HARLEY — DAVIDSON®

HARLEY-DAVIDSON, INC.
2019 FOURTH QUARTER UPDATE

JANUARY 28, 2020

THIS PRESENTATION SUPPORTS THE AUDIO CONFERENCE CALL

CONFERENCE CALL AGENDA

▪ **Introduction**	Shannon Burns, Director, Investor Relations
▪ **Business Perspectives**	Matt Levatich, President and CEO
▪ **Financial Results**	John Olin, Senior Vice President and CFO
▪ **Q&A**	All

This presentation includes forward-looking statements that are subject to risks that could cause actual results to be materially different. Those risks include, among others, matters we have noted in our latest earnings presentation and filings with the SEC. Harley-Davidson disclaims any obligation to update information in this presentation. Additional information and risk factors are included at the end of this presentation.

HARLEY DAVIDSON®

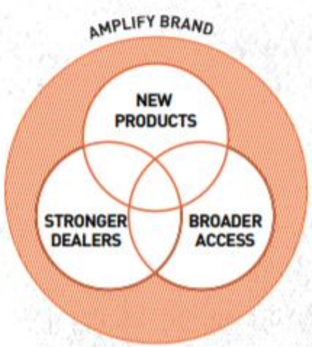
BUILDING THE NEXT GENERATION OF HARLEY-DAVIDSON RIDERS

WE FULFILL DREAMS OF PERSONAL FREEDOM

OBJECTIVES 2017-2027

- Expand total Harley-Davidson riders to 4 million in the U.S.
- Grow international business to 50% of annual HDMC revenue
- Launch 100 new high-impact Harley-Davidson® motorcycles
- Deliver superior return on invested capital for HDMC (Top 25% S&P500)
- Grow our business without growing our environmental impact

MORE ROADS TO HARLEY-DAVIDSON PLAN 2018-2022



AMPLIFY BRAND
Enhancing the Harley-Davidson experience to inspire interest in riding, foster moto culture and build an even bigger, more passionate community of H-D riders.

NEW PRODUCTS
Keeping riders inspired by extending our leadership in the market segments we've shaped and defined while unlocking new market opportunities.

BROADER ACCESS
Creating new pathways to Harley-Davidson, expanding access and appeal to more people around the world.

STRONGER DEALERS
Working side-by-side with our global dealers to build stronger capabilities that lead to improved channel performance, greater profitability and a Harley-Davidson experience that exceeds riders' expectations.

HOW WE OPERATE

NAIL THE FUNDAMENTALS

HOW WE LIVE, WORK & RIDE

MILWAUKEE IRON

1. We walk in the boots of those we serve.
2. We rebel for what we believe in.
3. We shoot straight and live true.
4. We welcome all to come as they are.
5. We fight the good fight, always!

BUSINESS PERSPECTIVES

MATT LEVATICH, PRESIDENT & CEO, HARLEY-DAVIDSON, INC.

2019 SNAPSHOT

HARLEY DAVIDSON

Highlights VS. prior year

- Delivered fourth quarter GAAP diluted EPS of $0.09; up year-over-year
- Advanced More Roads plan, on-track for significant 2021 growth
- Increased focus on rider commitment; in the U.S., 527,000 riders joined, up year-over-year[1]
- Tempered worldwide year-over-year retail sales rate of decline
- Completed steps to mitigate the majority of recent EU and China tariff impacts in 2020
- Completed key milestones of the manufacturing optimization initiative and exceeded expected full-year savings
- Repurchased $286.7 million of shares; increased dividends 1.4 percent versus prior year to $1.50 per share

[1]Data and analysis based on IHS Markit Motorcycles in Operation (MIO) data for On-Highway and Dual purpose bikes in the U.S. Snapshot based on data as of Dec. 31, 2019 compared to Dec 31, 2018.

HARLEY-DAVIDSON'S TRANSFORMATION

FUNDAMENTAL CHANGES THROUGH MORE ROADS

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	FROM	TO
MINDSET	Building great motorcycles	Building committed riders
HOW WE OPERATE	Traditional motorcycle-focused business model Organic growth	New structures, skills and capabilities (e.g. product development, global manufacturing) Growth through collaborations and new business models Reinvigorated culture
ACCESS	Centralized global distribution centers Common dealer model globally Limited eCommerce	Optimized dealer network, market by market Regionalized distribution centers Expanded eCommerce, more access points
PRODUCTS	Heavyweight Motorcycles • Touring • Cruiser Parts & Accessories General Merchandise	Heavyweight: • Touring • Cruiser Refreshed approach to P&A/GM Adventure Touring Streetfighter Small Displacement High Performance Electric Mid- and Low-Power Electric eBicycles IRONe for kids
PERFORMANCE	Motorcycle Shipments	Revenue (plus ROIC, Profit, Cash)

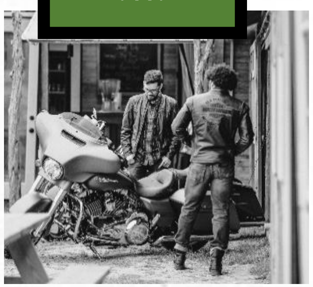
BUILDING COMMITTED RIDERS

HARLEY DAVIDSON

3.1 MILLION TOTAL U.S. H-D RIDERS IN 2019

Attracting Riders

UP
Year-Over-Year



527,000

riders joined in 2019

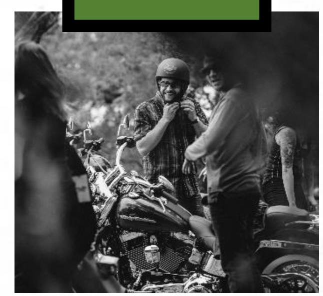
Keeping Riders Riding

Developing actions to:

- **Nurture new riders**
- **Inspire and develop <u>ALL</u> riders to continue riding**

Building Riders

UP
Year-Over-Year



55,000

more total riders in 2019

Data and analysis based on IHS Markit Motorcycles in Operation (MIO) data for On-Highway and Dual purpose bikes in the U.S.
Snapshot based on data as of Dec. 31, 2019 compared to Dec 31, 2018.

MORE ROADS

Investing and building capabilities to return to significant growth in 2021

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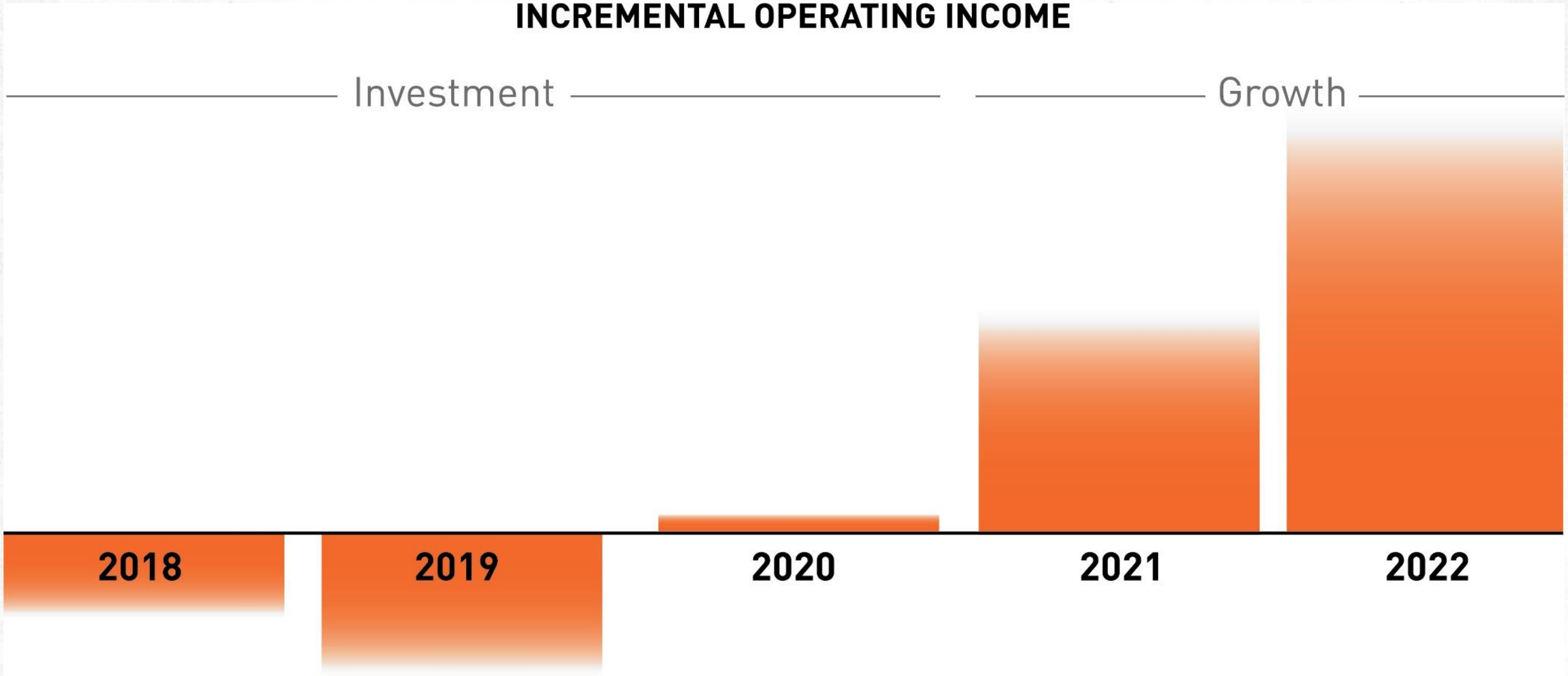

Data depicted is generalized for illustrative purposes.

FINANCIAL RESULTS

JOHN OLIN, SENIOR VICE PRESIDENT & CFO, HARLEY-DAVIDSON, INC.

Q4 2019 VS. Q4 2018 RESULTS

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REVENUE	NET INCOME	EPS
$1.07 Billion	$13.5 Million	$0.09
(6.4)%	+$13.0 million	+$0.09

Q4 Earnings impacted by:

- **Motorcycles segment operating margin improved**
  - Revenue down 8.5% on 7.0% lower shipments
  - Gross margin of 25.2%, down 2.3 pts.
  - SG&A down $37.3 million
  - Restructuring expenses down $18.7 million
  - Operating margin of (5.3)%, up 0.9 pts.
- **Financial Services segment operating income down 7.0%**

Consolidated – Motorcycles and Related Products and Financial Services Segments

WORLDWIDE RETAIL SALES

(Motorcycles)	Q4 '19	vs. PY	FY '19	vs. PY
Worldwide	**38,754**	**(1.4)%**	**218,273**	**(4.3)%**
U.S.	20,204	(3.1)%	125,960	(5.2)%
International	18,550	0.5 %	92,313	(3.0)%

Source: Dealer reported data

- **U.S. retail sales down**
  - U.S. rate of decline continued to temper in Q4 – best in 12 quarters
  - H-D full-year retail sales in line with company expectations
- **International retail sales up**
  - Emerging markets Q4 sales up
  - Developed markets Q4 sales down slightly

U.S. RETAIL SALES

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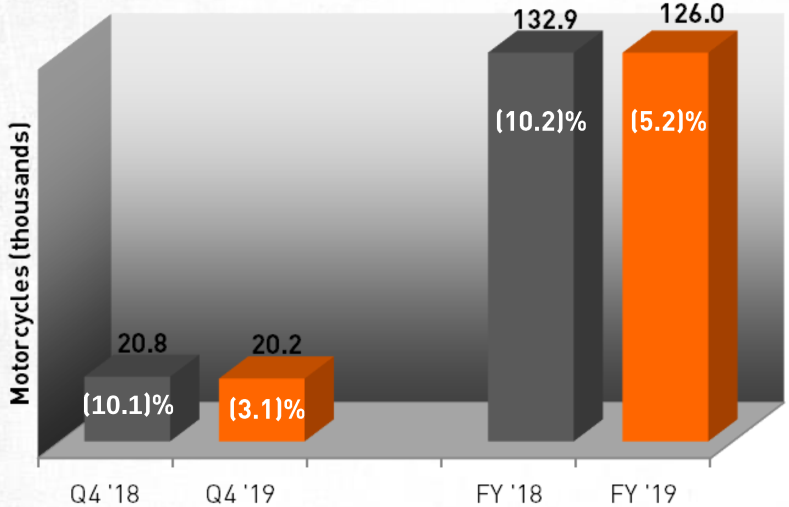
RETAIL SALES

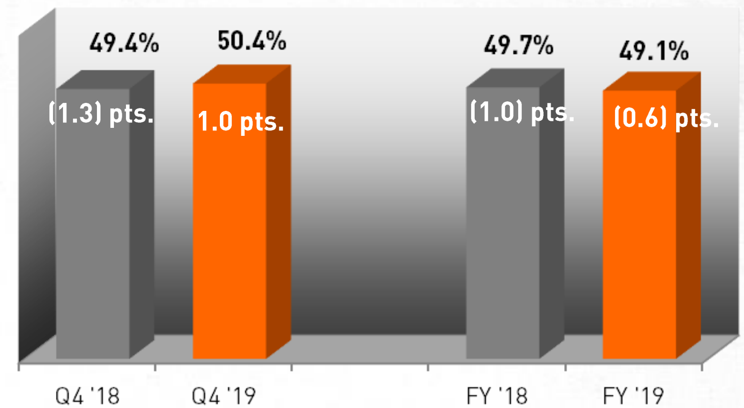
H-D U.S. NEW RETAIL MOTORCYCLE SALES



- **Q4 2019 retail sales impacted by:**
  - Industry – weak, but improved yr/yr sales rate
    - Soft used motorcycle prices
    - Highly competitive marketplace
  - Higher H-D market share
- **Addressing soft industry**
  - Great product, including new MY20 models
  - Aggressive supply management and increased marketing investments
  - More Roads Stronger Dealer initiatives

SHARE

H-D U.S. NEW 601+cc[1] RETAIL MARKET SHARE[2]



- **Q4 2019 market share up vs. prior year**
  - Q4 share gain driven by very strong gains in both the Touring and Cruiser segments
    - H-D gained 3.9 pts. of share in Q4 and 2.5 pts. on a full-year basis within the Touring and Cruiser segments

INVENTORY

H-D U.S. NEW RETAIL MOTORCYCLE INVENTORY

- **Committed to aggressively manage supply in line with demand**
  - U.S. dealer inventory down approximately 1,500 motorcycles vs. prior year

[1] Includes electric motorcycles with kilowatt peak power equivalent of 601+cc per MIC
[2] Source: Motorcycle Industry Council (MIC)

Motorcycles and Related Products Segment

INTERNATIONAL RETAIL SALES

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RETAIL SALES

H-D INTERNATIONAL NEW RETAIL MOTORCYCLE SALES

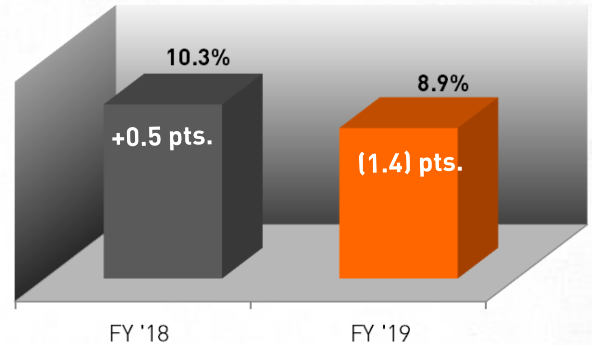
vs. prior year

	Q4	FY
International	**0.5%**	**(3.0)%**
▪ **EMEA**	(2.3)%	(5.4)%
Q4 declines in Northern Europe, gains in Southern Europe		
▪ **Asia Pacific**	6.2%	2.7%
Q4 growth in Japan, Australia and ASEAN[1]		
▪ **Latin America**	(0.1)%	(3.9)%
Q4 decline in Mexico, growth in Brazil		
▪ **Canada**	(14.1)%	(7.7)%

	Q4	FY
Emerging markets	**2.2%**	**5.0%**
Developed markets	**(0.5)%**	**(6.0)%**

SHARE

H-D EUROPE NEW 601+cc MARKET SHARE[2]



- Declines driven by lapping launch of new Softail® models and lower sales due to the Q1 impact of the Street recall

OPPORTUNITY

INTERNATIONAL GROWTH

Objective: Grow international business to 50% of annual HDMC revenue by 2027

Broader Access and Stronger Dealers

- Focus on expanding dealer network
  - Added 15 dealers in Q4, 27 full-year in 2019
- Focus on test rides and conversion; target competitive riders
- Brand awareness through apparel
- Thailand manufacturing operations enabled lower pricing in ASEAN markets

Motorcycles and Related Products Segment

[1] Association of Southeast Asian Nations
[2] Source: Association des Constructeurs Europeens de Motocycles

SHIPMENTS & MIX

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SHIPMENTS

MOTORCYCLES SEGMENT

	Q4 '19	vs. PY	FY '19	vs. PY
Total	**40,454**	**(7.0)%**	**213,939**	**(6.4)%**
Touring	37.4%	*(3.6) pts.*	42.5%	*(2.1) pts.*
Cruiser*	41.3%	*3.2 pts.*	35.6%	*1.3 pts.*
Street / Sportster®	21.3%	*0.4 pts.*	21.9%	*0.8 pts.*
	100.0%		100.0%	

** Includes Softail®, CVO™ and LiveWire™*

- **Q4 shipments down 3,035 motorcycles year-over-year finishing near the mid-point of guidance**
- **Full-year Cruiser and Street/Sportster shipments as a percent of total were up, offset by lower Touring shipments**

Motorcycles and Related Products Segment

REVENUE

REVENUE
MOTORCYCLES SEGMENT
($ millions)

	Q4 '19	vs. PY	FY '19	vs. PY
Motorcycle	$666.3	(9.7)%	$3,538.3	(8.9)%
P&A	129.3	(9.1)%	713.4	(5.5)%
General Merchandise	57.2	(2.2)%	237.6	(1.8)%
Licensing	8.8	(4.5)%	35.9	(7.1)%
Other	12.5	64.5%	47.5	(5.7)%
Total Revenue	**$874.1**	**(8.5)%**	**$4,572.7**	**(8.0)%**

- **Q4 revenue down 8.5% on 7.0% lower shipments**
- **Q4 average motorcycle revenue per bike was down $504. A less rich product mix and unfavorable foreign currency exchange were partially offset by higher year-over-year pricing**

GROSS MARGIN

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GROSS MARGIN

MOTORCYCLES SEGMENT

($ millions)

	Q4	FY
2018 Gross Margin	**$263.6**	**$1,616.9**
% of revenue	27.6%	32.5%
- Volume	(23.7)	(105.1)
- Pricing net of cost	0.1	32.6
- Mix	(9.7)	(81.6)
- Currency	(8.0)	(26.1)
- Raw materials	1.9	0.9
- Manufacturing / other	(3.6)	(94.7)
2019 Gross Margin	**$220.6**	**$1,342.9**
% of revenue	25.2%	29.4%

Gross margin includes year-over-year impacts of recent EU & China tariffs ($7.5M Q4 increase / $74.2M FY increase) and year-over-year temporary inefficiencies related to manufacturing optimization ($3.3M Q4 decrease / $2.6M FY decrease).

- **Q4 gross margin % of revenue impacted by:**
  - Mix – unfavorable motorcycle family mix
  - Currency – lower due to foreign currency exchange and lapping 2018 hedge gains
  - Manufacturing expense – lower absorption and higher tariffs, partially offset by manufacturing optimization savings

OPERATING MARGIN

OPERATING MARGIN

MOTORCYCLES SEGMENT

($ millions)

	Q4	FY
2018 Operating (Loss) Income	$(59.5)	$422.4
% of revenue	(6.2)%	8.5%
- Gross Margin	(43.0)	(274.0)
- SG&A	37.3	80.2
- Restructuring	18.7	61.0
2019 Operating (Loss) Income	**$(46.5)**	**$289.6**
% of revenue	(5.3)%	6.3%

- **Q4 operating margin was higher compared to prior year on lower SG&A and lower restructuring expense, partially offset by lower gross margin**

Motorcycles and Related Products Segment

OPERATING INCOME

FINANCIAL SERVICES SEGMENT

($ millions)

	Q4	FY
2018 Operating Income	**$63.3**	**$291.2**
- Net interest income	4.2	15.0
- Provision for retail motorcycle loan losses	(4.0)	(27.2)
- Provision for wholesale loan losses	(1.7)	(0.7)
- Operating expenses	(2.9)	(21.1)
- All other	-	8.8
2019 Operating Income	**$58.9**	**$266.0**

- **Q4 operating income was lower compared to prior year due to an increase in the provision for loan losses and higher operating expenses, partially offset by higher net interest income**

FINANCIAL SERVICES SEGMENT

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HDFS OPERATIONS AND LIQUIDITY

OPERATIONS

Originations

New and used H-D retail motorcycle loans

Q4	**$503.3M**	(5.9)% vs. Q4 '18
FY	**$3.13B**	(0.3)% vs. FY '18

FY approximately 80%-85% prime

Market share

U.S. H-D new retail motorcycle sales financed

Q4	**63.7%**	(5.8) pts. vs. Q4 '18
FY	**65.9%**	1.0 pts. vs. FY '18

Finance receivables outstanding

Year-end 2019

Retail	$6.42B	
Wholesale	1.15B	
Total	**$7.57B**	2.2% vs. YE 2018

LIQUIDITY

($ millions)
Year-end 2019

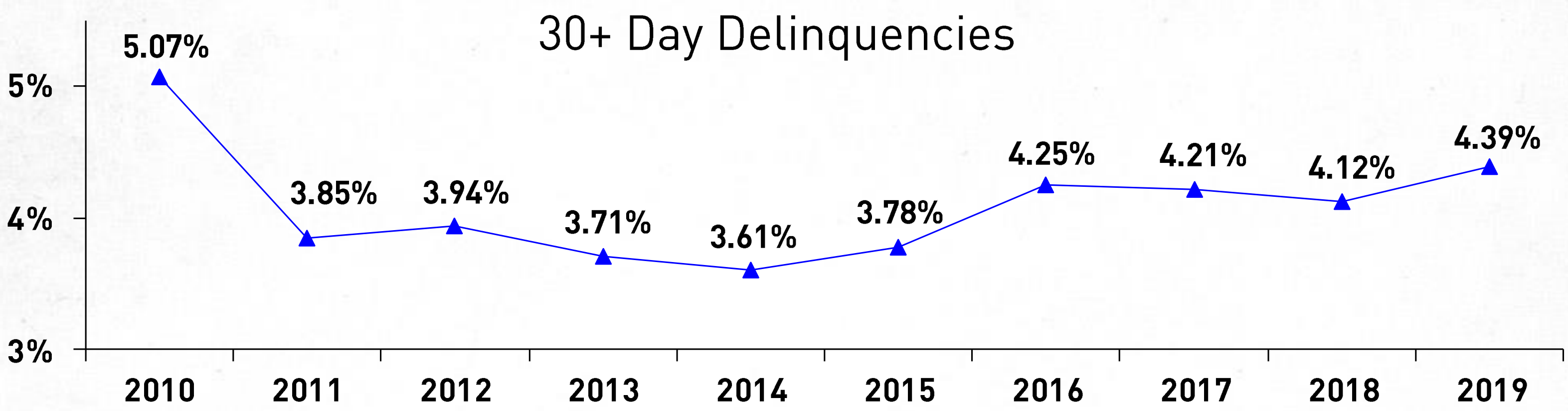
Cash & equivalents	**$363.2**
Availability	
Bank Credit Facilities	$1,168.0
Asset-Backed Conduit	600.0
Total Availability	**$1,768.0**

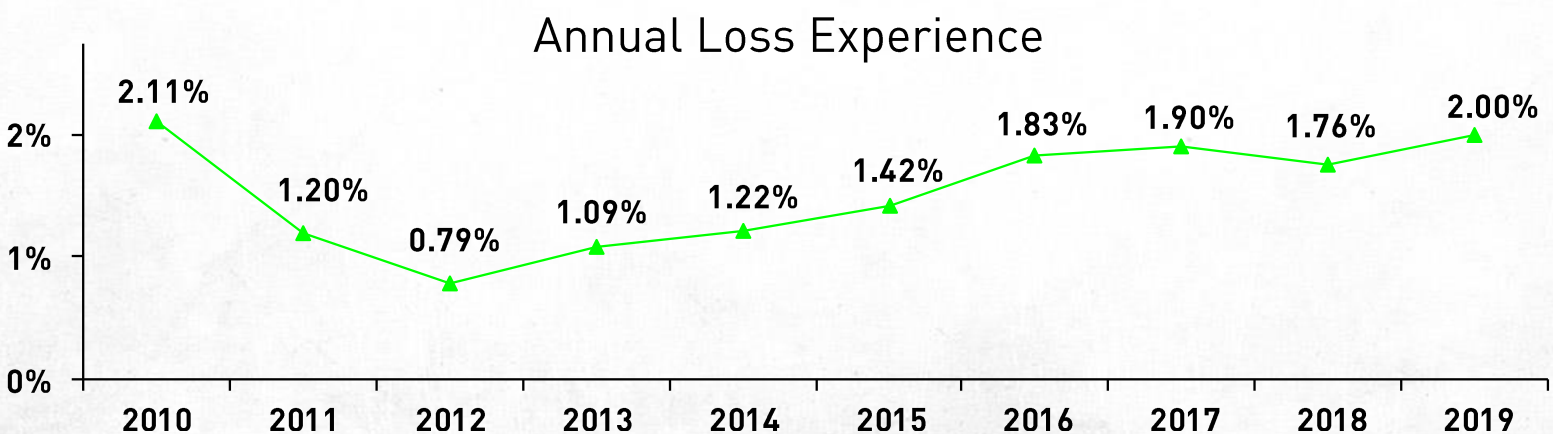
Other

- HDFS paid H-D, Inc. dividend of $40M in Q4, $180M total in 2019
- Issued €600 million European MTN debt in November with a coupon of 0.90%

FINANCIAL SERVICES SEGMENT

HDFS RETAIL MOTORCYCLE LOAN PERFORMANCE





Financial Services Segment

2019 HARLEY-DAVIDSON, INC.

vs. Prior Year

- **Cash & marketable securities -** $833.9 million vs. $1.21 billion (YE)
- **Operating cash flow -** $868.3 million vs. $1.21 billion (FY)
- **Capital spending -** $181.4 million vs. $213.5 million (FY)
- **Depreciation & amortization expense -** $232.5 million vs. $264.9 million (FY)
- **Tax rate –** 24.0% vs. 22.6% (FY)

CASH GENERATION/RETURNS

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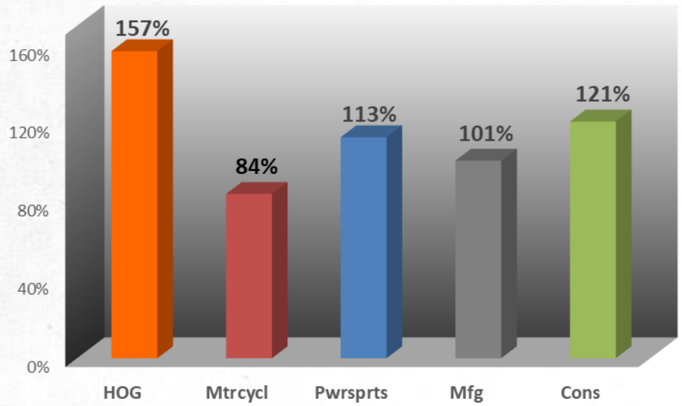
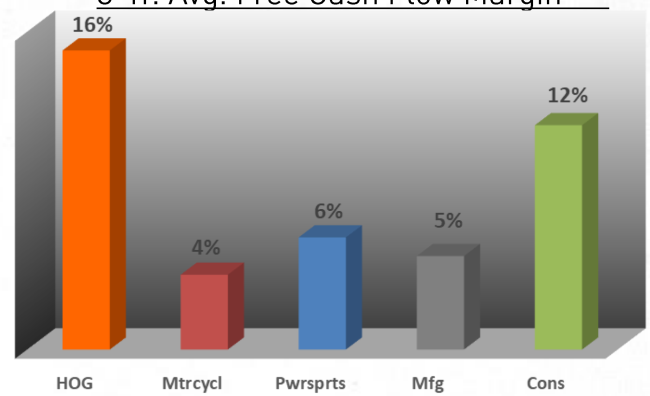
Harley-Davidson leads in cash generation and consistently returned cash to shareholders

(2016-2018)

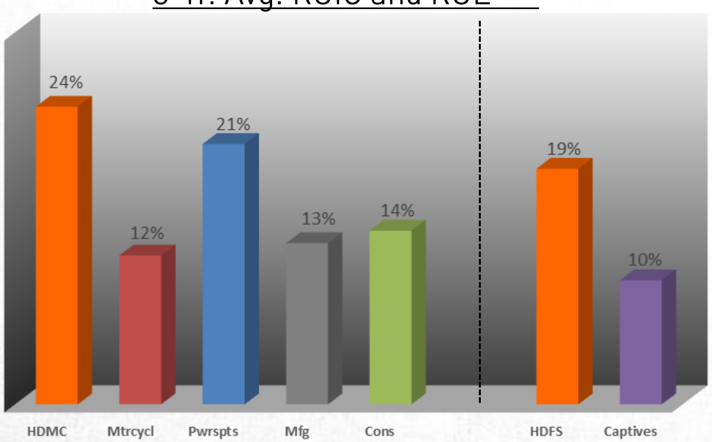
3-Yr. Avg. Free Cash Flow Conversion[1][2]



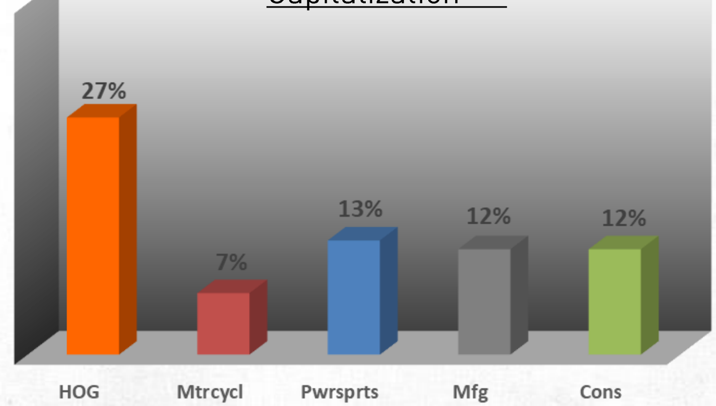
3-Yr. Avg. Free Cash Flow Margin[1][2]



3-Yr. Avg. ROIC and ROE[1][3]



3-Yr. Avg. Cumulative Capital Return / Market Capitalization[1][4]



[1]Three year average is based on 2016-2018 calendar year information using the average for key companies in respective industries or segments. Source: Company filings, Bloomberg (benchmark companies' income adjusted as appropriate for comparability). [2] Free Cash Flow (FCF) is defined as net cash provided by operating activities less capital expenditures. Free Cash Flow Margin is defined as FCF divided by revenue. Free Cash Flow Conversion is defined as FCF divided by net income. Free Cash Flow is a non-GAAP measure. See slides later in this presentation for information on non-GAAP measures. [3]Return on invested capital (ROIC) is defined as earnings before interest and taxes (EBIT) after tax divided by (debt plus book value of equity). EBIT after tax for HDMC is a non-GAAP measure. Return on equity (ROE) is defined as FinCo operating income after tax divided by book value of equity. FinCo operating income after tax is equivalent to HDFS operating income after tax which is a non-GAAP measure. Calculations for all companies assume a tax rate of 21% for 2018, and 35% for 2017 and 2016, for comparability. See slides later in this presentation for information on non-GAAP measures. [4] Calculated by adding 2016, 2017 and 2018 dividends plus repurchases, dividing that sum individually by 2016, 2017 and 2018 year-end market capitalizations resulting in three separate quotients, and then averaging the three quotients.

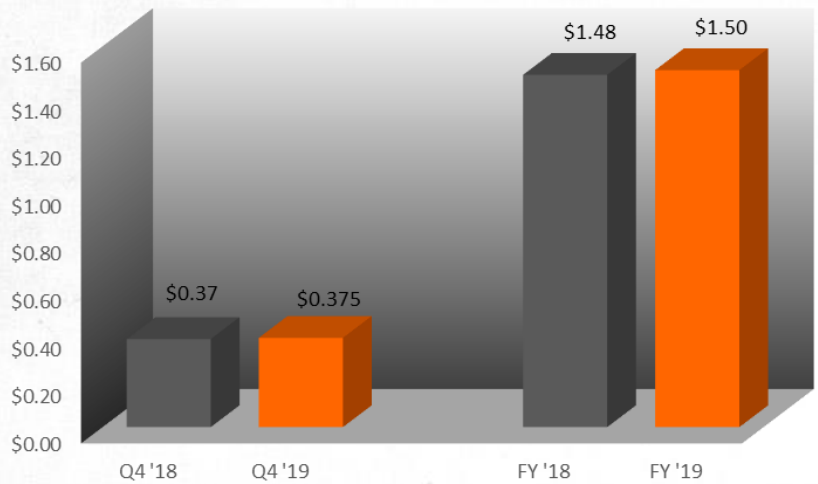
SHAREHOLDER RETURNS

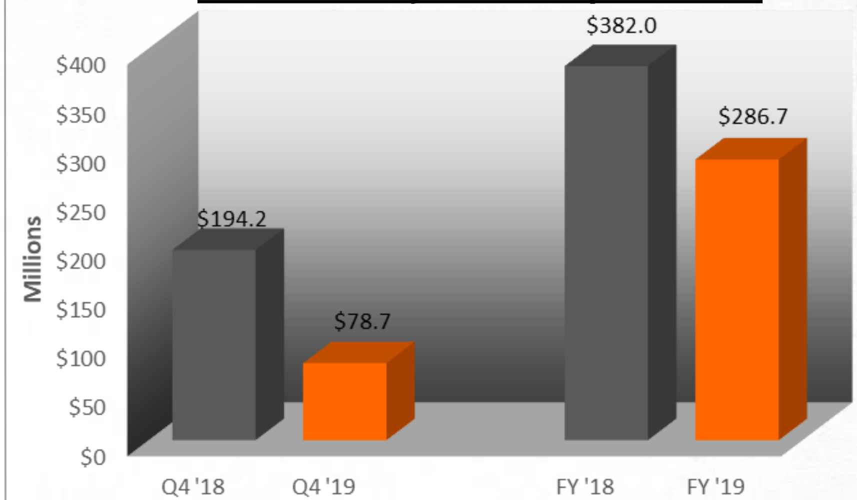
HARLEY DAVIDSON

Harley-Davidson has consistently returned cash to shareholders

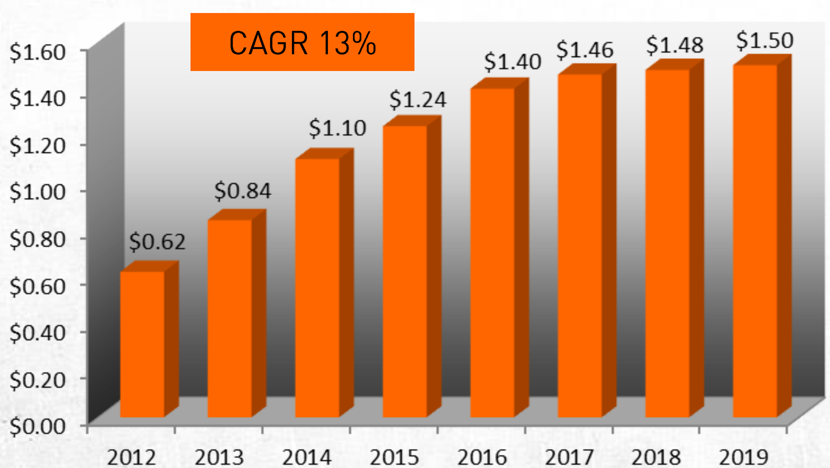
Dividends Per Share | Discretionary Share Repurchases

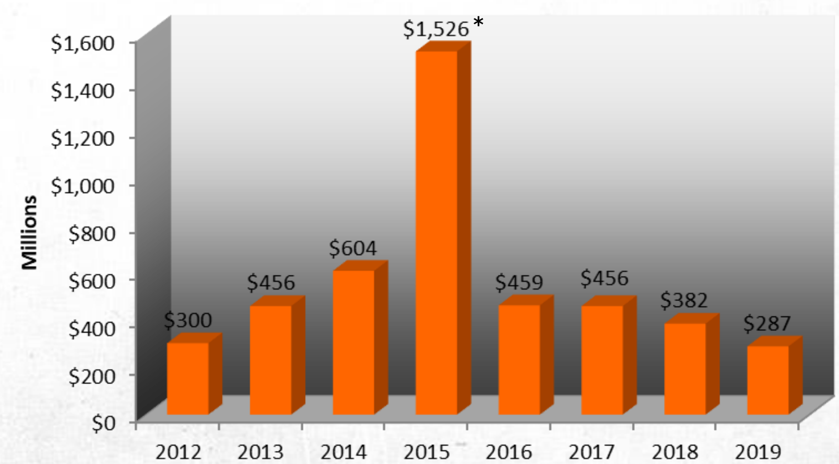
Year-over-year





Multi-Year





*Funded by $750 million HDI debt issuance

Consolidated – Motorcycles and Related Products and Financial Services Segments

MANUFACTURING OPTIMIZATION

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Manufacturing Optimization Summary *as of January 28, 2020*

($ millions)

	2018 Actual	2019 Actual	2020 Estimate	Total
Temporary Inefficiencies	**$12.9**	**$10.3**	**-**	**$23.2**
Restructuring	**$89.5**	**$32.7**	**-**	**$122.2**
Total Costs *% cash*	**$102.4** *~70%*	**$43.0** *~70%*	**-** *NA*	**$145.4** *~70%*

	2018 Actual Results		2019 Actual Results	
	Restructuring	Temp. Ineffic.	Restructuring	Temp. Ineffic.
Q1	$46.8	$ 0.7	$14.0	$3.6
Q2	$12.4	$ 2.4	$10.4	$4.0
Q3	$14.8	$ 6.2	$ 7.6	$2.5
Q4	$15.5	$ 3.6	$ 0.7	$0.3
	$89.5	**$12.9**	**$32.7**	**$10.3**

	2018 Actual	2019 Actual	2020 Estimate	Annual Ongoing Estimate
Annual Cash Savings	**-**	**$32.2**	**$50-$60**	**$65-$75**

Motorcycle and Related Products Segment

GUIDANCE

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2020 EXPECTATIONS

as of January 28, 2020

Motorcycles and Related Products segment	Revenue	*$4.53 billion to $4.66 billion* *(Q1: $1.09 billion to $1.17 billion)*
	Gross margin %	*Up year-over-year*
	SG&A	*Up year-over-year* *(Up as a percent of revenue)*
	Operating margin %	*7% to 8%*
Financial Services segment	Operating income	*Approximately flat year-over-year*
Harley-Davidson, Inc.	Capital expenditures	*$215 million - $235 million*
	Effective tax rate	*24% to 25%*

BUILDING THE NEXT GENERATION OF HARLEY-DAVIDSON RIDERS GLOBALLY

Focused investments,

strong returns

to grow the company for the long-term

NON-GAAP MEASURES

This presentation includes financial measures that have not been calculated in accordance with U.S. generally accepted accounting principles (GAAP), and are therefore referred to as non-GAAP financial measures. The non-GAAP measures listed below are intended to be considered by users as supplemental information to the equivalent GAAP measures, to aid investors in better understanding the company's financial results. The company believes that these non-GAAP measures provide useful perspective on underlying business results and trends, and a means to assess period-over-period results. These non-GAAP measures should not be considered as a substitute for, or superior to, measures of financial performance prepared in accordance with GAAP. These non-GAAP measures may not be the same as similarly titled measures used by other companies due to possible differences in method and in items or events being adjusted.

The non-GAAP measures are as follows:

- Net income excluding restructuring plan costs and the impact of recent EU and China tariffs
- Diluted EPS excluding restructuring plan costs and the impact of recent EU and China tariffs
- HDI free cash flow
- HDMC EBIT after tax
- HDFS operating income after tax

Restructuring plan costs include restructuring expenses as presented in the Consolidated Statements of Income and costs associated with temporary inefficiencies incurred in connection with the manufacturing optimization initiative included in Motorcycles and Related Products cost of goods sold. The impact of recent EU and China tariffs includes incremental European Union and China tariffs imposed beginning in 2018 on the company's products shipped from the U.S., as well as incremental U.S. tariffs imposed beginning in 2018 on certain items imported from China. The impact of recent EU and China tariffs excludes higher metals cost resulting from the U.S. steel and aluminum tariffs. These adjustments are consistent with the approach used for 2018 to determine performance relative to financial objectives under the company's incentive compensation plans.

Refer to the reconciliations of GAAP to non-GAAP amounts included in this presentation.

RECONCILIATION OF GAAP TO NON-GAAP AMOUNTS

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This presentation contains non-GAAP measures related to net income and diluted earnings per share that exclude restructuring plan costs and the impact of recent EU and China tariffs. Reconciliations of GAAP amounts to non-GAAP amounts are included below.

($ thousands, except per share amounts)	Three months ended 12/31/2019	Three months ended 12/31/2018	Twelve months ended 12/31/2019	Twelve months ended 12/31/2018
Net income excluding restructuring plan costs and the impact of recent EU and China tariffs				
Net income (GAAP)	$ 13,496	$ 495	$ 423,635	$ 531,451
Restructuring plan costs	973	22,944	42,688	106,314
Impact of recent EU and China tariffs	20,881	13,363	97,852	23,675
Tax effect of adjustments [1]	(4,568)	(8,804)	(33,729)	(31,522)
Adjustments net of tax	17,286	27,503	106,811	98,467
Adjusted net income (non-GAAP)	$ 30,782	$ 27,998	$ 530,446	$ 629,918
Diluted EPS excluding restructuring plan costs and the impact of recent EU and China tariffs				
Diluted earnings per share (GAAP)	$ 0.09	$ 0.00	$ 2.68	$ 3.19
Adjustments net of tax, per share	0.11	0.17	0.68	0.59
Adjusted diluted earnings per share (non-GAAP)	$ 0.20	$ 0.17	$ 3.36	$ 3.78

[1] The income tax effect of adjustments has been computed using the company's effective income tax rate

RECONCILIATION OF GAAP TO NON-GAAP AMOUNTS

HARLEY DAVIDSON

This presentation contains performance measures calculated using non-GAAP amounts as inputs. These performance measures include: "3-yr. Avg. Free Cash Flow Conversion", "3-yr. Avg. Free Cash Flow Margin“, “3-Yr. Avg. ROIC and ROE”. Reconciliations of reported GAAP amounts to non-GAAP amounts are included below.

($ thousands)	Twelve months ended		
	12/31/2018	12/31/2017	12/31/2016
HDI Free cash flow (FCF)			
Net cash provided by operating activities (GAAP)	$ 1,205,921	$ 1,005,061	$ 1,174,339
Less: Capital expenditures (GAAP)	213,516	206,294	256,263
FCF (non-GAAP)	$ 992,405	$ 798,767	$ 918,076
HDMC earnings before interest and taxes (EBIT) after tax			
HDMC operating income (GAAP)	$ 430,687	$ 615,144	$ 778,983
HDMC other income (expense)	3,039	9,182	2,642
Less: Income taxes[1]	91,082	218,514	273,569
HDMC EBIT after tax (non-GAAP)	$ 342,644	$ 405,812	$ 508,056
HDFS operating income after tax			
HDFS operating income (GAAP)	$ 282,752	$ 267,139	$ 267,206
Less: Income taxes[1]	59,378	93,499	93,522
HDFS operating income after tax (non-GAAP)	$ 223,374	$ 173,640	$ 173,684

[1] Income taxes calculated using a 21% tax rate for 2018 and a 35% rate for 2017 and 2016, to be consistent with assumptions used to determine competitor measures

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 because the context of the statement will include words such as the company "believes," "anticipates," "expects," "plans," "may," "will," "estimates," "is on-track" 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 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.

The company's ability to meet the targets and expectations noted above depends upon, among other factors, the company's ability to (i) execute its business plans and strategies, including the elements of the More Roads to Harley-Davidson accelerated plan for growth that the company disclosed on July 30, 2018 and updated September 24, 2019, and strengthen its existing business while enabling growth, (ii) manage and predict the impact that new or adjusted tariffs may have on the company's ability to sell product internationally, and the cost of raw materials and components, (iii) execute its strategy of growing ridership, globally, (iv) successfully carry out its global manufacturing and assembly operations, (v) accurately analyze, predict and react to changing market conditions and successfully adjust to shifting global consumer needs and interests, (vi) successfully launch a smaller displacement motorcycle in India, (vii) 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, (viii) perform in a manner that enables the company to benefit from market opportunities while competing against existing and new competitors, (ix) realize expectations concerning market demand for electric models, which will depend in part on the building of necessary infrastructure, (x) prevent, detect, and remediate any issues with its motorcycles or any issues associated with the manufacturing 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, (xi) manage supply chain issues, including quality issues and any unexpected interruptions or price increases caused by raw material shortages or natural disasters, (xii) manage the impact that prices for and supply of used motorcycles may have on its business, including on retail sales of new motorcycles, (xiii) reduce other costs to offset costs of the More Roads to Harley-Davidson plan and redirect capital without adversely affecting its existing business, (xiv) balance production volumes for its new motorcycles with consumer demand, (xv) manage risks that arise through expanding international manufacturing, operations and sales, (xvi) manage through changes in general economic and business conditions, including changing capital, credit and retail markets, and the changing political environment, (xvii) successfully determine, implement on a timely basis, and maintain a manner in which to sell motorcycles in the European Union, China, and ASEAN countries that does not subject its motorcycles to incremental tariffs, (xviii) accurately estimate and adjust to fluctuations in foreign currency exchange rates, interest rates and commodity prices, (xix) continue to develop the capabilities of its distributors and dealers, effectively implement changes relating to its dealers and distribution methods and manage the risks that its independent dealers may have difficulty obtaining capital and managing through changing economic conditions and consumer demand, (xx) retain and attract talented employees, (xxi) prevent a cybersecurity breach involving consumer, employee, dealer, supplier, or company data and respond to evolving regulatory requirements regarding data security, (xxii) manage the credit quality, the loan servicing and collection activities, and the recovery rates of HDFS' loan portfolio, (xxiii) 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, (xxiv) manage through the effects inconsistent and unpredictable weather patterns may have on retail sales of motorcycles, (xxv) implement and manage enterprise-wide information technology systems, including systems at its manufacturing facilities, (xxvi) manage changes and prepare for requirements in legislative and regulatory environments for its products, services and operations, (xxvii) manage its exposure to product liability claims and commercial or contractual disputes, (xxviii) successfully access the capital and/or credit markets on terms (including interest rates) that are acceptable to the company and within its expectations, (xxix) 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, (xxx) continue to manage the relationships and agreements that the company has with its labor unions to help drive long-term competitiveness, (xxxi) accurately predict the margins of its Motorcycles & Related Products segment in light of, among other things, tariffs, the cost associated with the More Roads to Harley-Davidson plan, the company's manufacturing optimization plan, and the company's complex global supply chain, and (xxxii) develop and maintain a productive relationship with Zhejiang Qianjiang Motorcycle Co., Ltd. and launch related products in a timely manner.

The company could experience delays or disruptions in its operations as a result of work stoppages, strikes, natural causes, terrorism, or other factors. Other factors are described in risk factors that the company has disclosed in documents previously filed with the Securities and Exchange Commission. Many of these risk factors are impacted by the current changing capital, credit and retail markets and the company's ability to manage through inconsistent economic conditions.

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 independent dealers to sell its motorcycles and related products and services to retail customers. The company depends on the capability and financial capacity of its independent 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 independent 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. In recent years, HDFS has experienced historically low levels of retail credit losses, but there is no assurance that this will continue. The company believes that HDFS' retail credit losses may increase over time due to changing consumer credit behavior and HDFS' efforts to increase prudently structured loan approvals to sub-prime borrowers, as well as actions that the company has taken and could take that impact motorcycle values. Refer to "Risk Factors" under Item 1A of the company's Annual Report on Form 10-K for the year ended December 31, 2018, for a discussion of additional risk factors and a more complete discussion of some of the cautionary statements noted above.