



Harley-Davidson Inc. (HOG)

Updated November 5th, 2025 by Samuel Smith

Key Metrics

Current Price:	\$25.1	5 Year CAGR Estimate:	15.1%	Market Cap:	\$3.1 B
Fair Value Price:	\$33.1	5 Year Growth Estimate:	6.8%	Ex-Dividend Date:	12/2/25 ¹
% Fair Value:	76%	5 Year Valuation Multiple Estimate:	5.7%	Dividend Payment Date:	12/24/25 ²
Dividend Yield:	2.9%	5 Year Price Target	\$46	Years Of Dividend Growth:	5
Dividend Risk Score:	B	Sector:	Consumer Discretionary	Rating:	Buy

Overview & Current Events

Since 1903, Harley Davidson has been making American-style motorcycles. They take pride in being the pioneers of the style of bikes they manufacture and finance the sale of. Harley Davidson also makes and sells parts, accessories, merchandise and maintenance/repair services. Harley Davidson has a current market capitalization of \$3.1 billion.

On November 4, 2025, Harley-Davidson, Inc. reported third-quarter results showing diluted earnings per share of \$3.10, up significantly from \$0.91 a year earlier, and revenue of approximately \$1.34 billion, a year-over-year increase of about 17%. The surge in profitability was largely driven by a transformative transaction involving its financial-services arm, Harley-Davidson Financial Services ("HDFS"), whose operating income soared to \$439 million, compared with \$77 million a year earlier, reflecting the accounting impact of loan-book sales and a reduction in credit-loss provisions. Meanwhile, the core motorcycle business (HDMC) delivered a 23% revenue increase to about \$1.07 billion, driven by a 33% rise in global shipments to 36.5 thousand units, although retail motorcycle sales declined roughly 6% reflecting soft consumer demand. HDMC's operating margin held at 5.0%, down slightly from 6.3% a year earlier, affected by \$27 million in tariff costs for the quarter and lower parts & accessories revenue. Inventory at dealers declined 13% year-over-year, demonstrating tighter supply management. The company announced a \$200 million accelerated share-repurchase program — part of a broader \$1 billion buyback plan through 2026 — and highlighted freed cash of over \$1.2 billion through the HDFS deal for debt reduction and shareholder returns. Management withdrew full-year 2025 guidance amid ongoing tariff uncertainties but noted operational execution was improving and emphasized renewed focus on dealers, brand strength and financially efficient growth.

Growth on a Per-Share Basis

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
EPS	\$3.62	\$3.83	\$3.02	\$3.19	\$3.04	\$0.77	\$4.21	\$4.96	\$4.87	\$3.44	\$4.14	\$5.75
DPS	\$1.24	\$1.40	\$1.46	\$1.48	\$1.50	\$0.44	\$0.60	\$0.63	\$0.66	\$0.69	\$0.72	\$1.15
Shares³	184.7	176.3	168.1	159.5	152.8	153.3	153.9	146.2	136.6	124.5	120.6	162.8

Harley-Davidson is using a three-pronged approach to growth development called "New Roads". They are focused on new products, broader access, and stronger dealers. Also, new physical stores were opened in Asia to expand their market. Harley-Davidson is also expanding with e-commerce, opening a storefront on Amazon and Tmall, a large Chinese e-commerce site. That said, the company was hammered by the coronavirus outbreak and turned in a very disappointing performance in 2020, which forced them to cut their dividend that year and keep it low since then as they seek to conserve cash and retain some of their cash flows for reinvestment in their business, as well as balance sheet repair. That said, the business has fully recovered from COVID-19 impacts and has a much rosier outlook moving forward. We expect them to grow earnings per share at a mid-single-digit annualized pace over the next half-decade.

¹ Estimate

² Estimate

³ In millions

Disclosure: This analyst has no position in the security discussed in this research report, and no plans to initiate one in the next 72 hours.



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Valuation Analysis

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Now	2030
Avg. P/E	17.1	15.5	12.9	15.6	11.9	11.5	13.6	10.3	5.5	8.0	6.1	8.0
Avg. Yld.	1.7%	2.2%	2.8%	3.1%	3.9%	4.3%	4.2%	1.6%	2.6%	2.1%	2.9%	2.5%

We assume a fair value multiple of 8 times earnings. As a result, we expect a tailwind to total returns from the valuation. We expect the yield to dip to around 2.5% moving forward.

Safety, Quality, Competitive Advantage, & Recession Resiliency

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
Payout	34%	37%	48%	46%	49%	57%	14%	13%	14%	20%	17%	20%

Harley-Davidson has a competitive advantage with its history, unique style and name brand recognition. Harley-Davidson has crafted their image through careful marketing such as licensing deals with TV shows such as 'Sons of Anarchy' that convey the brand's image.

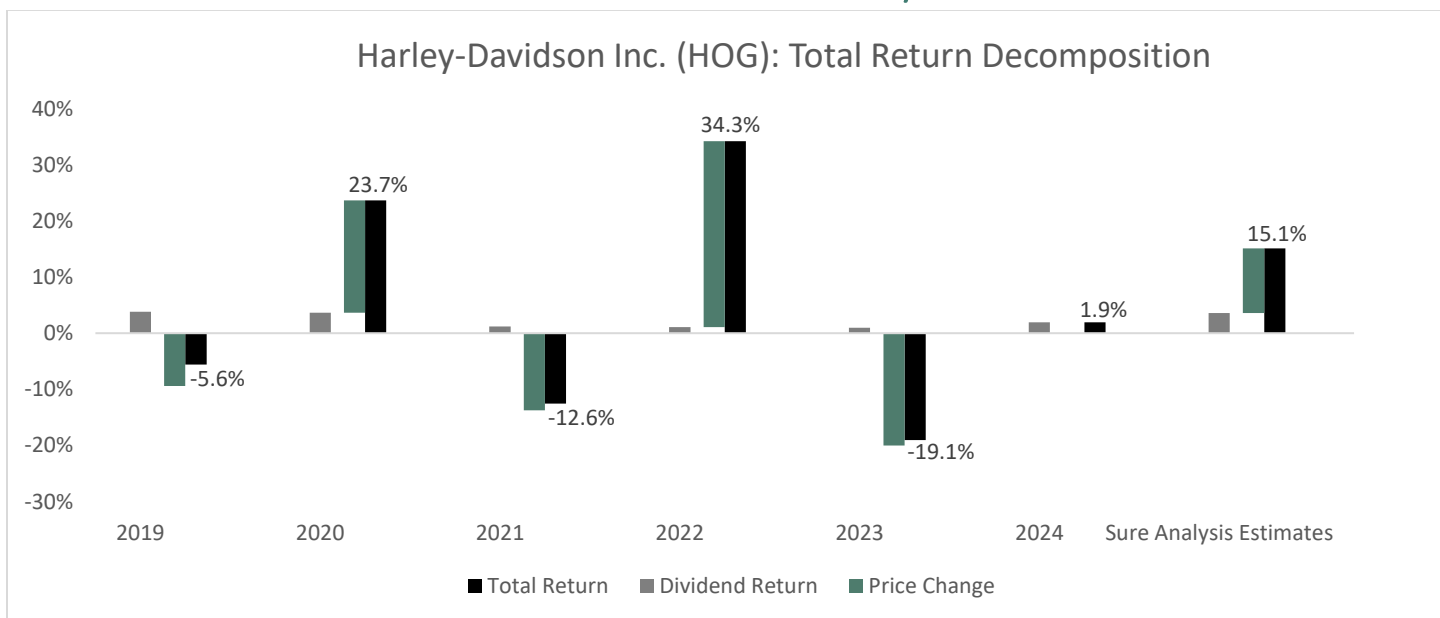
The company's dividend history has been good except for the last recession, when the dividend was cut from \$1.29 in 2008 to \$0.40 in 2009. This change came as their earnings per share fell from \$3.77 in 2008 to \$1.11 in 2009. As their motorcycles are mainly luxury items, Harley Davidson's sales are significantly impacted by economic downturns. During the Great Recession, Harley-Davidson was hit hard, losing 86% of its market capitalization. Earnings per share also dropped to \$0.06 in 2009. The company cut its payout during the 2020 recession as well.

Harley-Davidson has a strong interest coverage ratio and is making strides towards decreasing long-term debt. The largest risk to Harley-Davidson is an economic slowdown or recession. This is highly sensitive to the United States economy as 60%+ of all retail sales in recent years were in the United States. The COVID-19 outbreak had a huge impact on sales and earnings, and we expect Harley-Davidson to see a continued recovery in demand in the coming years.

Final Thoughts & Recommendation

We expect total annualized returns for Harley-Davidson to be 15.1% over the next half-decade due to solid expected growth, valuation multiple expansion potential, and a respectable dividend yield. As a result, we rate it a Buy.

Total Return Breakdown by Year



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Income Statement Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenue	5,995	5,996	5,647	5,717	5,362	4,054	5,336	5,755	5,836	5,187
Gross Profit	2,477	2,397	2,195	2,172	1,922	1,372	1,900	2,134	2,182	1,391
Gross Margin	41.3%	40.0%	38.9%	38.0%	35.8%	33.8%	35.6%	37.1%	37.4%	26.8%
SG&A Exp.	1,220	1,214	1,180	1,258	1,199	1,051	1,052	1,079	1,176	974
D&A Exp.	198	210	222	265	233	186	165	152	158	
Operating Profit	1,156	1,046	882	807	588	140	823	909	779	417
Operating Margin	19.3%	17.4%	15.6%	14.1%	11.0%	3.4%	15.4%	15.8%	13.3%	8.0%
Net Profit	752	692	522	531	424	1	650	741	707	455
Net Margin	12.5%	11.5%	9.2%	9.3%	7.9%	0.0%	12.2%	12.9%	12.1%	8.8%
Free Cash Flow	840	918	799	992	687	1,047	856	397	547	867
Income Tax	398	332	342	155	134	(17)	169	192	172	72

Balance Sheet Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total Assets	9,973	9,890	9,973	10,666	10,528	12,011	11,051	11,492	12,141	11,882
Cash & Equivalents	722	760	688	1,204	834	3,257	1,875	1,433	1,534	1,590
Accounts Receivable	2,301	2,361	2,436	2,521	2,532	1,653	1,648	2,035	2,381	2,266
Inventories	586	500	538	556	604	523	713	951	930	746
Goodwill & Int. Ass.	54	53	63	61	75	76	71	68	70	
Total Liabilities	8,133	7,970	8,128	8,892	8,724	10,288	8,498	8,586	8,888	8,723
Accounts Payable	236	235	228	285	294	291	375	378	349	
Long-Term Debt	6,872	6,808	6,988	7,599	7,445	8,987	6,889	6,912	7,126	6,960
Shareholder's Equity	1,840	1,920	1,844	1,774	1,804	1,723	2,553	2,904	3,253	3,159
LTD/E Ratio	3.74	3.55	3.79	4.28	4.13	5.22	2.70	2.38	2.19	2.20

Profitability & Per Share Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Return on Assets	7.7%	7.0%	5.3%	5.2%	4.0%	0.0%	5.6%	6.6%	6.0%	3.8%
Return on Equity	31.7%	36.8%	27.7%	29.4%	23.7%	0.1%	30.4%	27.2%	22.9%	14.2%
ROIC	8.8%	7.9%	5.9%	5.8%	4.5%	0.0%	6.5%	7.7%	7.0%	4.4%
Shares Out.	184.7	176.3	168.1	159.5	152.8	153.3	153.9	146.2	136.6	126.3
Revenue/Share	29.43	33.21	32.66	34.33	33.98	26.34	34.43	38.53	40.22	39.21
FCF/Share	4.12	5.09	4.62	5.96	4.35	6.80	5.52	2.66	3.77	6.56

Note: All figures in millions of U.S. Dollars unless per share or indicated otherwise.

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