Harley-Davidson Inc. (HOG)

Updated May 8th, 2026, by Kody Kester

Key Metrics

Current Price:	$24.26	**5 Year CAGR Estimate:**	5.2%	**Market Cap:**	$2.6B
Fair Value Price:	$13.50	**5 Year Growth Estimate:**	15.0%	**Ex-Dividend Date:**	06/01/26[1]
% Fair Value:	180%	**5 Year Valuation Multiple Estimate:**	-11.1%	**Dividend Payment Date:**	06/17/26[1]
Dividend Yield:	3.1%	**5 Year Price Target**	$27.18	**Years Of Dividend Growth:**	6
Dividend Risk Score:	D	**Sector:**	Consumer Discretionary	**Rating:**	Hold

Overview & Current Events

Harley-Davidson Inc. (HOG) is an iconic American motorcycle manufacturer established in 1903, operating as a global leader in heavyweight motorcycles. The company manufactures motorcycles across custom, cruising, touring, adventure touring, and electric categories through its LiveWire brand. Its product portfolio includes the Touring, Street, Sportster, Softail, and Pan America models. Beyond motorcycles, HOG generates revenue from merchandise, parts, and accessories sold through a network of hundreds of licensed dealers worldwide. The company operates three segments: Motorcycles and Related Products, Financial Services (which is being structurally transformed into a capital-light model to de-risk HOG's balance sheet), and LiveWire.

On May 5th, 2026, HOG shared its financial results for the first quarter ended March 31st, 2026. The company's total revenue dropped by 11.7% over the year-ago period to $1.17 billion during the quarter. That was largely the result of the shift to a capital-light model within the Financial Services segment. Because HOG sold off $6 billion in loan receivables, they're no longer receiving monthly interest payments that previously bolstered revenue. While this de-risked the balance sheet and freed up cash for buybacks, it created a sizable revenue hold on the income statement, causing the segment's revenue to plunge 54.3% year-over-year to $111.9 million in the quarter. First quarter global motorcycle shipments declined by about 3% over the year-ago period to roughly 37,300. This led total Motorcycles and Related Products revenue to decrease by 2.5% year-over-year to $1.06 billion for the quarter. HOG's diluted EPS plummeted 79.4% over the year-ago period to $0.22 during the quarter, which missed the analyst consensus by $0.01.

Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
EPS	$3.83	$3.43	$3.78	$3.36	$0.77	$4.21	$4.96	$4.87	$3.44	$2.78	***$1.50***	***$3.02***
DPS	$1.40	$1.46	$1.48	$1.50	$0.44	$0.60	$0.63	$0.66	$0.69	$0.72	***$0.75***	***$0.87***
Shares[2]	176.0	168.1	159.7	152.5	152.9	153.6	145.9	136.3	124.3	111.7	***105.3***	***75.0***

Earlier this month, with the release of earnings, HOG announced a "Back to the Bricks" strategic plan to restore performance and deliver profitable growth. First and foremost, the company is launching a $6,000 entry-level, single-cylinder motorcycle designed to be maneuverable and approachable for urban youth in the second half of 2026. The 883 Sportster is returning in 2027 with a target price of $10,000. This approach could help to neutralize some of the demographic headwinds of older riders aging out of its products. Viewing dealers as its greatest advantage, HOG is planning actions to double dealer profitability in 2026 and double it again by 2029. Then, there's the plan to reduce annual run-rate costs by at least $150 million by 2027. Cuts to corporate overhead and manufacturing cost of goods sold are already underway. The goal is to keep operating expenditures under 20% of sales by 2028. Finally, the capital-light Financial Services model is unlocking the cash needed to fund its restructuring while aggressively retiring shares. In Q1 2026 alone, HOG retired 6.6 million shares. Normalizing the restructuring and part of the tariff impact, we believe normalized EPS can compound by 15% annually through 2031, off an anticipated 2026 base of $1.50.

[1] Estimated based on past dividend dates.
[2] Share count is in millions.

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Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Now	2031
Avg. P/E	15.2	14.8	9.0	10.9	47.1	9.0	8.4	7.6	8.7	7.5	***16.2***	***9.0***
Avg. Yld.	2.4%	2.9%	4.4%	4.1%	1.2%	1.6%	1.5%	1.8%	2.3%	3.5%	***3.1%***	***3.2%***

In recent years, HOG's shares have consistently traded at a P/E ratio in the high single digits. The five-year average P/E ratio was just above 8. With a viable turnaround plan in place and the de-risking of the Financial Services segment complete, we believe that the multiple can slightly expand to 9. Relative to the current-year P/E ratio of 16.2, shares are relatively unappealing here.

Safety, Quality, Competitive Advantage, & Recession Resiliency

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	37%	43%	39%	45%	57%	14%	13%	14%	20%	26%	***50%***	***29%***

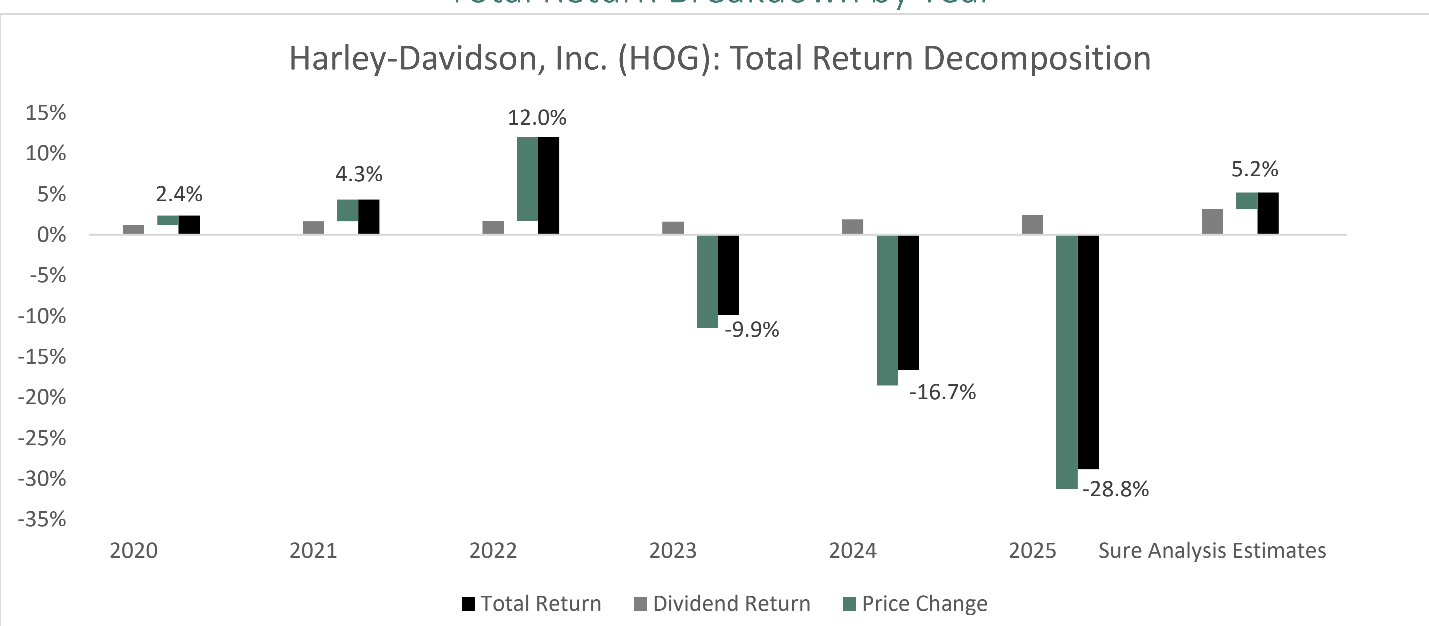
HOG has a competitive advantage with its history, unique style, and name brand recognition. Harley-Davidson has crafted its image through careful marketing, such as licensing deals with TV shows such as 'Sons of Anarchy' that convey the brand's image. Still, motorcycles are luxury items that consumers are willing to go without when the economy experiences downturns.

HOG's financial positioning is respectable, however. As of March 31st, 2026, the company had $1.8 billion of cash and cash equivalents on its balance sheet against roughly $1.6 billion of short-term and long-term debt. That earns it a BBB- S&P credit rating with a negative outlook (the Back to the Bricks plan must restore operating margins before an upgrade back to a stable outlook). While we don't expect the dividend to grow all that quickly in the years ahead, we think that HOG can build on its current six-year dividend growth streak.

Final Thoughts & Recommendation

HOG's 3.1% dividend yield, 15.0% annual normalized EPS growth prospects, and 11.1% annual valuation multiple contraction potential could generate 5.2% annual total returns through 2031. This is why we're downgrading shares to a Hold rating.

Total Return Breakdown by Year



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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Income Statement Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenue	5,996	5,647	5,717	5,362	4,054	5,336	5,755	5,836	5,187	4,473
Gross Profit	2,213	2,041	1,975	1,693	1,180	1,747	1,947	2,077	1,792	1,353
Gross Margin	36.9%	36.1%	34.5%	31.6%	29.1%	32.7%	33.8%	35.6%	34.6%	30.2%
SG&A Exp.	1,046	1,010	1,072	987	853	880	948	1,070	1,145	1,147
D&A Exp.	210	222	265	233	186	165	152	158	161	172
Operating Profit	1,031	898	796	560	(8)	957	932	738	447	244
Operating Margin	17.2%	15.9%	13.9%	10.4%	-0.2%	17.9%	16.2%	12.6%	8.6%	5.4%
Net Profit	692	522	531	424	1	650	739	695	445	329
Net Margin	11.5%	9.2%	9.3%	7.9%	0.0%	12.2%	12.8%	11.9%	8.6%	7.4%
Free Cash Flow	918	799	992	687	1,047	856	397	547	867	415
Income Tax	332	342	155	134	(17)	169	192	172	72	130

Balance Sheet Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Assets	9,890	9,973	10,666	10,528	12,011	11,051	11,492	12,141	11,882	8,045
Cash & Equivalents	818	735	1,263	898	3,389	2,004	1,569	1,638	1,725	3,092
Accounts Receivable	2,361	2,436	2,521	2,532	1,653	1,648	2,035	2,381	2,266	1,472
Inventories	500	538	556	604	523	713	951	930	746	731
Goodwill & Int. Ass.	64	63	61	75	76	71	68	70	67	64
Total Liabilities	7,970	8,128	8,892	8,724	10,288	8,498	8,586	8,888	8,723	4,888
Accounts Payable	235	228	285	294	291	375	378	349	299	389
Long-Term Debt	5,752	5,715	6,463	6,917	8,003	6,168	6,169	6,298	6,368	2,539
Shareholder's Equity	1,920	1,844	1,774	1,804	1,723	2,553	2,904	3,253	3,166	3,141
LTD/E Ratio	3.55	3.79	4.28	4.16	5.24	2.72	2.40	2.21	2.22	0.97

Profitability & Per Share Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Return on Assets	7.0%	5.3%	5.2%	4.0%	0.0%	5.6%	6.6%	5.9%	3.7%	3.3%
Return on Equity	36.8%	27.7%	29.4%	23.7%	0.1%	30.4%	27.1%	22.6%	13.9%	10.4%
ROIC	7.9%	5.9%	5.8%	4.5%	0.0%	6.4%	7.6%	6.8%	4.3%	4.0%
Shares Out.	176.3	168.1	159.5	152.8	153.3	153.9	146.2	136.6	124.5	120.6
Revenue/Share	33.21	32.66	34.33	33.98	26.34	34.43	38.53	40.22	39.21	36.89
FCF/Share	5.09	4.62	5.96	4.35	6.80	5.52	2.66	3.77	6.56	3.42

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