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HARLEY-DAVIDSON, INC. - 2020 SECOND QUARTER BUSINESS UPDATE

July 28, 2020

2020 SECOND QUARTER BUSINESS UPDATE

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This presentation supports the audio call. The audio for today's call will be available at Harley-Davidson.com, or call (855) 859-2056 or (404) 537-3406 until August 11th. ID 3880243.

CALL PARTICIPANTS

- Jochen Zeitz, Chairman, President and CEO
- Darrell Thomas, Vice President, Treasurer, and Interim CFO
- Larry Hund, Chief Commercial Officer
- Shannon Burns, Director, Investor Relations

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.

COVID-19 - ONGOING RESPONSE

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Prioritize Health and Safety

- **Precautions and compliance**
  - Mfg. operating with proper precautions in place
  - Most salaried employees working at home until at least end of year
  - Enhanced cleaning, sanitation, return to workplace protocol and visitor restrictions at all sites
  - Travel restrictions in place for all employees
  - Museum open, masks required
- **Participating in COVID-19 impact relief support efforts**
  - Company donations – United Way's relief fund and custom LiveWire™ auction

Preserve Cash

- **Reduced non-essential costs**
  - On track to deliver $250 million of savings
- **Supply chain secured to protect ongoing manufacturing at this time**
- **HDFS remains a source of cash with declining motorcycle sales**
- **Discretionary share repurchases remain suspended; Declared Q3 dividend of $0.02 per share in line with Q2**

Secure Additional Liquidity

- **$4.7 billion HDI liquidity end of Q2**
  - Raised $3.3 billion of liquidity by executing 6 transactions in Q2
- **Increased cash holdings to $3.86 billion end of Q2**
- **Remain committed to maintaining 12-months of liquidity**
- **Credit ratings Baa2/BBB/A- with strong access to commercial paper markets**
- **Well within all existing debt covenants**
  - HDFS debt/equity 5.1 to 1

Support Customers and Dealers

- **Managing inventory to drive value in our brand and products**
- **Dealer assistance**
  - COVID resources – Marketing, Gov't Affairs, policy/process adjustments, reopening playbook
  - Extended "Home Delivery" program to allow dealers to continue to sell motorcycles by appointment
  - Supporting dealer activations during Aug. Sturgis rally
- **Focus on customer**
  - Continue to manage retail loan losses, offering payment extensions to certain customers

VISION & MISSION



LET'S RIDE

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Video produced and directed by Jason Momoa launches "Let's Ride" retail campaign, championing the positivity in riding motorcycles and the unrelenting spirit of Harley-Davidson riders

THE REWIRE

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KEY ELEMENTS – Q2 UPDATES

New operating model; reduced complexity and increased speed

- Eliminate duplication, inefficiencies and complexity across ALL areas and functions
- Aligned operating model, cost structure to current realities of business

Refined motorcycle line-up and high-impact product launches

- Streamlined motorcycle models by ~30%
- Balanced investment in current stronghold categories with expansion into new, high potential segments

Growth through P&A and GM

- Aligning P&A and GM to motorcycle strategy
- Reduced SKUs

Reset global business and focus on high-priority markets

- Concentrating on ~50 markets primarily in North America, Europe and parts of Asia Pacific
- Resources shifted into markets for agility, maximum impact

Protecting value

- New approach to supply and inventory management aimed at driving increased value and desirability of H-D
- Focusing on products and initiatives that add value – fewer promotions and discounting activities

The Rewire is redefining our mission, reducing complexity, sharpening our focus and increasing speed and will serve as a strong foundation for our new 5-year strategic plan.

THE HARDWIRE

HARLEY-DAVIDSON'S 2021-2025 STRATEGIC PLAN

- **New 5-year strategic plan will build on the foundation of The Rewire**
- **Focus: Harley-Davidson as the most desirable motorcycle brand in the world**
- **Expect to share in Q4**

Since the beginning, Harley-Davidson motorcycles have ignited desirability, a motivating force driven by emotion. Desirability will form the foundation of our strategy and every aspect of the Harley-Davidson experience.

Q2 2020 RESULTS VS. PRIOR YEAR

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REVENUE	NET LOSS	EPS
$0.87 Billion ↓	$92.2 Million ↓	$(0.60) ↓
(47.0)%	$(287.8) million	$(1.83)

Q2 earnings impacted by:

- **Motorcycles segment operating margin down**
  - Revenue down 53.3% on 58.7% lower shipments
  - Gross margin 16.1%, down 15.6 pts.
  - SG&A down $75.9 million
  - Restructuring expenses up $30.6 million with Q2 2020 restructuring charges of $41.0 million
  - Operating margin (18.1)%, down 30.7 pts.
- **Financial Services segment operating income down**
  - Provision for loan losses up $64.8 million as a result of deteriorating economic factors since the end of Q1
  - Lower net interest income driven primarily by higher average outstanding debt
  - Includes restructuring charge of $0.9 million

Consolidated – Motorcycles and Related Products and Financial Services Segments

WORLDWIDE RETAIL SALES

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RETAIL SALES

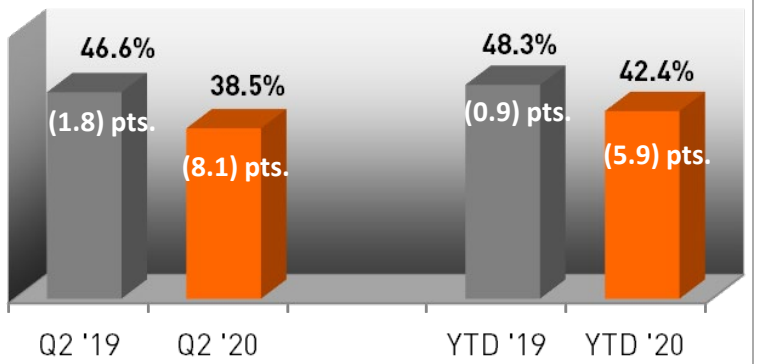
H-D NEW RETAIL MOTORCYCLE SALES

	vs. prior year Q2	YTD
Worldwide Retail Sales Rate	**(26.6)%**	**(23.0)%**
▪ **North America**		
- US	(26.7)%	(22.3)%
- Canada	(30.3)%	(28.2)%
Down as most dealers were closed early in the quarter		
▪ **EMEA**	(29.8)%	(29.2)%
Significant declines across region due to COVID-19		
▪ **Asia Pacific**	(10.2)%	(8.0)%
Growth in China and S. Korea offset by declines in Japan and Australia		
▪ **Latin America**	(51.0)%	(37.1)%
Declines in both Mexico and Brazil		

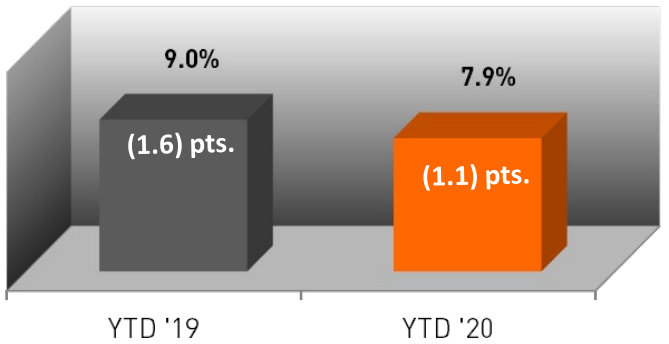
SHARE

NEW 601+cc[1] MARKET SHARE

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



H-D EUROPE NEW 601+cc MARKET SHARE[3]



INVENTORY

H-D NEW RETAIL MOTORCYCLE INVENTORY

Worldwide dealer inventory down approximately 22,300 motorcycles vs. prior year

– U.S. dealer inventory down approximately 17,000 motorcycles

[1] Includes electric motorcycles with kilowatt peak power equivalent of 601+cc; [2] Source: Motorcycle Industry Council (MIC)
3 Source: Management Services Helwig Schmitt GmbH. Prior year registrations have been revised to be consistent with the current presentation.

SHIPMENTS & REVENUE

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SHIPMENTS

MOTORCYCLES SEGMENT

	Q2 '20	vs. PY	YTD '20	vs. PY
Total	**28,369**	**(58.7)%**	**81,342**	**(36.3)%**
Touring	34.2%	*(10.8) pts.*	38.5%	*(5.3) pts.*
Cruiser*	41.9%	*8.9 pts.*	39.3%	*5.5 pts.*
Street / Sportster®	23.9%	*1.9 pts.*	22.2%	*(0.2) pts.*
	100.0%		100.0%	

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

REVENUE

MOTORCYCLES SEGMENT ($ millions)

	Q2 '20	vs. PY	YTD '20	vs. PY
Motorcycle	$446.7	(60.4)%	$1,346.1	(35.7)%
P&A	168.7	(23.8)%	303.4	(20.4)%
General Merchandise	37.8	(41.5)%	87.0	(27.6)%
Licensing	4.9	(50.5)%	12.9	(30.1)%
Other	11.2	9.8%	19.7	12.3%
Total Revenue	**$669.3**	**(53.3)%**	**$1,769.1**	**(32.7)%**

- Q2 shipments down 40,388 motorcycles year-over-year as most manufacturing temporarily suspended for the majority of the quarter
- Q2 Cruiser and Street/Sportster shipments as a percent of total were up, offset by lower Touring shipments

- Q2 revenue down 53.3% on 58.7% lower shipments
- Q2 average motorcycle revenue per bike was down $660 behind unfavorable product mix and foreign currency exchange, partially offset by lower sales incentives and higher year-over-year pricing

GROSS MARGIN & OPERATING MARGIN

GROSS MARGIN[1]

MOTORCYCLES SEGMENT ($ millions)

	Q2	YTD
2019 Gross Margin	$454.7	$802.2
% of revenue	31.7%	30.5%
- Volume	(256.0)	(290.9)
- Pricing net of cost	3.2	6.8
- Mix	(16.3)	(19.7)
- Currency	(15.4)	(26.3)
- Raw materials	2.9	3.9
- Manufacturing / other	(65.5)	(49.5)
2020 Gross Margin	**$107.6**	**$426.5**
% of revenue	16.1%	24.1%

- **Q2 gross margin % of revenue impacted by:**
  - Mix – higher percent Cruisers/Sportsters versus Touring and P&A mix
  - Currency – higher due to a stronger U.S. dollar
  - Manufacturing – lost absorption and lower productivity, partially offset by lower tariffs

OPERATING MARGIN

MOTORCYCLES SEGMENT ($ millions)

	Q2	YTD
2019 Operating Income	$180.7	$289.1
% of revenue	12.6%	11.0%
- Gross Margin	(347.1)	(375.6)
- SG&A	75.9	67.0
- Restructuring	(30.6)	(17.0)
2020 Operating Loss	**$(121.0)**	**$(36.5)**
% of revenue	(18.1)%	(2.1)%

- Q2 operating margin down yr/yr behind lower gross margin and restructuring charges, partially offset by aggressive cost management

Motorcycles and Related Products Segment

[1] Gross margin includes year-over-year impacts of recent EU & China tariffs ($27.3M Q2 decrease / $35.7M YTD decrease) and year-over-year temporary inefficiencies related to manufacturing optimization ($4.0M Q2 decrease / $7.6M YTD decrease).

FINANCIAL SERVICES SEGMENT

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OPERATING INCOME

FINANCIAL SERVICES SEGMENT ($ millions)

	Q2	YTD
2019 Operating Income	$75.5	$134.2
- Net interest income	(8.3)	1.7
- Provision for retail loan losses	(66.5)	(104.1)
- Provision for wholesale loan losses	1.7	(5.6)
- Operating expenses [1]	6.4	6.0
- All other	(3.9)	(4.3)
2020 Operating Income	**$4.9**	**$27.9**

[1] *Includes the impact of Q2 restructuring of $0.9M.*

- **Q2 operating income adversely impacted by:**
  - **$64.8 million of increased provision for credit losses** ($71.2 million of increased reserves partially offset by $6.4 million of lower actual retail net credit losses)
  - **$8.3 million lower net interest income** driven primarily by $1.8 billion higher average outstanding debt

FINANCIAL SERVICES SEGMENT

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HDFS OPERATIONS AND LIQUIDITY

OPERATIONS

Originations

New and used H-D retail motorcycle loans

Q2	**$935.6M**	(10.1)% vs. Q2 ’19
YTD	**$1.55B**	(10.4)% vs. YTD ’19

Approximately 80%-85% prime

Market share

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

Q2	**69.3%**	3.4 pts. vs. Q2 ’19
YTD	**67.4%**	1.9 pts. vs. YTD ’19

Finance receivables outstanding

End of Q2 2020

Retail	$6.52B	
Wholesale	0.87B	
Total	**$7.39B**	(5.1)% vs. Q2 ‘19

LIQUIDITY

($ millions)
End of Q2 2020

Cash & equivalents	**$3,410.2**
Availability	
Bank Credit Facilities	$ 217.6
Asset-Backed Conduits	600.0
Total Liquidity	**$4,227.8**

Other

- Issued $300M private ABS in April
- Issued €650 million 3-year MTN in May
- Issued $1.25 billion in ABS debt through 2 transactions in May
- Added $350M 364-day credit facility in June
- Issued $700M 5-year MTN in June
- No Remaining MTNs maturities in 2020

FINANCIAL SERVICES SEGMENT

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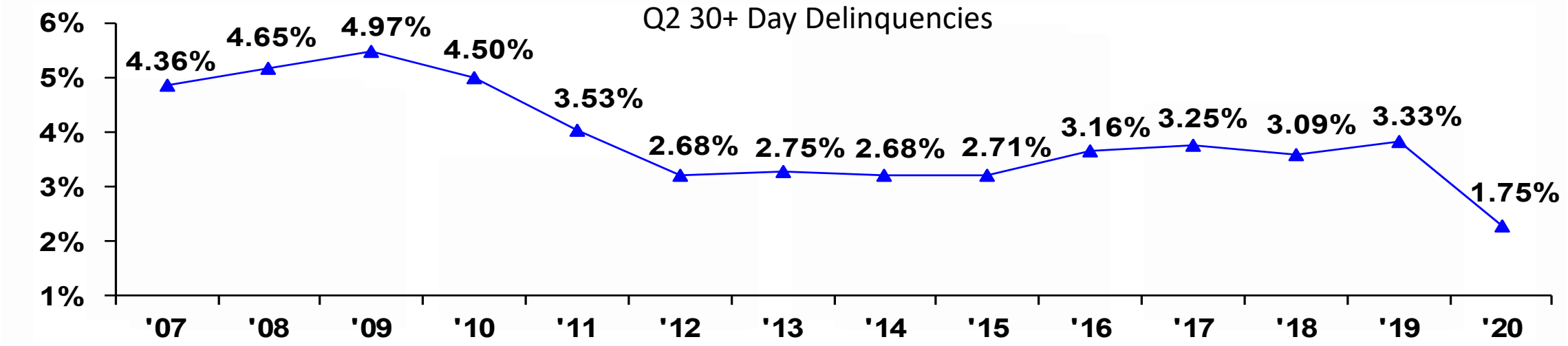
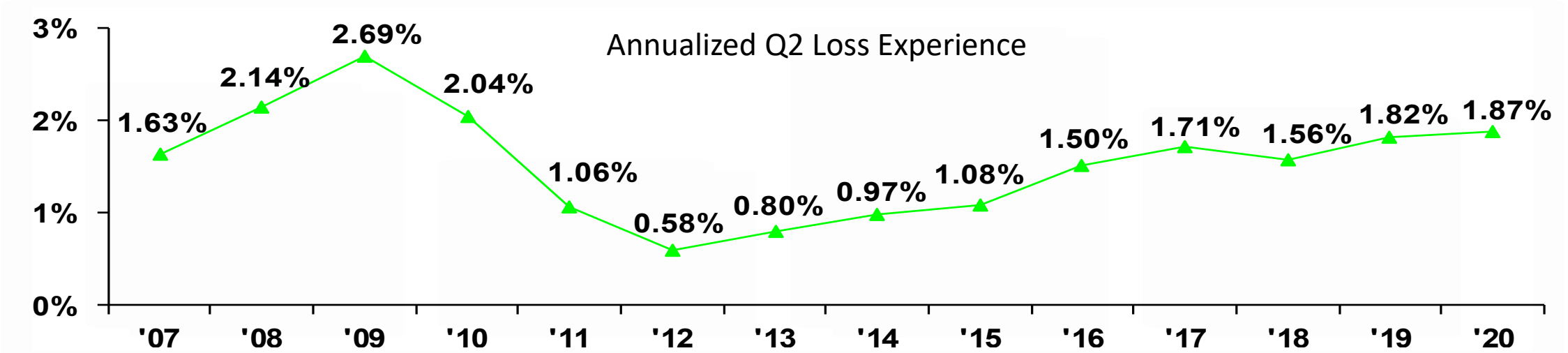
HDFS RETAIL MOTORCYCLE LOAN PERFORMANCE





2020 HARLEY-DAVIDSON, INC.

vs. Prior Year

- **Cash & cash equivalents -** $3.86 billion vs. $924.6 million at the end of Q2
- **Operating cash flow –** $610.2 million vs. $496.2 million YTD
- **Capital expenditures -** $67.0 million vs. $83.2 million YTD
- **Depreciation & amortization expense -** $95.5 million vs. $125.4 million YTD
- **Tax rate –** 3.7% vs. 24.1% YTD

Consolidated – Motorcycles and Related Products and Financial Services Segments

CASH GENERATION/RETURNS

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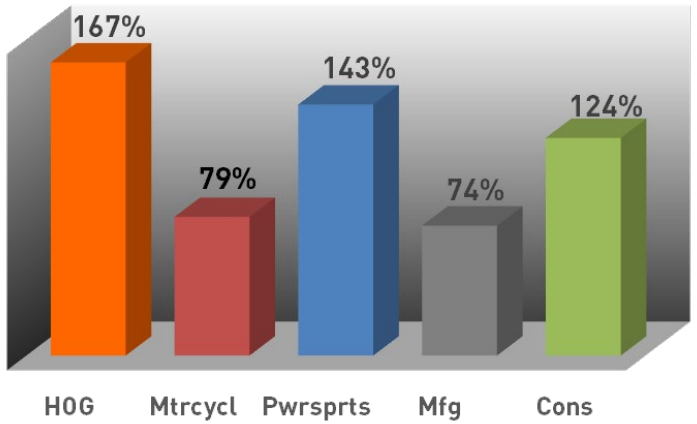
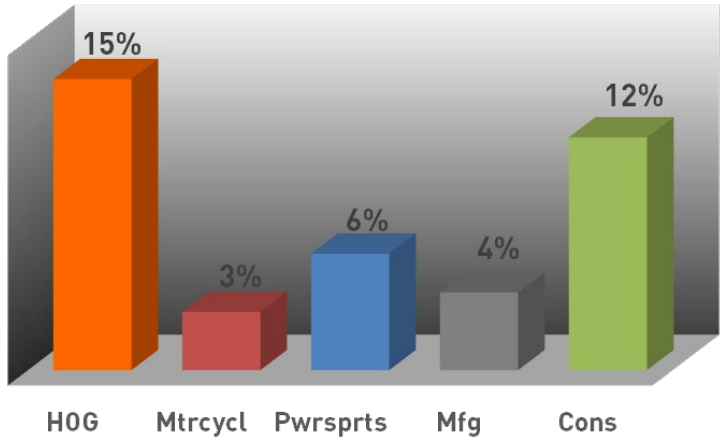
Harley-Davidson leads in cash generation and consistently returned cash to shareholders

(2017-2019)

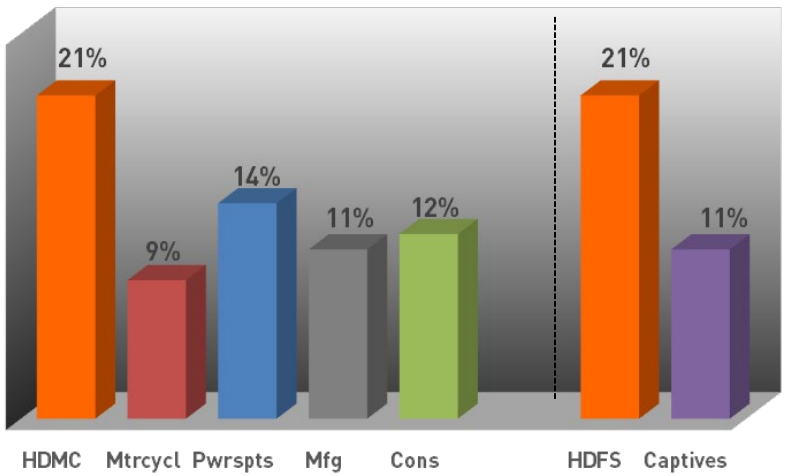
3-Yr. Avg. Free Cash Flow Conversion[1][2]



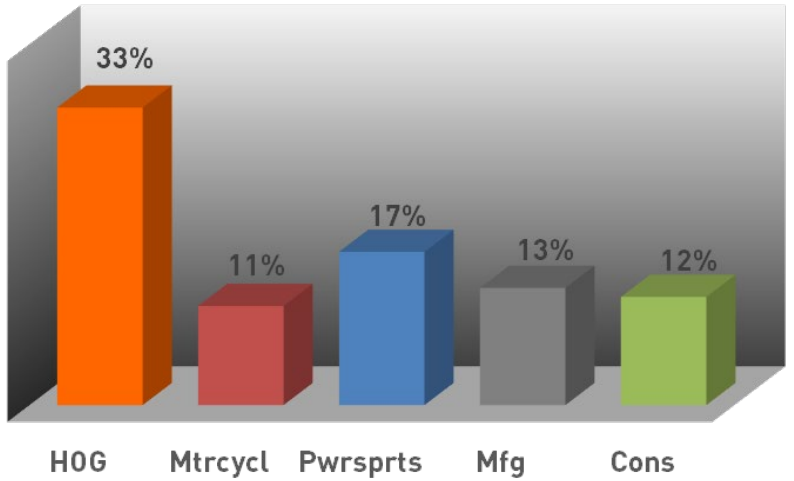
3-Yr. Avg. Free Cash Flow Margin[1][2]



3-Yr. Avg. ROIC and ROE[1][2]



3-Yr. Avg. Cumulative Capital Return / Market Capitalization[1][2]



[1]Three year average is based on 2017-2019 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 35% for 2017, and 21% for 2018 and 2019, for comparability. See slides later in this presentation for information on non-GAAP measures. [4] Calculated by adding 2017, 2018 and 2019 dividends plus repurchases, dividing that sum individually by 2017, 2018 and 2019 year-end market capitalizations resulting in three separate quotients, and then averaging the three quotients.

SHAREHOLDER RETURNS

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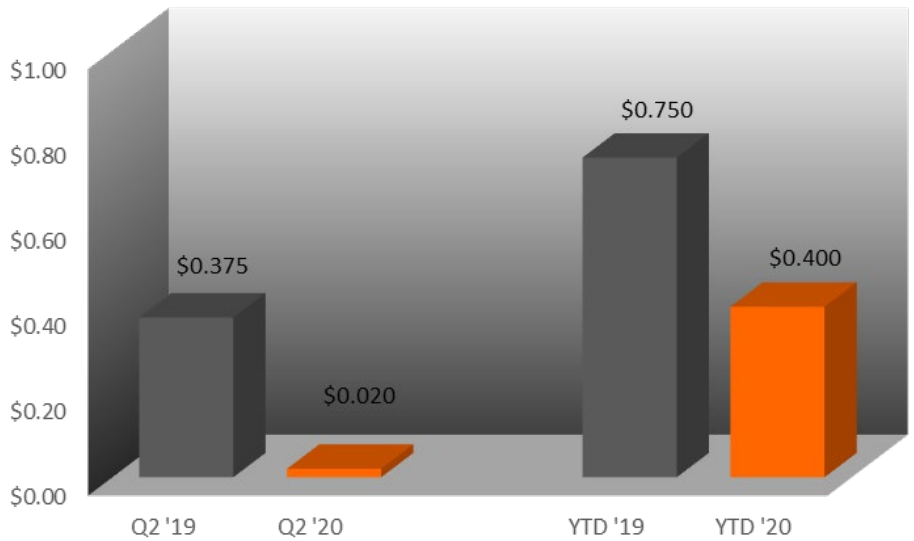
DIVIDENDS

Q2 Dividends Per Share

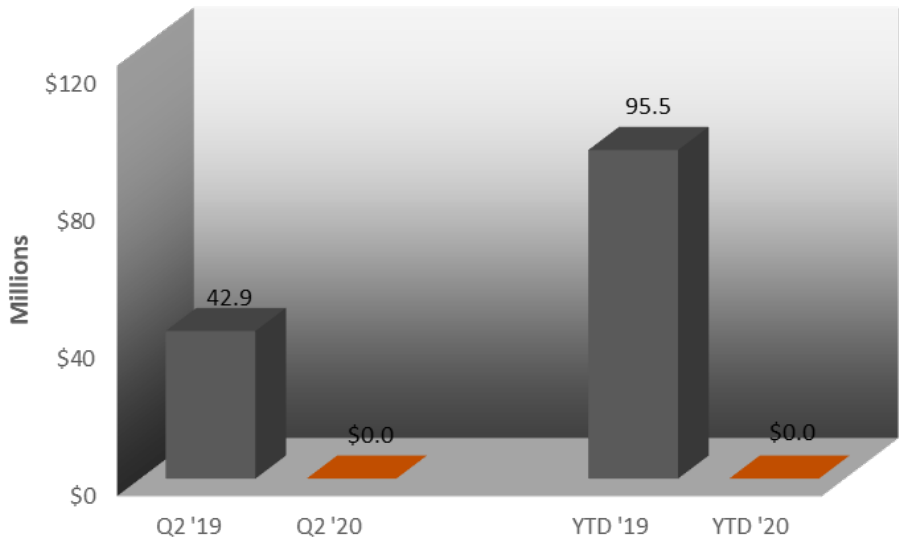


Q2 dividend of $0.02 per share

- Board of Directors also approved a $0.02 per share dividend for Q3

SHARE REPURCHASES

Q2 Discretionary Share Repurchases



Suspended share repurchase program in Q2 2020

- No discretionary share repurchases in Q2 as share repurchases remain suspended

Consolidated – Motorcycles and Related Products and Financial Services Segments

GUIDANCE

2020 EXPECTATIONS

Motorcycles and Related Products segment	Revenue	Due to uncertainty surrounding the magnitude and duration of the COVID-19 pandemic, Harley-Davidson, Inc. has withdrawn full-year financial guidance.
	Gross margin %	
	SG&A	
	Operating margin %	
Financial Services segment	Operating income	
Harley-Davidson, Inc.	Capital expenditures	
	Effective tax rate	

NON-GAAP MEASURES

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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 (loss) 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 Operations 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

This presentation contains non-GAAP measures related to net (loss) income and diluted (loss) 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		Six months ended	
	6/28/2020	6/30/2019	6/28/2020	6/30/2019
Net (loss) income excluding restructuring plan costs and the impact of recent EU and China tariffs				
Net (loss) income (GAAP)	$ (92,217)	$ 195,631	$ (22,522)	$ 323,576
Restructuring plan costs	41,949	14,414	41,949	31,624
Impact of recent EU and China tariffs	7,100	34,400	19,707	55,377
Tax effect of adjustments[1]	(10,693)	(11,837)	(14,009)	(21,097)
Adjustments, net of tax	38,356	36,977	47,647	65,904
Adjusted net (loss) income (non-GAAP)	$ (53,861)	$ 232,608	$ 25,125	$ 389,480
Diluted EPS excluding restructuring plan costs and the impact of recent EU and China tariffs				
Diluted (net loss) earnings per share (GAAP)	$ (0.60)	$ 1.23	$ (0.15)	$ 2.03
Adjustments net of tax, per share	0.25	0.23	0.31	0.41
Adjusted diluted (net loss) earnings per share (non-GAAP)	$ (0.35)	$ 1.46	$ 0.16	$ 2.44

[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

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		
	12/31/2019	12/31/2018	12/31/2017
HDI Free cash flow (FCF)			
Net cash provided by operating activities (GAAP)	$ 868,272	$ 1,205,921	$ 1,005,061
Less: Capital expenditures (GAAP)	181,440	213,516	206,294
FCF (non-GAAP)	$ 686,832	$ 992,405	$ 798,767
HDMC earnings before interest and taxes (EBIT) after tax			
HDMC operating income (GAAP)	$ 296,513	$ 430,687	$ 615,144
HDMC other income (expense)	16,514	3,039	9,182
Less: Income taxes[(1)]	65,736	91,082	218,514
HDMC EBIT after tax (non-GAAP)	$ 247,291	$ 342,644	$ 405,812
HDFS operating income after tax			
HDFS operating income (GAAP)	$ 258,931	$ 282,752	$ 267,139
Less: Income taxes[(1)]	54,376	59,378	93,499
HDFS operating income after tax (non-GAAP)	$ 204,555	$ 223,374	$ 173,640

[(1)] Income taxes calculated using a 21% tax rate for 2019 and 2018 and a 35% tax rate for 2017, to be consistent with assumptions used to determine competitor measures

FORWARD-LOOKING STATEMENTS

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Cautionary Note Regarding Forward-Looking Statements

The company intends that certain matters discussed in this press release 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 press release. 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 press release are only made as of the date of this press release, 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 following: (i) the COVID-19 pandemic including the length and severity of the pandemic across the globe and the pace of recovery following the pandemic; (ii) adverse economic, political or market conditions in the U.S. and international markets and other factors such as natural disasters; and (iii) the Company's ability to: (A) create and execute its business plans and strategies, and strengthen its existing business while allowing for desirable growth; (B) manage and predict the impact that new or adjusted tariffs may have on the company's ability to sell products internationally, and the cost of raw materials and components; (C) successfully carry out its global manufacturing and assembly operations; (D) accurately analyze, predict and react to changing market conditions and successfully adjust to shifting global consumer needs and interests, including successfully implementing and executing plans to exit international markets where volumes and profitability do not support continued investment in line with the future strategy; (E) successfully access the capital and/or credit markets on terms that are acceptable to the company and within its expectations; (F) develop and maintain a productive relationship with Zhejiang Qianjiang Motorcycle Co., Ltd. and launch related products in a timely manner; (G) 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; (H) perform in a manner that enables the company to benefit from market opportunities while competing against existing and new competitors; (I) realize expectations concerning market demand for electric models, which will depend in part on the building of necessary infrastructure; (J) 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; (K) manage supply chain issues, including quality issues and any unexpected interruptions or price increases caused by raw material shortages or natural disasters; (L) manage the impact that prices for and supply of used motorcycles may have on its business, including on retail sales of new motorcycles; (M) successfully manage and reduce costs throughout the business; (N) balance production volumes for its new motorcycles with consumer demand; (O) manage risks that arise through expanding international manufacturing, operations and sales; (P) manage through changes in general economic and business conditions, including changing capital, credit and retail markets, and the changing political environment; (Q) successfully determine, implement on a timely basis, and maintain a manner in which to sell motorcycles in the European Union, China, and the company's ASEAN countries that does not subject its motorcycles to incremental tariffs; (R) accurately estimate and adjust to fluctuations in foreign currency exchange rates, interest rates and commodity prices; (S) 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; (T) retain and attract talented employees, and eliminate personnel duplication, inefficiencies and complexity throughout the organization; (U) prevent a cybersecurity breach involving consumer, employee, dealer, supplier, or company data and respond to evolving regulatory requirements regarding data security; (V) manage the credit quality, the loan servicing and collection activities, and the recovery rates of HDFS' loan portfolio; (W) 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; (X) manage through the effects inconsistent and unpredictable weather patterns may have on retail sales of motorcycles; (Y) implement and manage enterprise-wide information technology systems, including systems at its manufacturing facilities; (Z) grow ridership, globally; (AA) manage changes and prepare for requirements in legislative and regulatory environments for its products, services and operations; (BB) manage its exposure to product liability claims and commercial or contractual disputes; (CC) 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; (DD) continue to manage the relationships and agreements that the company has with its labor unions to help drive long-term competitiveness; and (EE) accurately predict the margins of its Motorcycles and Related Products segment in light of, among other things, tariffs, the cost associated with product development initiatives and the company's complex global supply chain.

The company's operations, demand for its products, and its liquidity could be adversely impacted by work stoppages, facility closures, strikes, natural causes, widespread infectious disease, 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, the impact of COVID-19, 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, 2019 and Part II, Item 1A of any subsequently filed Quarterly Report on Form 10-Q, for a discussion of additional risk factors and a more complete discussion of some of the cautionary statements noted above.