures. Net Cash is defined as cash and cash equivalents less debt and deposits when the resulting amount is positive (i.e., cash and cash equivalents are greater than the sum of debt and deposits). Net Debt is defined as debt and deposits less cash and cash equivalents when the resulting amount is positive (i.e., the sum of debt and deposits is greater than cash and cash equivalents).

The Company believes that Adjusted EBITDA and Adjusted EBITDA Margin more clearly identify the core trends in the HDMC and LiveWire ongoing business operations that could otherwise be masked by the effects of the items that the Company excludes from HDMC and LiveWire Adjusted EBITDA and Adjusted EBITDA Margin. Management uses Free Cash Flow and Net Cash / Net Debt in the analysis of the Company's liquidity. These non-GAAP measures allow management and investors to view operating trends, perform analytical comparisons, and benchmark performance with other comparable companies and between periods without regard to items the Company does not consider a component of core operating performance.

Adjusted EBITDA, Adjusted EBITDA Margin and Free Cash Flow have limitations and should not be considered in isolation from, as a substitute for, or more meaningful than, consolidated net income or cash provided by (used for) operating activities as determined in accordance with U.S. GAAP. Certain items excluded from HDMC and LiveWire Adjusted EBITDA are significant components in understanding and assessing a company's financial performance. The presentation of Adjusted EBITDA and Adjusted EBITDA Margin should not be construed as implying that the Company's results will be unaffected by unusual or non-recurring items.

This presentation includes a reconciliation of Harley-Davidson Inc. consolidated net income to HDMC Adjusted EBITDA and LiveWire Adjusted EBITDA, a reconciliation of net cash (used) provided by operating activities to Free Cash Flow, and a reconciliation of Net Cash / Net Debt to cash and cash equivalents as well as various debt and deposits balances on the balance sheet.

Forward Looking Statements

The Company intends that certain matters discussed in this presentation are “forward-looking statements” intended to qualify for the safe harbor from liability established by the Private Securities Litigation Reform Act of 1995. These forward-looking statements can generally be identified as such by reference to this footnote or because the context of the statement will include words such as the Company “believes,” “anticipates,” “expects,” “plans,” “projects,” “may,” “will,” “estimates,” “targets,” “intends,” "forecasts," "is on track," "remain confident," “seeks,” "sees," “should,” "feels," "commits," "assumes," "envisions," or words of similar meaning. Similarly, statements that describe or refer to future expectations, future plans, strategies, objectives, outlooks, targets, guidance, commitments or goals are also forward-looking statements. Such forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially, unfavorably or favorably, from those anticipated as of the date of this presentation. Certain of such risks and uncertainties are described below. Shareholders, potential investors, and other readers are urged to consider these factors in evaluating the forward-looking statements and are cautioned not to place undue reliance on such forward-looking statements. The forward-looking statements included in this presentation are only made as of the date of this presentation, and the Company disclaims any obligation to publicly update such forward-looking statements to reflect subsequent events or circumstances.

Important factors that could affect future results and cause those results to differ materially from those expressed in the forward-looking statements include, among others, the Company’s ability to: (a) execute its business plans and strategies, including without limitation the Back to the Bricks strategic plan, successfully execute its approach to a full enterprise economic model, and strengthen its existing businesses while allowing for growth; (b) manage supply chain and logistics issues, including without limitation quality issues, unexpected interruptions or price increases caused by supplier volatility, raw material shortages, inflation, war or other hostilities, including the conflict in Iran, or natural disasters and longer shipping times and increased logistics costs; (c) manage and predict the impact that new, reinstated or adjusted tariffs may have on the Company's ability to sell products domestically and internationally, and the cost of raw materials and components, including tariffs recently imposed or that may be imposed by the U.S. on foreign goods or rebalancing or other tariffs recently imposed or that may be imposed by foreign countries on U.S. goods; (d) accurately analyze, predict and react to changing market conditions, interest rates, and geopolitical environments, and successfully adjust to shifting global consumer needs and interests, including successfully realigning its product portfolio, which encompasses re-introducing the Sportster; (e) accurately predict the margins of its segments in light of, among other things, tariffs, rebalancing trade measures, inflation, foreign currency exchange rates, the cost associated with product development initiatives and the Company's complex global supply chain; (f) maintain and enhance the value of the Harley-Davidson brand, including detecting and mitigating or remediating the impact of activist collective actions, such as calls for boycotts and other brand-damaging behaviors that could harm the Company's brand or business; (g) manage through changes in general economic and business conditions, including changing capital, credit and retail markets, and the changing domestic and international political environments, including as a result of the conflict in Iran; (h) successfully access the capital and/or credit markets on terms that are acceptable to the Company and within its expectations; (i) successfully carry out its global manufacturing and assembly operations; (j) develop and introduce products, services and experiences on a timely basis that the market accepts, that enable the Company to generate desired sales levels and that provide the desired financial returns, including successfully implementing and executing plans to shift to a rider-centric portfolio that includes a focus on accessibility and customization and growing its Parts & Accessories and Motor Clothes and apparel businesses; (k) perform in a manner that enables the Company to benefit from market opportunities while competing against existing and new competitors; (l) successfully manage and reduce costs throughout the business; (m) manage the impact that prices for and supply of used motorcycles may have on its business, including on retail sales of new motorcycles; (n) prevent, detect and remediate any issues with its motorcycles or any issues associated with the design, manufacturing, or assembly processes to avoid delays in new model launches, recall campaigns, regulatory agency investigations, increased warranty costs or litigation and adverse effects on its reputation and brand strength, and carry out any product programs or recalls within expected costs and timing; (o) successfully manage and reduce costs throughout the business; (p) continue to develop the capabilities of its distributors and dealers, effectively implement changes relating to its full enterprise economic model, and manage the risks that its dealers may have difficulty obtaining capital and managing through changing economic conditions and consumer demand; (q) realize the desired business benefits from LiveWire operating as a separate public company, which may be affected by, among other things: (i) the ability of LiveWire to execute its plans to develop, produce, market and sell its electric vehicles; (ii) the demand for and consumer willingness to adopt two- and three-wheeled electric vehicles; (iii) the ability of LiveWire to obtain sufficient funding from sources other than the Company to sustain its operations; and (iv) other risks and uncertainties indicated in documents filed with the SEC by the Company or LiveWire Group, Inc., including those risks and uncertainties noted in Risk Factors under Item 1.A of LiveWire Group Inc.'s most recent Annual Report on Form 10-K; (r) manage the quality and regulatory non-compliance issues relating to the brake hose assemblies provided to the Company by Proterial Cable America, Inc. in a manner that avoids future quality or non-compliance issues and additional costs or recall expenses that are material; (s) maintain a productive relationship with Hero MotoCorp as a distributor and licensee of the Harley-Davidson brand name; (t) successfully maintain or achieve a manner in which to sell motorcycles in Europe, China, and the Company's Association of Southeast Asian Nations (ASEAN) countries that does not subject its motorcycles to incremental tariffs; (u) manage its Thailand corporate and manufacturing operation in a manner that allows the Company to avail itself of preferential free trade agreements and duty rates, and sufficiently lower prices of its motorcycles in certain markets; (v) retain and attract talented employees and leadership and qualified and experienced independent directors for its Board of Directors, eliminate personnel duplication, inefficiencies and complexity throughout the organization, and successfully complete transitions of executives, and effectively manage the return to on-site work of Milwaukee-based corporate employees at specified Company facilities; (w) accurately estimate and adjust to fluctuations in foreign currency exchange rates, interest rates and commodity prices; (x) manage the credit quality, the loan servicing and collection activities, and the recovery rates of Harley-Davidson Financial Services' loan portfolio; (y) prevent a ransomware attack or cybersecurity incidents and data privacy breaches and respond to related evolving regulatory requirements; (z) adjust to tax reform, healthcare inflation and reform and pension reform, and successfully estimate the impact of any such reform on the Company’s business; (aa) manage through the effects inconsistent and unpredictable weather patterns may have on retail sales of motorcycles; (bb) implement and manage enterprise-wide information technology systems, including systems at its manufacturing facilities; (cc) manage changes, prepare for, and respond to evolving requirements in legislative and regulatory environments related to its products, services and operations, including increased environmental, safety, emissions or other regulations; (dd) manage its exposure to product liability claims in a manner that avoids or successfully mitigates the impact of substantial jury verdicts and manage exposure in commercial or contractual disputes; (ee) continue to manage the relationships and agreements that the Company has with its labor unions to help drive long-term competitiveness; (ff) realize the desired business benefits from KKR’s and PIMCO’s investments in Harley-Davidson Financial Services, Inc.; (gg) manage risks related to functions the Company outsources and the use of artificial intelligence by the Company and its vendors and suppliers; (hh) optimize capital allocation in light of the Company's capital allocation priorities; (ii) manage the Company’s share repurchase strategy; (jj) manage issues related to climate change and related regulations; and (kk) realize the expected effects of the anticipated increase in Harley-Davidson Financial Services, Inc.’s retail finance receivable based on Harley-Davidson Financial Services, Inc.’s operating income.

The Company’s ability to sell its motorcycles and related products and services and to meet its financial expectations also depends on the ability of the Company’s dealers to sell its motorcycles and related products and services to retail customers. The Company depends on the capability and financial capacity of its dealers to develop and implement effective retail sales plans to create demand for the motorcycles and related products and services they purchase from the Company. In addition, the Company’s dealers and distributors may experience difficulties in operating their businesses and selling Harley-Davidson motorcycles and related products and services as a result of weather, economic conditions, or other factors.
Harley-Davidson Financial Services, Inc.’s retail credit losses will continue to change over time due to changing consumer credit behavior, macroeconomic conditions including the impact of inflation and Harley-Davidson Financial Services, Inc.’s efforts to increase prudently structured loan approvals to sub-prime borrowers. In addition, Harley-Davidson Financial Services, Inc.’s efforts to adjust underwriting criteria based on market and economic conditions, and actions that the Company has taken and could take that impact motorcycle values, may impact Harley-Davidson Financial Services, Inc.’s retail credit losses.

The Company's operations, demand for its products, and its liquidity could be adversely impacted by changes in tariffs, inflation, work stoppages, facility closures, strikes, natural causes, widespread infectious disease, terrorism, war or other hostilities, including the conflict in Iran, or other factors. Refer to “Risk Factors” under Item 1.A of the Company’s Annual Report on Form 10-K for the year ended December 31, 2025, filed with the SEC on February 26, 2026, for a discussion of additional risk factors and a more complete discussion of some of the cautionary statements noted above.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