

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): April 19, 2021

Harley-Davidson, Inc.

(Exact name of registrant as specified in its charter)

Wisconsin
(State or other jurisdiction
of incorporation)

1-9183
(Commission
File Number)

39-1382325
(IRS Employer
Identification No.)

3700 West Juneau Avenue, Milwaukee, Wisconsin 53208
(Address of principal executive offices, including zip code)

(414) 342-4680
(Registrant's telephone number, including area code)

Not Applicable
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

| <u>Title of each class</u> | <u>Trading Symbol</u> | <u>Name of exchange on which registered</u> |
|--|-----------------------|---|
| COMMON STOCK, \$0.01 par value per share | HOG | New York Stock Exchange |

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 2.02 Results of Operations and Financial Condition.

On April 19, 2021, Harley-Davidson, Inc. (the "Company") issued a press release (the "Press Release") announcing the Company's first quarter results for the financial period ended March 28, 2021. A copy of the Press Release is being furnished as Exhibit 99.1 to this Current Report on Form 8-K.

Item 9.01 Financial Statements and Exhibits.

- (a) Not applicable.
- (b) Not applicable.
- (c) Not applicable.
- (d) Exhibits. The following exhibit is being furnished herewith:

[\(99.1\) Press Release of Harley-Davidson, Inc., dated April 19, 2021](#)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

HARLEY-DAVIDSON, INC.

Date: April 19, 2021

/s/ Paul J. Krause

Paul J. Krause

Secretary



FOR IMMEDIATE RELEASE

Harley-Davidson delivers strong first quarter financial results and raises full-year financial guidance

MILWAUKEE (April 19, 2021) – Harley-Davidson, Inc. (“Harley-Davidson”) (NYSE:HOG) today reported first quarter results.

“I am very pleased with the pace of recovery that we have seen across our business, as demonstrated by the strong financial results this quarter. The actions we have taken to reshape the business are having a positive impact on our results, especially for our most important North American region.” said Jochen Zeitz, chairman, president and CEO, Harley-Davidson.

“We can see the initial signs of consumer excitement and optimism returning and I am confident Harley-Davidson in 2021 is a significantly leaner, faster, and more efficient organization which is ready to win and successfully deliver on our 5-year Hardwire strategy, as the most desirable motorcycle brand in the world.”

First Quarter 2021 Highlights, Results and Related Guidance

- Delivered Q1 GAAP diluted EPS of \$1.68, up \$1.23 over Q1 2020
- Motorcycles and Related Products (Motorcycles) segment revenue up 12 percent amid strong retail demand for Touring motorcycles
- Significantly improved Motorcycles segment gross margin and operating margin driven by favorable mix following the Rewire product portfolio adjustments, lower sales incentives and reduced SG&A
- Financial Services segment Q1 2021 operating income growth of \$96 million over Q1 2020 driven by a favorable adjustment to the provision for credit losses
- Increased Q1 cash flow from operations to \$163 million, up \$171 million over Q1 2020
- Increasing 2021 full-year guidance on Motorcycles segment revenue, Motorcycles segment operating margin assuming the company is able to mitigate additional EU tariffs, and Financial Services segment operating income

First Quarter 2021 Results

Harley-Davidson, Inc. Consolidated Financial Results

| \$ in millions (except EPS) | 1 st quarter | | |
|-----------------------------|-------------------------|---------|--------|
| | 2021 | 2020 | Change |
| Revenue | \$1,423 | \$1,298 | 10 % |
| Net Income | \$259 | \$70 | 272 % |
| GAAP Diluted EPS | \$1.68 | \$0.45 | 273 % |
| Adjusted Diluted EPS | \$1.68 | \$0.45 | 273 % |

Consolidated revenue was up 10 percent in the first quarter over Q1 2020. Bottom-line results reflect Q1 significant net income improvement with strong results in both the Motorcycles and the Financial Services segments.

Harley-Davidson Retail Motorcycles Sales

| Motorcycles (thousands) | 1 st Quarter | | |
|-------------------------|-------------------------|-------------|------------|
| | 2021 | 2020 | Change |
| North America | 32.8 | 25.2 | 30 % |
| EMEA | 4.9 | 7.7 | (36)% |
| Asia Pacific | 5.8 | 5.8 | 1 % |
| Latin America | 0.7 | 1.8 | (59)% |
| Worldwide Total | 44.2 | 40.4 | 9 % |

Global retail motorcycle sales in the first quarter were up 9 percent, driven by very strong Q1 U.S. retail growth over Q1 prior year. EMEA retail sales declines were impacted by continued COVID lockdowns, the company's decision not to continue selling Street or Sportster motorcycles in Europe and shipping delays brought on by the pandemic. In Latin America, retail sales were impacted by the reduction in dealers and pricing actions across the portfolio, which were executed as part of the Rewire strategy.

Motorcycles and Related Products Segment Results

| \$ in millions | 1 st Quarter | | |
|----------------------------------|-------------------------|---------|-----------|
| | 2021 | 2020 | Change |
| Motorcycle Shipments (thousands) | 54.8 | 53.0 | 3 % |
| Revenue | \$1,232 | \$1,100 | 12 % |
| Motorcycles | \$1,016 | \$899 | 13 % |
| Parts & Accessories | \$150 | \$135 | 11 % |
| General Merchandise | \$50 | \$49 | 2 % |
| Gross Margin | 34.1 % | 29.0 % | 5.1 pts. |
| Operating Income | \$228 | \$85 | 169 % |
| Operating Margin | 18.5 % | 7.7 % | 10.8 pts. |

Revenue from the Motorcycles and Related Products segment was up during the first quarter primarily driven by a 3 percent increase in wholesale shipments and a favorable mix of Touring motorcycles. First quarter global retail motorcycle sales were up 9 percent, driven by a 31 percent retail growth in the United States.

Parts and Accessories revenue was mostly in-line with Motorcycles revenue growth while General Merchandise was up 2 percent over Q1 2020.

First quarter gross margin was up 5.1 percentage points to Q1 prior year while first quarter operating margin finished up 10.8 percentage points over Q1 prior year due to stronger mix, the near elimination of sales incentives and lower spending versus prior year.

Financial Services Segment Results

| \$ in millions | 1 st Quarter | | |
|------------------|-------------------------|-------|--------|
| | 2021 | 2020 | Change |
| Revenue | \$190 | \$198 | (4)% |
| Operating Income | \$119 | \$23 | 417 % |

Financial Services segment operating income was up significantly over prior year in the first quarter, primarily driven by a \$102 million decrease in the provision for credit losses.

Other Results

Harley-Davidson generated \$163 million of cash from operating activities during Q1 2021, \$171 million favorable to Q1 2020. Cash and cash equivalents were \$2.3 billion at the end of the first quarter, up \$856 million to the end of the prior year first quarter.

Tax Rate - The company's first quarter effective tax rate was 24 percent.

Dividends - The company paid cash dividends of \$0.15 per share in Q1 2021.

2021 Outlook

As a result of its Q1 performance, for the full-year 2021, the company now expects:

- Motorcycles segment revenue growth to be 30 to 35 percent, an increase from the previously communicated growth range of 20 to 25 percent.
- Motorcycles segment operating income margin of 7 to 9 percent, which is 200 basis points better than previous guidance. Assuming the company is not able to mitigate the additional EU tariffs to any extent in 2021, the company expects the operating income margin would be 5 to 7 percent, in line with original guidance.
- Financial Services segment operating income growth of 50 to 60 percent, an increase from the previously communicated range of 10 to 15 percent.

Additionally, for the full-year 2021, the company continues to expect:

- Capital expenditures of \$190 million to \$220 million.

Cash allocation priorities remain to first fund growth through The Hardwire initiatives, then to pay dividends and, given the company's continued strong cash position, the company will be evaluating share repurchases and may choose to repurchase shares.

Company Background

Harley-Davidson, Inc. is the parent company of Harley-Davidson Motor Company and Harley-Davidson Financial Services. Our vision: Building our legend and leading our industry through innovation, evolution and emotion. Our mission: More than building machines, we stand for the timeless pursuit of adventure. Freedom for the soul. Our ambition is to maintain our place as the most desirable motorcycle brand in the world. Since 1903, Harley-Davidson has defined motorcycle culture by delivering a motorcycle lifestyle with distinctive and customizable motorcycles, experiences, motorcycle accessories, riding gear and apparel. Harley-Davidson Financial Services provides financing, insurance and other programs to help get riders on the road. www.harley-davidson.com.

Webcast

Harley-Davidson will discuss its financial results and outlook on a webcast tomorrow (April 20th) from 8-9:00 a.m. CT. A slide presentation supporting the discussion has been posted at <http://investor.harley-davidson.com/news-and-events/events-and-presentations> and the webcast log-in is available as well. The audio replay will be available at approximately 10:00 a.m. CT.

Non-GAAP Disclosure

This press release 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 described 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 included in this press release are adjusted net income and adjusted diluted EPS excluding restructuring plan costs. Restructuring plan costs include restructuring expenses as presented in the consolidated statements of operations. These non-GAAP measures, as well as a reconciliation of the comparable GAAP measure to these non-GAAP measures, are included later in this press release.

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 by reference to this footnote or 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" 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 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; and (ii) the company's ability to: (A) execute its business plans and strategies, including The Hardwire, successfully execute its remodeled approach to supply and inventory management, and strengthen its existing business while allowing for desirable growth; (B) mitigate the impact of the revocation of the Binding Origin Information ("BOI") decisions that allowed the company to supply its European Union market with certain of its motorcycles produced at its Thailand operations at a reduced tariff rate and favorably resolve risks and uncertainties related to the revocation of the BOI decisions including, among other: (1) uncertainties regarding the quantity and mix of motorcycles that the company imports into the EU; (2) uncertainties regarding the import prices of motorcycles; (3) whether the company will be granted temporary relief from the effect of the revocation of the BOI decisions; (4) whether the company will be successful in appealing the revocation of the BOI decisions; (5) uncertainties regarding the size and duration of the EU tariffs; (6) uncertainties regarding the number of

shipments that have commenced but are not physically in the EU at the effective time of revocation; and (7) whether and to what extent the company determines to attempt to pass on the impact of the revocation to dealers and its success in doing so; (C) accurately analyze, predict and react to changing market conditions and successfully adjust to shifting global consumer needs and interests; (D) successfully access the capital and/or credit markets on terms that are acceptable to the company and within its expectations; (E) successfully carry out its global manufacturing and assembly operations; (F) 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 Touring, large Cruiser and Trike, and growing its complementary businesses; (G) perform in a manner that enables the company to benefit from market opportunities while competing against existing and new competitors; (H) 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; (I) manage supply chain issues, including quality issues and any unexpected interruptions or price increases caused by raw material shortages or natural disasters; (J) manage the impact that prices for and supply of used motorcycles may have on its business, including on retail sales of new motorcycles; (K) realize expectations concerning market demand for electric models, which will depend in part on the building of necessary infrastructure; (L) successfully manage and reduce costs throughout the business; (M) manage through changes in general economic and business conditions, including changing capital, credit and retail markets, and the changing political environment; (N) 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; (O) develop and maintain a productive relationship with Zhejiang Qianjiang Motorcycle Co., Ltd. and launch related products in a timely manner; (P) develop and maintain a productive relationship with Hero MotoCorp as a distributor and licensee of the Harley-Davidson brand name in India; (Q) 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; (R) successfully maintain a manner in which to sell motorcycles in China and the company's ASEAN countries that does not subject its motorcycles to incremental tariffs; (S) 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; (T) accurately estimate and adjust to fluctuations in foreign currency exchange rates, interest rates and commodity prices; (U) retain and attract talented employees, and eliminate personnel duplication, inefficiencies and complexity throughout the organization; (V) prevent a cybersecurity breach involving consumer, employee, dealer, supplier, or company data and respond to evolving regulatory requirements regarding data security; (W) manage the credit quality, the loan servicing and collection activities, and the recovery rates of HDFS' loan portfolio; (X) 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; (Y) manage through the effects inconsistent and unpredictable weather patterns may have on retail sales of motorcycles; (Z) implement and manage enterprise-wide information technology systems, including systems at its manufacturing facilities; (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) continue to manage the relationships and agreements that the company has with its labor unions to help drive long-term competitiveness; (DD) 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 (EE) successfully develop and launch the pre-owned motorcycle program, Harley-Davidson Certified.

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, 2020 filed with the SEC on February 23, 2021 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.

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(HOG-F)

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

| | Three months ended | |
|--|--------------------|-------------------|
| | March 28, 2021 | March 29, 2020 |
| Motorcycles and Related Products revenue | \$ 1,232,107 | \$ 1,099,788 |
| Gross profit | 420,485 | 318,920 |
| Selling, administrative and engineering expense | 193,546 | 234,353 |
| Restructuring benefit | (593) | — |
| Operating income from Motorcycles and Related Products | <u>227,532</u> | <u>84,567</u> |
| Financial Services revenue | 190,400 | 198,456 |
| Financial Services expense | 71,531 | 175,510 |
| Financial Services restructuring expense | 227 | — |
| Operating income from Financial Services | <u>118,642</u> | <u>22,946</u> |
| Operating income | 346,174 | 107,513 |
| Non-operating expense, net | (6,029) | (12,947) |
| Income before income taxes | 340,145 | 94,566 |
| Provision for income taxes | 81,001 | 24,871 |
| Net income | <u>\$ 259,144</u> | <u>\$ 69,695</u> |
| Earnings per share: | | |
| Basic | \$ 1.69 | \$ 0.46 |
| Diluted | \$ 1.68 | \$ 0.45 |
| Weighted-average shares: | | |
| Basic | 153,478 | 153,004 |
| Diluted | 153,490 | 153,744 |
| Cash dividends per share: | \$ 0.15 | \$ 0.38 |

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

| | Three months ended | |
|---|--------------------|-------------------|
| | March 28, 2021 | March 29, 2020 |
| <u>Net income excluding restructuring plan costs</u> | | |
| Net income (GAAP) | \$ 259,144 | \$ 69,695 |
| Restructuring plan costs | (366) | — |
| Tax effect of adjustments ^(a) | 87 | — |
| Adjustments net of tax | (279) | — |
| Adjusted net income (non-GAAP) | <u>\$ 258,865</u> | <u>\$ 69,695</u> |
| <u>Diluted EPS excluding restructuring plan costs</u> | | |
| Diluted EPS (GAAP) | \$ 1.68 | \$ 0.45 |
| Adjustments net of tax, per share | — | — |
| Adjusted diluted EPS (non-GAAP) | <u>\$ 1.68</u> | <u>\$ 0.45</u> |

(a) The income tax effect of has been computed using the estimated income tax rate for these adjustments

Harley-Davidson, Inc.
Condensed Consolidated Balance Sheets
(In thousands)

| | (Unaudited) March 28, 2021 | December 31, 2020 | (Unaudited) March 29, 2021 |
|---|----------------------------------|----------------------|----------------------------------|
| ASSETS | | | |
| Current assets: | | | |
| Cash and cash equivalents | \$ 2,320,645 | \$ 3,257,203 | \$ 1,465,061 |
| Accounts receivable, net | 216,569 | 143,082 | 299,148 |
| Finance receivables, net | 1,798,194 | 1,509,539 | 2,358,989 |
| Inventories, net | 470,997 | 523,497 | 610,924 |
| Restricted cash | 185,374 | 131,642 | 99,903 |
| Other current assets | 195,356 | 280,470 | 142,357 |
| | <u>5,187,135</u> | <u>5,845,433</u> | <u>4,976,382</u> |
| Finance receivables, net | 4,958,583 | 4,933,469 | 4,933,418 |
| Other long-term assets | 1,193,270 | 1,231,699 | 1,230,147 |
| | <u>\$ 11,338,988</u> | <u>\$ 12,010,601</u> | <u>\$ 11,139,947</u> |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | | |
| Current liabilities: | | | |
| Accounts payable and accrued liabilities | \$ 973,204 | \$ 848,118 | \$ 917,946 |
| Short-term deposits | 93,887 | 79,965 | — |
| Short-term debt | 765,263 | 1,014,274 | 1,335,664 |
| Current portion of long-term debt, net | 1,622,243 | 2,039,597 | 2,326,460 |
| | <u>3,454,597</u> | <u>3,981,954</u> | <u>4,580,070</u> |
| Long-term debt, net | 5,478,091 | 5,932,933 | 4,478,078 |
| Other long-term liabilities | 429,914 | 372,929 | 389,816 |
| Shareholders' equity | 1,976,386 | 1,722,785 | 1,691,983 |
| | <u>\$ 11,338,988</u> | <u>\$ 12,010,601</u> | <u>\$ 11,139,947</u> |

Harley-Davidson, Inc.
Condensed Consolidated Statements of Cash Flows
(In thousands)
(Unaudited)

| | Three months ended | |
|--|---------------------|---------------------|
| | March 28, 2021 | March 29, 2020 |
| Net cash provided (used) by operating activities | \$ 162,781 | \$ (8,582) |
| Cash flows from investing activities: | | |
| Capital expenditures | (18,813) | (32,928) |
| Finance receivables, net | (8,653) | 61,200 |
| Other investing activities | 733 | 16 |
| Net cash (used) provided by investing activities | (26,733) | 28,288 |
| Cash flows from financing activities: | | |
| Repayments of medium-term notes | (1,050,000) | (600,000) |
| Proceeds from securitization debt | 597,411 | 522,694 |
| Repayments of securitization debt | (291,346) | (130,918) |
| Net (decrease) increase in unsecured commercial paper | (262,517) | 772,208 |
| Net increase in credit facilities | 15,629 | — |
| Borrowings of asset-backed commercial paper | — | 225,187 |
| Repayments of asset-backed commercial paper | (66,894) | (67,809) |
| Net increase in deposits | 72,664 | — |
| Dividends paid | (23,105) | (58,817) |
| Repurchase of common stock | (5,646) | (7,071) |
| Issuance of common stock under employee stock option plans | 1,085 | 34 |
| Net cash (used) provided by financing activities | (1,012,719) | 655,508 |
| Effect of exchange rate changes on cash, cash equivalents and restricted cash | (5,163) | (5,732) |
| Net (decrease) increase in cash, cash equivalents and restricted cash | <u>\$ (881,834)</u> | <u>\$ 669,482</u> |
| Cash, cash equivalents and restricted cash: | | |
| Cash, cash equivalents and restricted cash, beginning of period | \$ 3,409,168 | \$ 905,366 |
| Net (decrease) increase in cash, cash equivalents and restricted cash | (881,834) | 669,482 |
| Cash, cash equivalents and restricted cash, end of period | <u>\$ 2,527,334</u> | <u>\$ 1,574,848</u> |
| Reconciliation of cash, cash equivalents and restricted cash on the Consolidated balance sheets to the Consolidated statements of cash flows: | | |
| Cash and cash equivalents | \$ 2,320,645 | \$ 1,465,061 |
| Restricted cash | 185,374 | 99,903 |
| Restricted cash included in Other long-term assets | 21,315 | 9,884 |
| Cash, cash equivalents and restricted cash per the Consolidated statements of cash flows | <u>\$ 2,527,334</u> | <u>\$ 1,574,848</u> |

**Motorcycles and Related Products Revenue and Motorcycle Shipment Data
(Unaudited)**

| | Three months ended | |
|--|---------------------|---------------------|
| | March 28, 2021 | March 29, 2020 |
| MOTORCYCLES AND RELATED PRODUCTS REVENUE (in thousands) | | |
| Motorcycles | \$ 1,016,334 | \$ 899,365 |
| Parts & accessories | 149,859 | 134,685 |
| General merchandise | 50,323 | 49,160 |
| Licensing | 5,512 | 8,029 |
| Other | 10,079 | 8,549 |
| | <u>\$ 1,232,107</u> | <u>\$ 1,099,788</u> |
| U.S. MOTORCYCLE SHIPMENTS | 40,153 | 33,024 |
| WORLDWIDE MOTORCYCLE SHIPMENTS | | |
| Touring | 27,316 | 21,597 |
| Cruiser ^(a) | 20,468 | 20,131 |
| Sportster® / Street | 7,026 | 11,245 |
| | <u>54,810</u> | <u>52,973</u> |

(a) Includes Softail®, CVO™, and LiveWire™

**Motorcycles and Related Products Gross Profit
(Unaudited)**

The estimated impact of significant factors affecting the comparability of gross profit from the first quarter of 2020 to the first quarter of 2021 were as follows (in millions):

| | |
|---|---------------|
| 2020 gross profit | \$ 319 |
| Volume | 10 |
| Price, net of related costs | 17 |
| Foreign currency exchange rates and hedging | 8 |
| Shipment mix | 57 |
| Raw material prices | (1) |
| Manufacturing and other costs | 11 |
| | <u>102</u> |
| 2021 gross profit | <u>\$ 421</u> |

Worldwide Retail Sales of Harley-Davidson Motorcycles^(a)
(Unaudited)

| | Three months ended | |
|------------------------|--------------------|-------------------|
| | March 31, 2021 | March 31, 2020 |
| United States | 30,983 | 23,732 |
| Canada | 1,799 | 1,466 |
| Total North America | 32,782 | 25,198 |
| EMEA | 4,943 | 7,730 |
| Asia Pacific | 5,793 | 5,752 |
| Latin America | 717 | 1,759 |
| Worldwide retail sales | 44,235 | 40,439 |

(a) Data source for retail sales figures shown above is new sales warranty and registration information provided by Harley-Davidson dealers and compiled by the Company. The Company must rely on information that its dealers supply concerning new retail sales, and the Company does not regularly verify the information that its dealers supply. This information is subject to revision.