



Q2 2022 Financial Results

THURSDAY, JULY 28, 2022





Q2 2022 FINANCIAL RESULTS – EARNINGS CALL

Call Participants

- Jochen Zeitz, Chairman, President and CEO
- Gina Goetter, Chief Financial Officer
- Edel O’Sullivan, Chief Commercial Officer
- Shawn Collins, Director Investor Relations



Q2 2022 PERFORMANCE HEADLINES

- HDMC Operating Income margin of 15.1%, up 1.2 points versus last year, despite lower than planned motorcycle wholesale shipments
- HDMC Revenue down 5%, despite greater decline in shipments, offset by favorable motorcycle pricing and growth in Apparel
- Motorcycle shipments adversely impacted (down 15%) by unexpected 2-week production suspension; full production has resumed and plan to make up units in 2H'22
- HDFS turns in strong performance with Revenue growth of +1%, on strong used motorcycle loan origination, and Operating Income margin of 42%
- In April, successfully debuted the Nightster™ motorcycle, a mid-priced sport bike; 77% sell through rate in the U.S.



INTRODUCING: HARDWIRE **STAGE II**



2020

Rewire

Resetting our business with focus on immediate-term profitability, cost and complexity reduction.

2021

Hardwire

Setting a new course for our success through 2025 – leading with a strong profit focus in motorcycles and adding select expansion moves and investments in strategic capabilities.

2022

Hardwire **Stage II**

Accelerating core Hardwire initiatives and adding bold moves in spaces where H-D can win.





HARDWIRE **STAGE II** PILLARS

1

Profit
Focus

2

Selective
Expansion &
Redefinition

3

Lead in
Electric

4

Growth
Beyond
Bikes

5

Integrated
Customer
Experience

6

Inclusive
Stakeholder
Management



CONSOLIDATED – Q2 2022 RESULTS

Q2 2022 Results (\$ millions, except earnings per share)	HDMC ¹	HDFS ²	Total HDI ³
Revenue	\$1,266	\$203	\$1,469
% vs PY	-5%	1%	-4%
Operating Income	\$192	\$86	\$278
Margin %	15.1%	42.4%	19%
% vs PY	3%	-9%	-1%
Net Income			\$216
Margin %			15%
Diluted EPS – GAAP			\$1.46
% vs PY			10%

¹ HDMC and the Motorcycles and Related Products segment (aka Motorcycles segment) are used interchangeably

² HDFS and the Financial Services segment are used interchangeably

³ Repurchased \$64 million value of shares (or 1.7 million shares) on a discretionary basis in Q2 2022



CONSOLIDATED – YTD 2022 RESULTS

YTD 2022 Results (\$ millions, except per share)	HDMC ¹	HDFS ²	Total HDI ³
Revenue	\$2,570	\$395	\$2,964
% vs PY	flat	1%	flat
Operating Income	\$395	\$172	\$567
Margin %	15.4%	43.7%	19%
% vs PY	-5%	-19%	-10%
Net Income			\$438
Margin %			15%
Diluted EPS – GAAP			\$2.91
% vs PY			-3%

¹ HDMC and the Motorcycles and Related Products segment (aka Motorcycles segment) are used interchangeably

² HDFS and the Financial Services segment are used interchangeably

³ Repurchased \$312 million worth of shares (or 8.0 million shares) on a discretionary basis in YTD 2022



WORLDWIDE RETAIL SALES AND INVENTORY

Retail Sales

Retail Motorcycle Sales of H-D Motorcycles (vs. PY)

	Q1	Q2	YTD 2022
North America	-5%	-28%	-18%
EMEA	+28%	-15%	-1%
Asia Pacific	+16%	+1%	+8%
Latin America	+13%	-8%	+2%
Worldwide	+2%	-23%	-13%

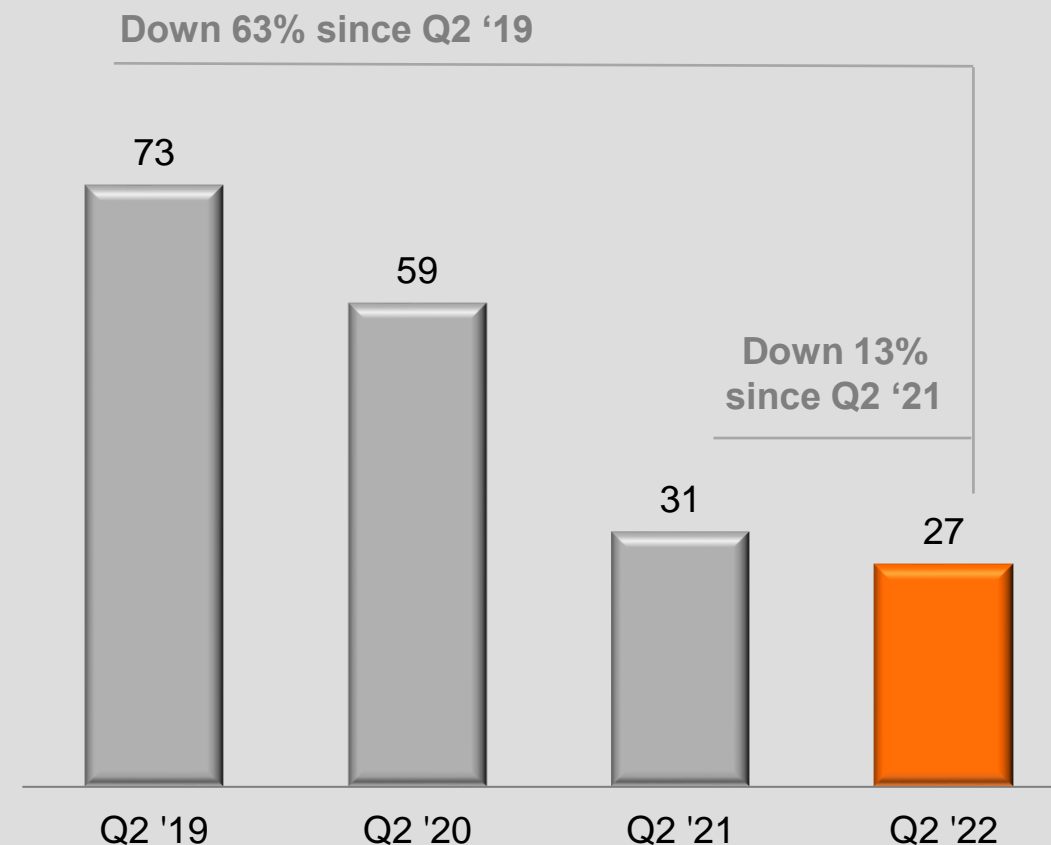
Market Share

New 601+CC Market Share

	FY '21	1H '22
H-D U.S. Share ¹	45%	41%
- H-D U.S. Touring Share	71%	75%
- H-D U.S. Large Cruiser Share	82%	85%
H-D Europe Share ¹	6%	6%

Average Dealer Inventory Units

H-D Worldwide Dealer Inventory Units (Thousands)²



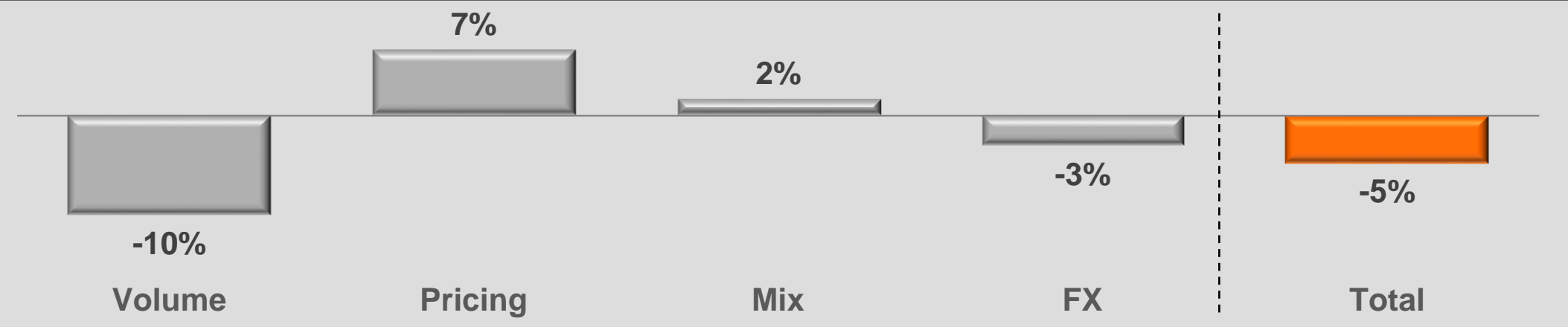
¹Source: Motorcycle Industry Council (MIC) for U.S. share and Management Services Helwig Schmitt GmbH for Europe share

²Dealer inventory units – using 4-point average for each quarter – at Day 1, 30, 60, 90 of each quarter divided by 4-points.

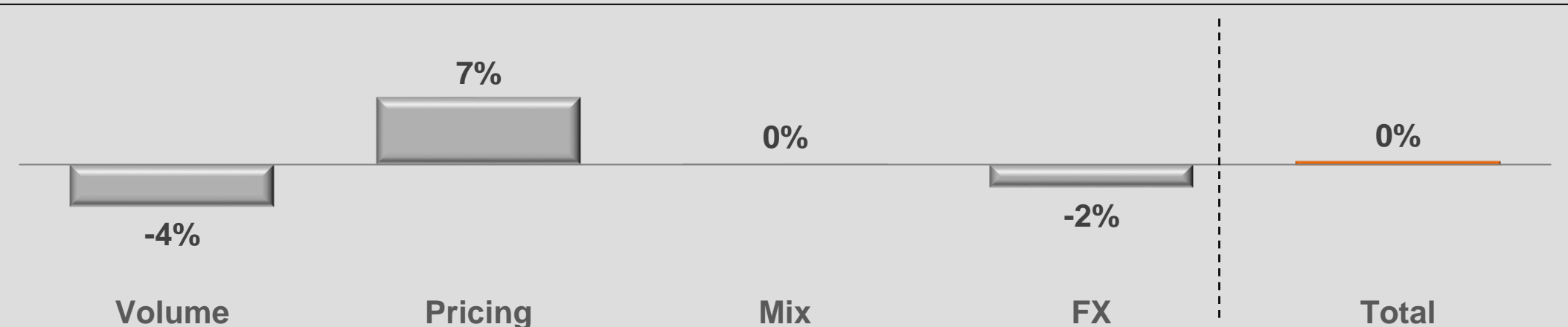


HDMC REVENUE

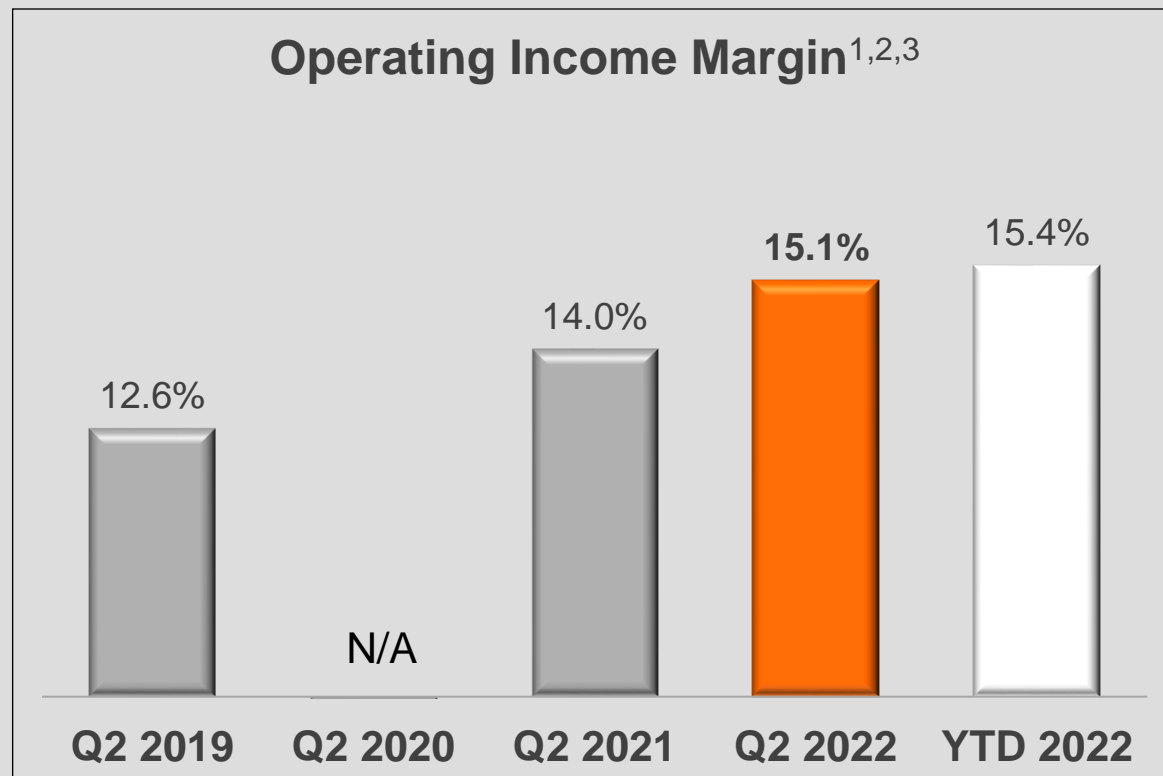
Q2 Motorcycles Segment Revenue Bridge



YTD Motorcycles Segment Revenue Bridge



Q2 2022: HDMC OPERATING INCOME MARGIN



Q2 2021 Op Income Margin	14.0%	\$186M
Volume ⁴	-2.1 Pts	-\$51M
Motorcycle Mix	+0.2 Pts	\$6M
Pricing	+6.1 Pts	\$89M
Supply Chain Costs	-5.1 Pts	-\$64M
Operating Expenses	+2.1 Pts	\$26M
Q2 2022 Op Income Margin	15.1%	\$192M

¹ In Q2 '21, Q2 '20 and Q2 '19, Harley-Davidson paid a total of \$16 million, \$6 million, and \$29 million in additional EU tariffs, respectively

² Q2 '20 results reflect COVID-19 impact and the 'Rewire' restructuring, where Q2 '20 Operating Margin came in at -18.1%.

³ Q2'19 includes \$10M of restructuring

⁴ Volume includes impacts from foreign currency exchange rates



FINANCIAL SERVICES SEGMENT – Q2 2022 RESULTS

Summary Financials (\$ millions)	Q2 2022	+ / - PY	% Change PY
Revenue	\$203	+\$2	+1%
Interest Expense	\$48	-\$1	-2%
Provision for Credit Losses	\$29	+\$13	+80%
Operating Expense	\$40	-\$1	-3%
Total Expenses	\$117	+\$11	+10%
Operating Income	\$86	-\$9	-9%
Margin %	42.4%		



FINANCIAL SERVICES SEGMENT – YTD 2022 RESULTS

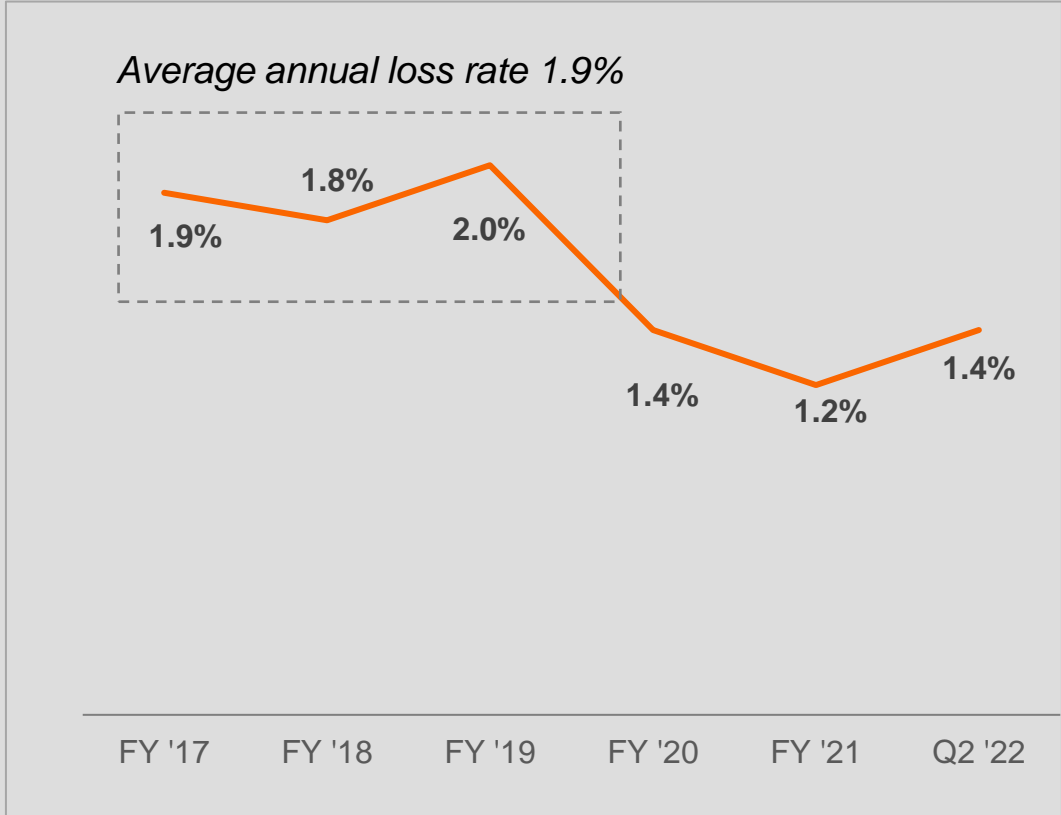
Summary Financials (\$ millions)	YTD 2022	+ / - PY	% Change PY
Revenue	\$395	+\$4	+1%
Interest Expense	\$90	-\$15	-14%
Provision for Credit Losses	\$58	+\$64	nm ¹
Operating Expense	\$75	-\$5	-6%
Total Expenses	\$222	+\$45	+25%
Operating Income	\$172	-\$41	-19%
Margin %	43.7%		

¹ "nm" stands for non-meaningful

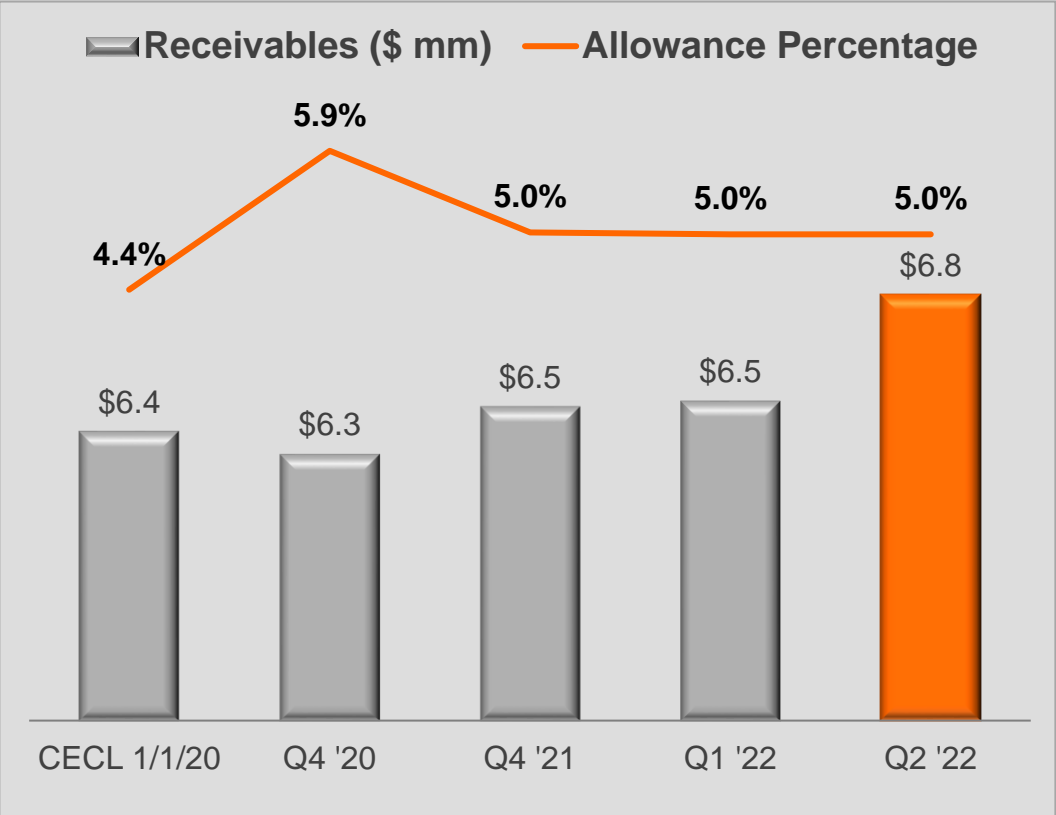


FINANCIAL SERVICES SEGMENT – PERFORMANCE

Realized Retail Credit Losses^{1,2,3}
Annual (FY) / Annualized (Q)



Retail Finance Receivables & Allowance



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

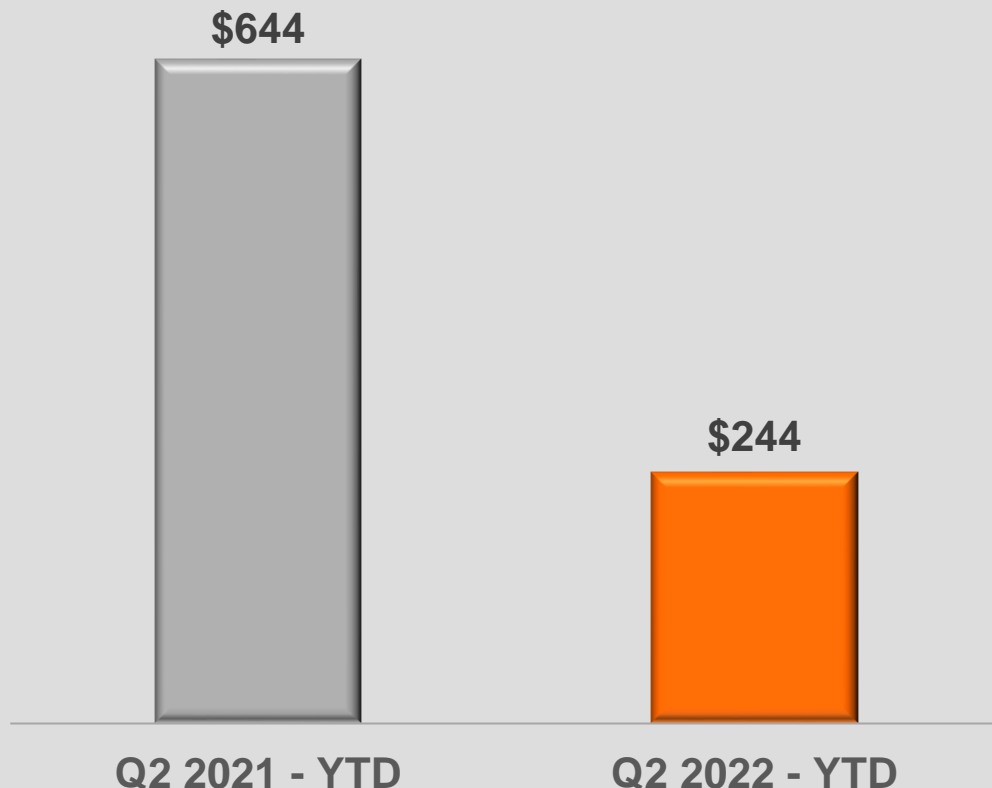
² In 2021, Quarterly Annualized Realized Loss rates were 1.5%, 0.8%, 0.8%, 1.2% in Q1, Q2, Q3, Q4 of '21, respectively.

³ In 2022, Quarterly Annualized Realized Loss rates were 1.8% in Q1'22 and 1.4% in Q2'22.



CONSOLIDATED – YTD 2022 RESULTS

H-D, Inc. Operating Cash Flow (\$ millions) - YTD



YTD 2022 – H-D, Inc. Financial Metrics

- YTD Capital Investments¹ – \$68 million
- YTD Dividends Paid – \$47 million
- YTD Discretionary Shares Repurchased – \$312 million (or 8.0 million shares)
- YTD Effective Tax Rate – 23%
- Cash & Cash Equivalents² – \$2.2 billion

¹ Includes \$13 million of capital implementation costs incurred in connection with cloud computing arrangements that do not include a license to internal-use software as defined by ASU 2018-15

² As of June 26, 2022



CONFIRMING 2022 HARLEY-DAVIDSON, INC. GUIDANCE

	2022 Outlook
Motorcycle Segment Revenue Growth (HDMC) <i>YOY Growth</i>	+5 – 10%
Motorcycles Segment Operating Income Margin (HDMC) <i>% of Revenue</i>	11 – 12%
Financial Services Segment Operating Income (HDFS)¹ <i>YOY Growth</i>	Down 20 – 25%
Capital Investments <i>Total Dollars</i>	\$190 – 220M

- **2022 on track to original guidance**
- Expect Q2 wholesale unit shortfall to be made up in back-half
- Supply Chain continues to stabilize with inflation deceleration in Logistics & Materials
- HDFS holding to guidance despite headwinds with interest rates

¹Financial Services Operating Income in '21 was favorably impacted by allowance releases and historically lower losses, which we expect to normalize in '22



SUPPLY CHAIN OUTLOOK

2022 Cost Inflation: Realized and Forecast

2021 Cost of Sales
\$3.2B

2021
Actual

Q1 Actual	Q2 Actual
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1H Actual	2H Estimated
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>100%
+3%
+5%

~+50%	+7%
+7%	+3%
+4%	+4%

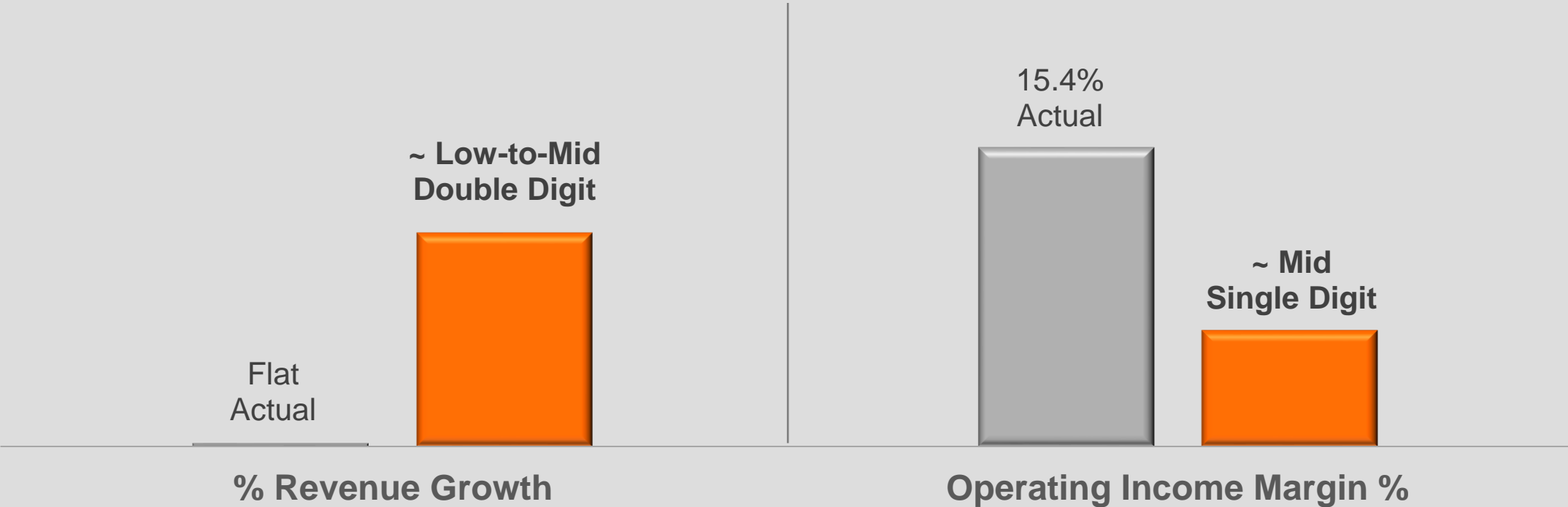
+25%	Flat
+4%	+5%
+4%	+3%



HDMC 2022 EXPECTED PHASING

HDMC Phasing 1H Actual / 2H Estimated

■ 1H 2022A ■ 2H 2022E



Prior Year Operating Margin:

- 1H 2021A Operating Income Margin = 16.1%
- 2H 2021A Operating Income Margin = -0.2%



FORWARD LOOKING STATEMENTS

Cautionary Note Regarding 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,” “targets,” “intend,” “is on-track,” “forecasting,” 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 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 and (II) the Company's ability to: (A) execute its business plans and strategies, including The Hardwire, including each of the pillars and the evolution of LiveWire as a standalone brand, including the proposed separation of LiveWire into a separate business of the Company through the combination of LiveWire with AEA-Bridges Impact Corp. (ABIC), which includes the risks noted below; (B) manage supply chain and logistic issues, including quality issues, availability of semiconductor chip components and the ability to find alternative sources of those components in a timely manner, unexpected interruptions or price increases caused by supplier volatility, raw material shortages, war or other hostilities, including the conflict in Ukraine, or natural disasters, and longer shipping times and increased logistics costs, including by successfully implementing pricing surcharges; (C) realize the expected business benefits from the combination of LiveWire with ABIC, which may be affected by, among other things: (i) the ability of LiveWire to: (1) execute its plans to develop, produce, market, and sell its electric vehicles; (2) achieve profitability, which is dependent on the successful development and commercial introduction and acceptance of its electric vehicles, and its services, which may not occur; (3) adequately control the costs of its operations as a new entrant into a new space; (4) develop, maintain, and strengthen its brand; (5) execute its plans to develop, produce, market, and sell its electric vehicles; and (6) effectively establish and maintain cooperation from its retail partners, largely drawn from the Company's traditional motorcycle dealer network, to be able to effectively establish or maintain relationships with customers for electric vehicles; (ii) competition; and (iii) other risks and uncertainties indicated from time to time in the final prospectus of ABIC, including those under “Risk Factors” therein, and other documents filed or to be filed with the SEC by the Company, LW EV Holdings, Inc. (HoldCo) or ABIC; (D) accurately analyze, predict and react to changing market conditions and successfully adjust to shifting global consumer needs and interests; (E) successfully access the capital and/or credit markets on terms that are acceptable to the Company and within its expectations; (F) successfully carry out its global manufacturing and assembly operations; (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, including successfully implementing and executing plans to strengthen and grow its leadership position in Grand American Touring, large Cruiser and Trike, and grow its complementary businesses; (H) perform in a manner that enables the Company to benefit from market opportunities while competing against existing and new competitors; (I) manage the regulatory compliance matter relating to a third-party supplier's component part in a manner that avoids additional costs or recall expenses that are material; (J) successfully appeal: (i) the revocation of the Binding Origin Information (BOI) decisions that allowed the Company to supply its European Union (EU) market with certain of its motorcycles produced at its Thailand operations at a reduced tariff rate and (ii) the denial of the Company's application for temporary relief from the effect of the revocation of the BOI decisions; (K) manage and predict the impact that new, reinstated or adjusted tariffs may have on the Company's ability to sell products internationally, and the cost of raw materials and components, including the temporary lifting of the Section 232 steel and aluminum tariffs and incremental tariffs on motorcycles imported into the EU from the U.S., between the U.S. and EU, which expires on December 31, 2023; (L) 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; (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) successfully manage and reduce costs throughout the business; (O) 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 Ukraine; (P) 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 dealers may have difficulty obtaining capital and managing through changing economic conditions and consumer demand; (Q) continue to develop and maintain a productive relationship with Zhejiang Qianjiang Motorcycle Co., Ltd. and launch related products in a timely manner; (R) maintain a productive relationship with Hero MotoCorp as a distributor and licensee of the Harley-Davidson brand name in India; (S) successfully maintain a manner in which to sell motorcycles in China and the Company's Association of Southeast Asian Nations (ASEAN) countries that does not subject its motorcycles to incremental tariffs; (T) 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; (U) accurately estimate and adjust to fluctuations in foreign currency exchange rates, interest rates and commodity prices; (V) retain and attract talented employees, and eliminate personnel duplication, inefficiencies and complexity throughout the organization; (W) prevent a cybersecurity breach involving consumer, employee, dealer, supplier, or Company data and respond to evolving regulatory requirements regarding data security; (X) manage the credit quality, the loan servicing and collection activities, and the recovery rates of Harley-Davidson Financial Services Inc.'s loan portfolio; (Y) 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; (Z) manage through the effects inconsistent and unpredictable weather patterns may have on retail sales of motorcycles; (AA) implement and manage enterprise-wide information technology systems, including systems at its manufacturing facilities; (BB) manage changes and prepare for requirements in legislative and regulatory environments for its products, services and operations; (CC) manage its exposure to product liability claims and commercial or contractual disputes; (DD) continue to manage the relationships and agreements that the Company has with its labor unions to help drive long-term competitiveness; (EE) achieve anticipated results with respect to the Company's pre-owned motorcycle program, Harley-Davidson Certified, and the Company's H-D1 Marketplace; (FF) 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; and (GG) optimize capital allocation in light of the Company's capital allocation priorities.



FORWARD LOOKING STATEMENTS CONTINUED

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, the impact of the COVID-19 pandemic, or other factors.

In recent years, Harley-Davidson Financial Services Inc. has experienced historically low levels of retail credit losses, but there is no assurance that this will continue. The Company believes that Harley-Davidson Financial Services Inc.'s retail credit losses will increase over time due among other things to factors that have contributed recently to low levels of losses, including the favorable impact of recent federal stimulus payments that will not recur and the conflict in Ukraine.

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, war or other hostilities, including the conflict in Ukraine, or other factors. Refer to "Risk Factors" under Item 1A. Risk Factors of the Company's Annual Report on Form 10-K for the year ended December 31, 2021 as well as Item 1A. Risk Factors of the Company's Quarterly Report on Form 10-Q for the quarter ended March 27, 2022 for a discussion of additional risk factors and a more complete discussion of some of the cautionary statements noted above.

Additional Information and Where to Find It

In connection with the proposed business combination between LiveWire EV, LLC ("LiveWire") and AEA-Bridges Impact Corp. ("ABIC") (the "Business Combination"), LW EV Holdings, Inc. ("HoldCo") and ABIC intend to file a registration statement on Form S-4 (as may be amended from time to time, the "Registration Statement") as co-registrants that includes a preliminary proxy statement/prospectus of ABIC and a preliminary prospectus of HoldCo, and after the Registration Statement is declared effective, ABIC will mail a definitive proxy statement/prospectus relating to the Business Combination to ABIC's shareholders. The Registration Statement, including the proxy statement/prospectus contained therein, when declared effective by the Securities and Exchange Commission ("SEC"), will contain important information about the Business Combination and the other matters to be voted upon at a meeting of ABIC's shareholders to be held to approve the Business Combination (and related matters). This press release does not contain all the information that should be considered concerning the Business Combination and other matters and is not intended to provide the basis for any investment decision or any other decision in respect of such matters. Harley-Davidson, Inc. ("H-D"), HoldCo and ABIC may also file other documents with the SEC regarding the Business Combination. ABIC shareholders and other interested persons are advised to read, when available, the preliminary proxy statement/prospectus and the amendments thereto and the definitive proxy statement/prospectus and other documents filed in connection with the Business Combination, as these materials will contain important information about H-D, LiveWire, HoldCo, ABIC and the Business Combination.

When available, the definitive proxy statement/prospectus and other relevant materials for the Business Combination will be mailed to ABIC shareholders as of a record date to be established for voting on the Business Combination. Shareholders will also be able to obtain copies of the preliminary proxy statement/prospectus, the definitive proxy statement/prospectus and other documents filed or that will be filed with the SEC by ABIC through the website maintained by the SEC at www.sec.gov, or by directing a request to AEA-Bridges Impact Corp., PO Box 1093, Boundary Hall, Cricket Square, Grand Cayman KY1-1102 Cayman Islands.

Participants in Solicitation

H-D, LiveWire, ABIC and their respective directors and officers may be deemed participants in the solicitation of proxies of ABIC shareholders in connection with the Business Combination. ABIC shareholders and other interested persons may obtain, without charge, more detailed information regarding the directors and officers of ABIC and a description of their interests in ABIC is contained in ABIC's final prospectus related to its initial public offering, dated October 1, 2021 and in ABIC's subsequent filings with the SEC. Information regarding the persons who may, under SEC rules, be deemed participants in the solicitation of proxies to ABIC shareholders in connection with the Business Combination and other matters to be voted upon at the ABIC shareholder meeting will be set forth in the Registration Statement for the Business Combination when available. Additional information regarding the interests of participants in the solicitation of proxies in connection with the Business Combination will be included in the Registration Statement that ABIC intends to file with the SEC. You may obtain free copies of these documents as described in the preceding paragraph.

HARLEY-DAVIDSON®

