



Harley-Davidson Inc. (HOG)

Updated July 27th, 2026, by Kody Kester

Key Metrics

Current Price:	\$25.77	5 Year CAGR Estimate:	3.9%	Market Cap:	\$2.7B
Fair Value Price:	\$13.50	5 Year Growth Estimate:	15.0%	Ex-Dividend Date:	09/09/26 ¹
% Fair Value:	191%	5 Year Valuation Multiple Estimate:	-12.1%	Dividend Payment Date:	09/23/26 ¹
Dividend Yield:	2.9%	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, and LiveWire.

On Jul. 23, 2026, HOG released its earnings report for the second quarter ended Jun. 30, 2026. The company's total revenue decreased by 5.9% year-over-year to \$1.23 billion in the quarter. This was entirely due to the shift to a capital-light model within the Financial Services segment. Because HOG sold \$6 billion in loan receivables, it's no longer collecting monthly interest payments that boosted revenue in the past. Although this de-risked its balance sheet and freed up cash for buybacks, it led to a significant gap to overcome on the income statement. That caused the segment's revenue to drop 54.5% over the year-ago period to \$117 million during the quarter. Even with strength in the HDMC segment (shipments were up 9.5% to 39,200 in Q2 2026 and total revenue was up 5.7% over the year-ago period to \$1.10 billion), this couldn't fully offset the temporary headwind posed by the Financial Services segment for the quarter. HOG's diluted EPS declined by 14.8% year-over-year to \$0.75 in the quarter. That came in \$0.11 above the analyst consensus during the quarter.

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
Shares²	176.0	168.1	159.7	152.5	152.9	153.6	145.9	136.3	124.3	111.7	105.3	75.0

In May, 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 sub-\$10,000 entry-level, single-cylinder motorcycle (named the Sprint) 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 earning power in 2026 and quadruple dealer profitability by 2029 (relative to the depressed 2025 baseline). 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. Through the first half of 2026, HOG retired 7.9 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.



Harley-Davidson Inc. (HOG)

Updated July 27th, 2026, by Kody Kester

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	17.0	9.0
Avg. Yld.	2.4%	2.9%	4.4%	4.1%	1.2%	1.6%	1.5%	1.8%	2.3%	3.5%	2.9%	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 marginally expand to 9. Relative to the current-year P/E ratio of 17, shares arguably remain unenticing 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%

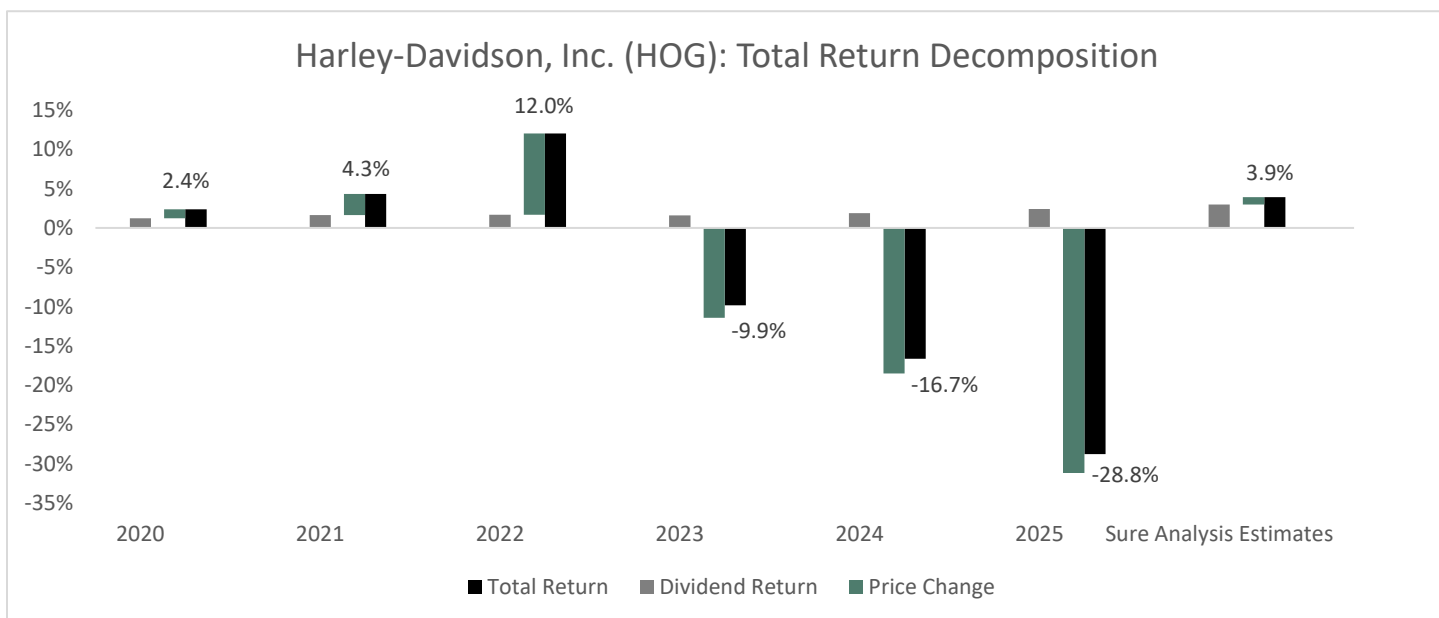
HOG has a competitive advantage with its history, unique style, and name-brand recognition. Harley-Davidson has crafted its image through careful marketing, such as licensing deals with TV shows such as 'Sons of Anarchy' that convey the brand's image. Still, motorcycles are luxury items that consumers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

HOG's financial positioning leaves a bit to be desired but is trending in the right direction. As of Jun. 30, 2026, the company had \$1.9 billion of cash and cash equivalents on its balance sheet against roughly \$2.2 billion of short-term and long-term debt. That earns it a BB+ S&P credit rating with a stable outlook (lower due to profitability concerns). 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 2.9% dividend yield, 15.0% annual normalized EPS growth prospects, and 12.0% annual valuation multiple contraction potential could generate 3.9% annual total returns through 2031. In closing, we're maintaining our 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.



Harley-Davidson Inc. (HOG)

Updated July 27th, 2026, by Kody Kester

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.

Disclaimer

Nothing presented herein is, or is intended to constitute, specific investment advice. Nothing in this research report should be construed as a recommendation to follow any investment strategy or allocation. Any forward-looking statements or forecasts are based on assumptions and actual results are expected to vary from any such statements or forecasts. No reliance should be placed on any such statements or forecasts when making any investment decision. While Sure Dividend has used reasonable efforts to obtain information from reliable sources, we make no representations or warranties as to the accuracy, reliability, or completeness of third-party information presented herein. No guarantee of investment performance is being provided, and no inference to the contrary should be made. There is a risk of loss from an investment in marketable securities. Past performance is not a guarantee of future performance.