

Harley-Davidson, Inc.  
Condensed Consolidated Statements of Income  
(In thousands, except per share amounts)

	(Unaudited) Three months ended September 29, 2019	(Unaudited) September 30, 2018	(Unaudited) Nine months ended September 29, 2019	(Unaudited) September 30, 2018
Motorcycles and Related Products revenue	\$ 1,068,942	\$ 1,123,945	\$ 3,698,583	\$ 4,013,013
Gross profit	320,064	347,415	1,122,241	1,353,273
Selling, administrative and engineering expense	265,464	266,921	754,479	797,323
Restructuring expense	7,629	14,832	31,682	74,044
Operating income from Motorcycles and Related Products	<u>46,971</u>	<u>65,662</u>	<u>336,080</u>	<u>481,906</u>
Financial Services revenue	203,577	191,724	590,935	558,000
Financial Services expense	130,704	107,970	383,802	330,126
Operating income from Financial Services	<u>72,873</u>	<u>83,754</u>	<u>207,133</u>	<u>227,874</u>
Operating income	119,844	149,416	543,213	709,780
Other income (expense), net	3,160	644	11,857	1,509
Investment income (loss)	2,041	(1,106)	11,970	2,630
Interest expense	7,789	7,762	23,304	23,180
Income before income taxes	<u>117,256</u>	<u>141,192</u>	<u>543,736</u>	<u>690,739</u>
Provision for income taxes	30,693	27,337	133,597	159,783
Net income	<u>\$ 86,563</u>	<u>\$ 113,855</u>	<u>\$ 410,139</u>	<u>\$ 530,956</u>
Earnings per share:				
Basic	\$ 0.55	\$ 0.69	\$ 2.59	\$ 3.18
Diluted	\$ 0.55	\$ 0.68	\$ 2.58	\$ 3.17
Weighted-average shares:				
Basic	156,239	165,927	158,117	166,885
Diluted	156,944	166,664	158,794	167,681
Cash dividends per share:	\$ 0.375	\$ 0.370	\$ 1.125	\$ 1.110

Harley-Davidson, Inc.  
Reconciliation of GAAP Amounts to Non-GAAP Amounts  
(In thousands, except per share amounts)

	(Unaudited) Three months ended		(Unaudited) Nine months ended	
	September 29, 2019	September 30, 2018	September 29, 2019	September 30, 2018
<u>NET INCOME EXCLUDING RESTRUCTURING PLAN COSTS AND THE IMPACT OF RECENT EU AND CHINA TARIFFS</u>				
Net income (GAAP)	\$ 86,563	\$ 113,855	\$ 410,139	\$ 530,956
Restructuring plan costs	10,091	21,038	41,715	83,370
Impact of recent EU and China tariffs	21,594	10,312	76,971	10,312
Tax effect of adjustments <sup>(1)</sup>	(8,063)	(7,602)	(29,160)	(22,718)
Adjustments net of tax	<u>23,622</u>	<u>23,748</u>	<u>89,526</u>	<u>70,964</u>
Adjusted net income (non-GAAP)	<u>\$ 110,185</u>	<u>\$ 137,603</u>	<u>\$ 499,665</u>	<u>\$ 601,920</u>
 <u>DILUTED EPS EXCLUDING RESTRUCTURING PLAN COSTS AND THE IMPACT OF RECENT EU AND CHINA TARIFFS</u>				
Diluted earnings per share (GAAP)	\$ 0.55	\$ 0.68	\$ 2.58	\$ 3.17
Adjustments net of tax, per share	0.15	0.14	0.56	0.42
Adjusted diluted earnings per share (non-GAAP)	<u>\$ 0.70</u>	<u>\$ 0.82</u>	<u>\$ 3.14</u>	<u>\$ 3.59</u>

<sup>(1)</sup>The income tax effect of adjustments has been computed using the company's effective income tax rate