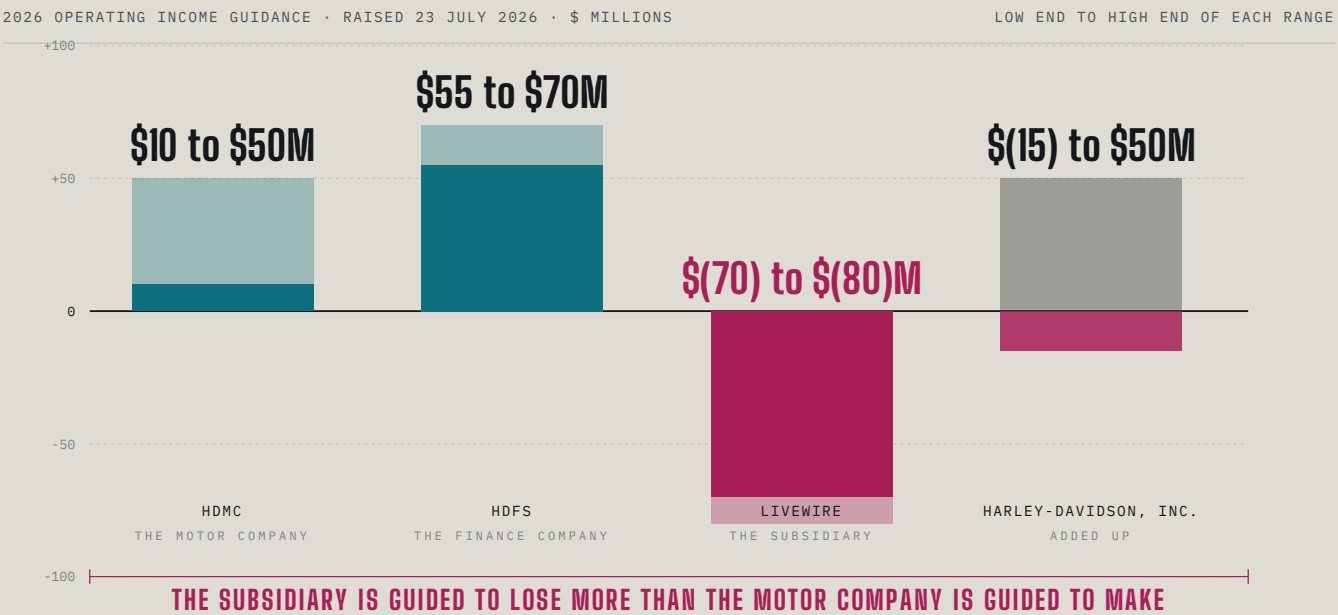
GROUND TRUTH NO. 02 · HARLEY-DAVIDSON, INC. · SEPTEMBER 2026

HARLEY-DAVIDSON: BACK TO THE BRICKS. DOWN TO BREAKEVEN.

WHAT LIVEWIRE COSTS THE PARENT, AND WHAT THE PLAN LEAVES OUT



WHAT THEY SAID May 2026, introducing the new plan: “Over the last several years, we leaned heavily into Touring and Electric.” Five pillars, six targets, **$350 million** of HDMC EBITDA in 2027.

WHAT IT IS	Add up the company's own 2026 guidance and Harley-Davidson, Inc. lands between a **$15 million** loss and a **$50 million** profit. It made **$779 million** in 2023. Its electric subsidiary is guided to lose **$70–80 million**; its motor company to make **$10–50 million**.
WHAT DECIDED IT	A finance company sold for cash, a five-year strategy that missed every quantified target, and a subsidiary that sits inside the income statement and outside the plan.

THE PLAN IS SCORED ON THE MOTOR COMPANY. THE INCOME STATEMENT IS NOT.

SOURCES: HOG FORM 10-K (FY2025) · HOG FORM 10-Q (Q2 2026) · HOG FORMS 8-K (Q4 2025, Q1 2026, Q2 2026 RESULTS) · "BACK TO THE BRICKS" RELEASE (5 MAY 2026) HARDWIRE RELEASE (2 FEB 2021) · HARDWIRE STAGE II INVESTOR DAY (10 MAY 2022) · KKR/PIMCO PARTNERSHIP RELEASES (30 JUL, 25 AUG 2025) · LVWR FORM 10-K (FY2025), 10-Q (Q2 2026) · GROUND TRUTH NO. 01

WORLDWIDE RETAIL
2014 → 2025 · 267,999 → 132,535
−51%

HDMC OPERATING MARGIN
2023 → 2025 · 13.6% → (0.8%)
−14.4 PTS

LIVEWIRE LOSSES CONSOLIDATED
2022 → JUN 2026 · H-D SEGMENT BASIS
$422M

DEALERSHIPS
2019 → 2025 · 1,569 → 1,174
−25%

THE COMPANY THE PLAN INHERITS. EACH LINE IS SOURCED IN PART I.

THE ROUTE · SIX PARTS, ONE THESIS

PART I
THE ARITHMETIC
Add up the guidance: about zero. The subsidiary's loss exceeds the motor company's profit.

PART II
THE SALE
2025's profit was the finance company, sold. $180M a year of earnings traded for $1.25B once.

PART III
THE SUBSIDIARY
$422M consolidated. 0.6% of revenue, a third of the profit drag. Cash to May 2027; note due December.

PART IV

PART V

PART VI

THE PLAN

Five pillars, six targets. The 2027 number is a 5% margin, below the year Hardwire was written to fix.

THE BET

$1.6B of buybacks, and one motorcycle carrying the growth target: the 883.

THE FINAL WORD

LiveWire didn't break Harley. It is what the new Harley can't afford. The decision has a date.

00 · START HERE

THE FINDING, AND THE TRAIL THAT LED TO IT

Ground Truth No. 01 read LiveWire's filings. This one reads the parent's, and asks what the electric bet cost, what the new plan promises, and what Harley-Davidson looks like if the plan works.

Start with the sentence the new CEO used to bury the old strategy. Artie Starrs, 5 May 2026, introducing Back to the Bricks: *"Over the last several years, we leaned heavily into Touring and Electric. Going forward, we are shifting to a more rider-centric portfolio."* Fourteen words. That is the parent company's verdict on Hardwire, on LiveWire and on five years of product decisions, delivered on an earnings call and never expanded on.

Then add up the guidance the same company published eleven weeks later. HDMC, the motor company: **$10–50 million** of operating income. HDFS, the finance company: **$55–70 million**. LiveWire: a **$70–80 million** loss. Segment operating income sums to the consolidated line in Harley-Davidson's reporting. 2025 proves it: $(28.7)M + $490.4M + $(75.0)M = $386.6M, to the decimal. So the sum is the company's own forecast: **Harley-Davidson, Inc. is guided to somewhere between a $15 million loss and a $50 million profit for 2026.** Three years ago the number was $779 million.

That is the finding. Inside it sits the sentence this brief is built on: **the electric subsidiary is guided to lose more than the motor company is guided to make.** At every point in both ranges.

- Open the FY2025 10-K segment note and the motor company lost **$28.7M** in 2025, the first HDMC operating loss outside the pandemic year in the modern history of the company. The whole consolidated profit came from HDFS, and HDFS's profit came from selling its loan book.
- Ask what that sale did to earnings power and HDFS goes from a **$248M** run rate to a **$55–70M** guide. The company's steadiest earner was converted to cash, once.
- Read LiveWire as H-D reports it and the consolidated losses run to **$422M** since 2022: a fifth of the 2025 profit drag, a third of the trailing one, from 0.6% of revenue.
- Read Back to the Bricks and there is no LiveWire target, no electric anything, and a 2027 EBITDA number that translates to roughly a **5%** operating margin, below where HDMC stood in 2019, the year Hardwire was written to fix.
- Read Hardwire next to it: every quantified target missed. 15% margin promised for 2025; (0.8%) delivered.

None of that is a secret. All of it is in the filings, and almost none of it is in the coverage, which has been about Sportsters and dealer sentiment. Those matter; Part V is about them. But the arithmetic comes first.

THE TRAIL, IN FIVE DOCUMENTS

The order I read them in. Each one sent me to the next.

01 Q2 2026 RESULTS · 8-K EX. 99.1 · 23 JUL 2026 →

The guidance. Raised across the board, and still adds to roughly zero. Nobody added it up on the call.

02 FORM 10-K FY2025 · SEGMENT NOTE →

Where the profit came from. HDMC $(28.7)M. LiveWire $(75.0)M. HDFS $490.4M. One of these three is not like the others, and it is the one that was sold.

03 KKR / PIMCO STRATEGIC PARTNERSHIP · 30 JUL 2025 →

The sale. $5B+ of receivables, 9.8% of HDFS, two-thirds of future originations forward-sold. “Unlocks ~$1.25 billion.” Announced three months before the CEO who did it left.

04 “BACK TO THE BRICKS” · 5 MAY 2026 →

The plan. Five pillars, one dated target, five medium-term ranges. LiveWire appears only in the forward-looking factors. The word “electric” does not appear.

05 HARDWIRE STAGE II · INVESTOR DAY · 10 MAY 2022 →

The benchmark. “HDMC Operating Margin: 15% by 2025.” “+5% to +7% CAGR.” The plan the new plan replaces, in its own words.

THE PAPERWORK, ON ONE SCREEN

Four documents. Read the cards and you can skip the rest; every section below is the arithmetic they imply.

GUIDANCE · 23 JUL 2026

THREE RANGES THAT SUM TO ZERO

HDMC **$10–50M**. HDFS **$55–70M**. LiveWire **$(70–80)M**. Implied consolidated: **$(15)M to $50M**.

8-K Ex. 99.1 · raised from Feb 2026

KKR / PIMCO · JUL–OCT 2025

THE FINANCE COMPANY, SOLD FORWARD

~$6B of receivables sold. 9.8% of HDFS equity. Two-thirds of future loans forward-sold for five years. **$1.0B dividend** to the parent. HDFS earnings **−75%** going forward.

Releases 30 Jul, 25 Aug 2025 · 10-K FY2025

TERM LOAN · NOV–DEC 2025

$75M, SECURED, DUE DEC 2027

Convertible feature removed. Lien on substantially all of LiveWire’s assets. SOFR + 4%, compounding to maturity. H-D: no further investment planned.

LVWR 10-K FY2025 · HOG 10-K FY2025

BACK TO THE BRICKS · 5 MAY 2026

FIVE PILLARS, NO SUBSIDIARY

HDMC EBITDA **>$350M in 2027**. Mid-single-digit retail CAGR. 25–30% gross margin. 10–12%

EBITDA margin. **$150M** of fixed cost out. LiveWire: not scored.

Release · Q1 2026 call

- **Why Harley-Davidson.** No. 01 followed the subsidiary's money. It leads here: to the only company in American motorcycling whose filings carry the whole industry's weight, in the first year of a new CEO and a new plan.
- **Who this is for.** Dealers weighing the next allocation. Suppliers sizing the York ramp. Investors deciding whether "transition year" is a floor. Anyone at LiveWire wondering what the parent's numbers say about their runway.
- **What I did.** Read H-D's FY2025 10-K and Q2 2026 10-Q line by line, the last five years of results releases and calls, the two strategy documents, the KKR/PIMCO releases, and the governance filings from the 2025 fight. Every figure links to its source. Twelve open items are listed in §16, not hidden.
- **Who I am.** Ex-Harley-Davidson product manager: Touring, CVO, Trike. Ex-Honda. Independent now. §16 has the rest, and the disclosure.

PART I

THE ARITHMETIC

The company's own 2026 guidance, added up, and the five-year line it sits at the bottom of.

THE POINT Harley-Davidson, Inc. is guided to roughly breakeven operating income in 2026, and the subsidiary's guided loss is larger than the motor company's guided profit.

WHY IT MATTERS

Every argument about Sportsters, dealers and tariffs happens inside that arithmetic. Growth from here is measured from a base near zero.

IMAGE TO SOURCE

JUNEAU AVENUE

The Milwaukee headquarters, reopened for return-to-office in March 2026. Exterior, brick.

Sketch: The Harley-Davidson headquarters on Juneau Avenue, Milwaukee, a long red-brick factory facade with tall windows, present day, overcast morning light. Charcoal sketch with a blue-grey wash on a dark chalkboard ground, vignetted edges; any people seen from behind or with faces unresolved, no identifiable ethnicity; 3:2, no logos.

01 · THE GUIDANCE

HARLEY-DAVIDSON, INC. · HOG

THREE RANGES THAT ADD UP TO ABOUT NOTHING

All three numbers come from the same release, the same day, the same table. No outside denominator, nothing to argue about. I add them; the company does not.

HDMC OPERATING INCOME · 2026 GUIDANCE

$10–50M

The motor company. Raised on 23 July from a range of **$(40)M to $10M**.

LIVEWIRE OPERATING LOSS · 2026 GUIDANCE

$(70–80)M

The subsidiary. Unchanged since February. **0.6%** of revenue.

2026 GUIDANCE, 23 JUL 2026	LOW	HIGH
HDMC operating income	$10M	$50M
HDFS operating income	$55M	$70M
LiveWire operating loss	$(80)M	$(70)M
Implied consolidated operating income	**$(15)M**	**$50M**
For reference: consolidated operating income, 2023		*$779.1M*

TWO QUALIFICATIONS, STATED BEFORE ANYONE ELSE STATES THEM

DOCUMENTED H1 2026 consolidated operating income was **$99.5M**, so the full-year guidance implies a second-half loss. Q4 is seasonally the weak quarter: HDMC lost **$260M** in Q4 2025 on a gross margin of **(8.0%)**. Management has also beaten its own ranges twice this year. The guidance may be conservative. It is still the number they chose to publish.

CALCULATED "Segment operating income sums to the consolidated line" is checked against 2025 to the decimal, and against 2024 ($277.8M + $248.4M − $109.6M = $416.6M). No corporate eliminations sit between the segments and the total.

THE SUBSIDIARY IS GUIDED TO LOSE MORE THAN THE MOTOR COMPANY IS GUIDED TO MAKE.

SO WHAT · §01

THE POINT	Added up, the 2026 plan is a breakeven year for the enterprise. LiveWire's $70–80M loss is the swing between a profit and a loss.
BACK TO THE THESIS	Back to the Bricks scores itself on HDMC EBITDA. That is a legitimate management metric. It is also the one metric that excludes the line that turns the year negative.
OUTLOOK	If H2 tracks H1, the company beats this. If Q4 looks like Q4 2025, it does not. Either way the range is the floor the new strategy is being measured from.

02 · THE FIVE-YEAR LINE

HARLEY-DAVIDSON, INC. · HOG

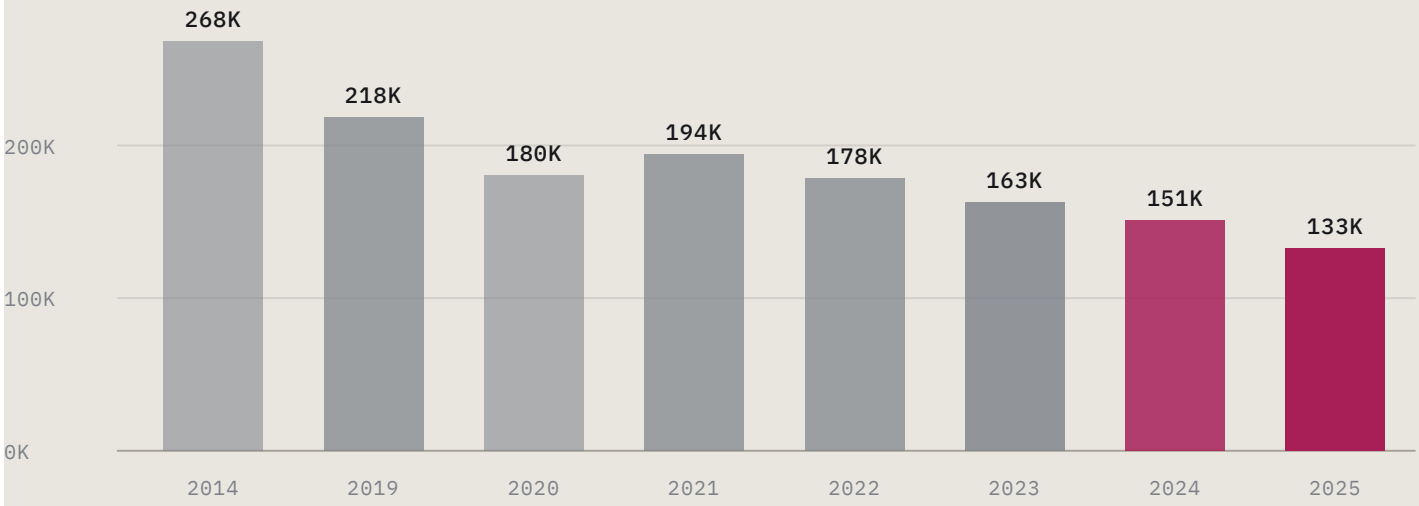
HALF THE MOTORCYCLES, THREE-QUARTERS OF THE DEALERS

The company Back to the Bricks inherits, against the company Hardwire inherited, against the company of a decade ago.

	2014	2019	2023	2024	2025	2019→25
Consolidated revenue	~$6.23B	$5,361M	$5,836M	$5,187M	**$4,473M**	−17%
Worldwide retail (units)	267,999	218,273	162,771	151,229	**132,535**	−39%
U.S. retail	171,079	125,960	98,468	94,930	**82,698**	−34%
Motorcycle shipments	270,726	213,939	179,984	148,862	**124,477**	−42%
HDMC operating margin	18.0%	6.3%	13.6%	6.7%	**(0.8%)**	−7.1 pts
U.S. 601cc+ share (MIC)	n/a	n/a	37.9%	37.3%	**34.5%**	n/a
Dealerships worldwide	n/a	1,569	n/a	1,224	**1,174**	−25%
U.S. dealerships	n/a	698	n/a	570	**554**	−21%
Diluted EPS	$3.88	$2.68	$4.87	$3.44	**$2.78**	+4%

FIG 01 **WORLDWIDE RETAIL MOTORCYCLE SALES**

UNITS · COMPANY RELEASES

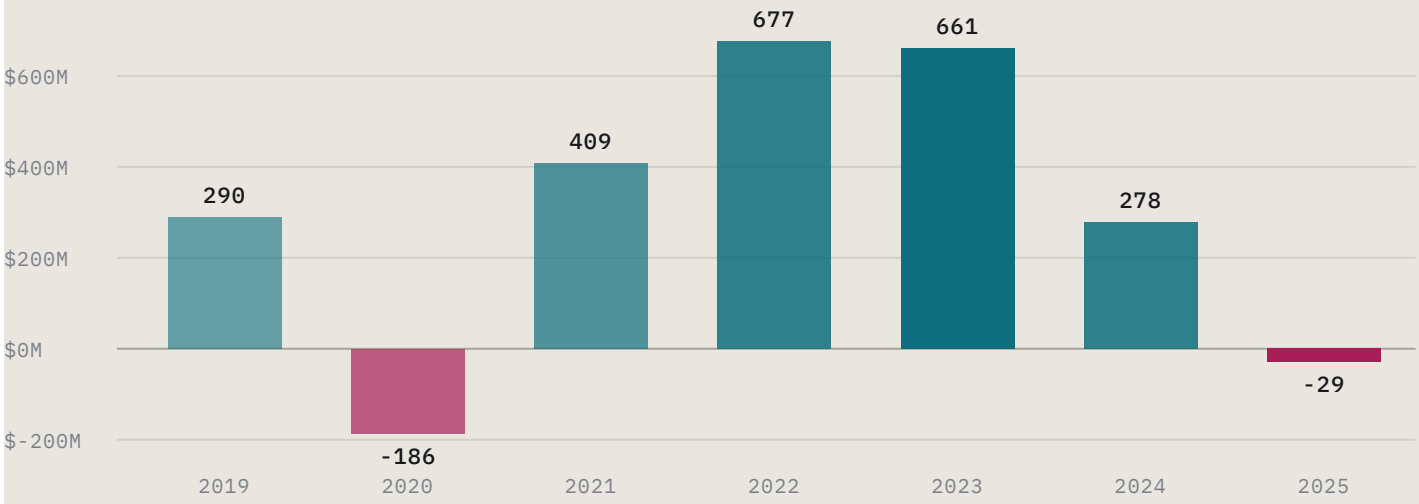


DOCUMENTED Retail is down 51% from 2014 and has fallen every year since 2021. U.S. retail is down 52% over the same span; shipments 54%. The 2025 figure is the lowest in the modern reporting history of the company. Sources: FY2014, FY2019–FY2025 results releases (8-K Ex. 99.1).

Revenue fell less than volume because price rose and because HDFS is in the consolidated line. EPS held up because of the buyback and because of what HDFS did in 2025. Those are Parts II and V. Strip those out and the motor company's trajectory is the unit line: **a business that sells half the motorcycles it sold eleven years ago, through a quarter fewer stores, and in 2025 did it at a loss.**

FIG 02 **HDMC OPERATING INCOME**

$ MILLIONS · MOTORCYCLES SEGMENT; LIVEWIRE SEPARATED FROM 2022



DOCUMENTED 2025 was the first HDMC operating loss since the pandemic year, and the first in a normal year on record. Q4 2025 gross margin was **(8.0%)**: for one quarter the company sold motorcycles for less than they cost to build. Segment definitions changed in 2022 when LiveWire was split out; 2019–2021 are the Motorcycles segment as then reported.

SO WHAT · §02

THE POINT	This is not a company in a down year. It is a company at the end of an eleven-year decline in volume, with margin now following volume down.
BACK TO THE THESIS	Every Back to the Bricks target is measured from this base. A 5% margin in 2027 would be a recovery. It would also be below 2019.
OUTLOOK	The plan's mid-single-digit retail growth reverses a −8% CAGR. That is not incremental; it is a change of direction the company has not managed since 2021.

THE SALE

Where the 2025 profit came from, and what it cost to get it.

THE POINT	In 2025 the motor company lost money and the subsidiary lost more. The year was profitable because the finance company sold its loan book and paid a $1 billion dividend to the parent. That does not happen twice.
WHY IT MATTERS	HDFS earned about a quarter-billion a year before the sale and is guided to $55–70M after it. The company traded a recurring earner for a one-time cheque.

IMAGE TO SOURCE

HDFS, PLANO

Harley-Davidson Financial Services offices, Plano, Texas. Or a dealer finance desk.

Sketch: A dealership finance desk, a rider signing loan papers across from a finance manager, cruisers blurred on the showroom floor behind them, present day, flat fluorescent light. Charcoal sketch with a blue-grey wash on a dark chalkboard ground, vignetted edges; any people seen from behind or with faces unresolved, no identifiable ethnicity; 3:2, no logos.

03 · WHERE THE 2025 PROFIT CAME FROM

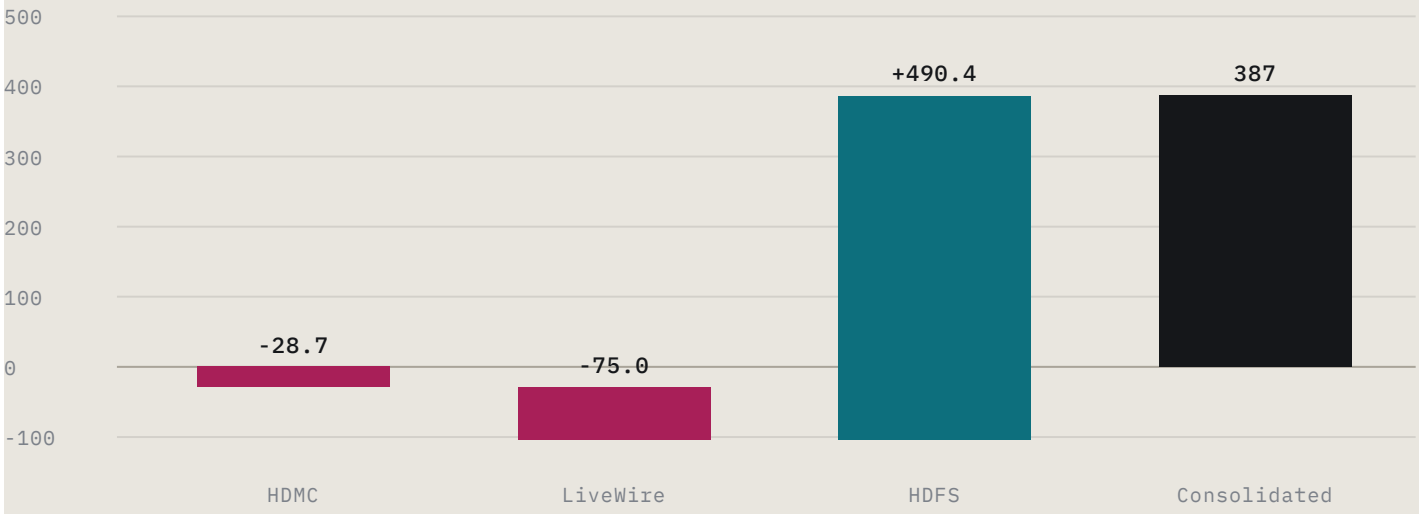
HARLEY-DAVIDSON, INC. · HOG

TWO SEGMENTS LOST MONEY. THE THIRD WAS SOLD.

Consolidated operating income of $386.6M looks like a profitable company. The segment note says which company.

FIG 03 **2025 OPERATING INCOME BY SEGMENT**

$ MILLIONS · BRIDGE TO THE CONSOLIDATED LINE



DOCUMENTED HDMC $(28.7)M. LiveWire $(75.0)M. HDFS $490.4M, described in the release as “record-high earnings, driven by the HDFS transaction.” The motorcycle company and its subsidiary together lost $103.7M; the finance company covered it four times over, once. FY2025 10-K, segment note.

What HDFS sold, in the company’s own description: *“a back book sale, sale of approximately $6 billion of existing HDFS loan receivables, forward flow agreements, the sale of future HDFS loan originations, and the sale of equity interest, sale of a 9.8% common equity interest in HDFS to KKR and PIMCO.”* The receivables went at a premium to par. The equity went at an agreed **$1.8B** valuation, 4.9% to each partner. The forward-flow agreement commits HDFS to sell roughly **two-thirds** of its future retail originations for five years.

The accounting follows: the provision for credit losses swung from a **$247M** expense in 2024 to a **$191M** *credit* in 2025 as reserves on the sold loans were released. The HDFS allowance fell from $399M at mid-year to **$2.2M** at year-end. HDFS paid a **$1.0 billion** dividend up to the parent in Q4. Total debt fell from $6.96B to $2.97B as the securitization debt left with the receivables. Cash rose to **$3.09 billion**.

IN PLAIN ENGLISH

Harley-Davidson’s finance arm used to lend riders the money to buy the bikes, hold the loans, and earn the interest for years. It sold most of those loans, and

most of the future ones, for cash now. The balance sheet got much cleaner. The income statement lost its steadiest line.

SO WHAT · §03

THE POINT	The 2025 profit is real and it is non-recurring. The recurring picture is a motor company at a loss and a subsidiary at a larger one.
BACK TO THE THESIS	This is why 2025 EPS was $2.78 and not something near zero, and why the 2026 guidance looks like a cliff. It is not a cliff. It is the ground.
OUTLOOK	The transaction was announced 30 July 2025 by the departing CEO. The incoming one inherited the cash and the lower run rate together.

04 · THE HDFS TRADE

HARLEY-DAVIDSON, INC. · HOG

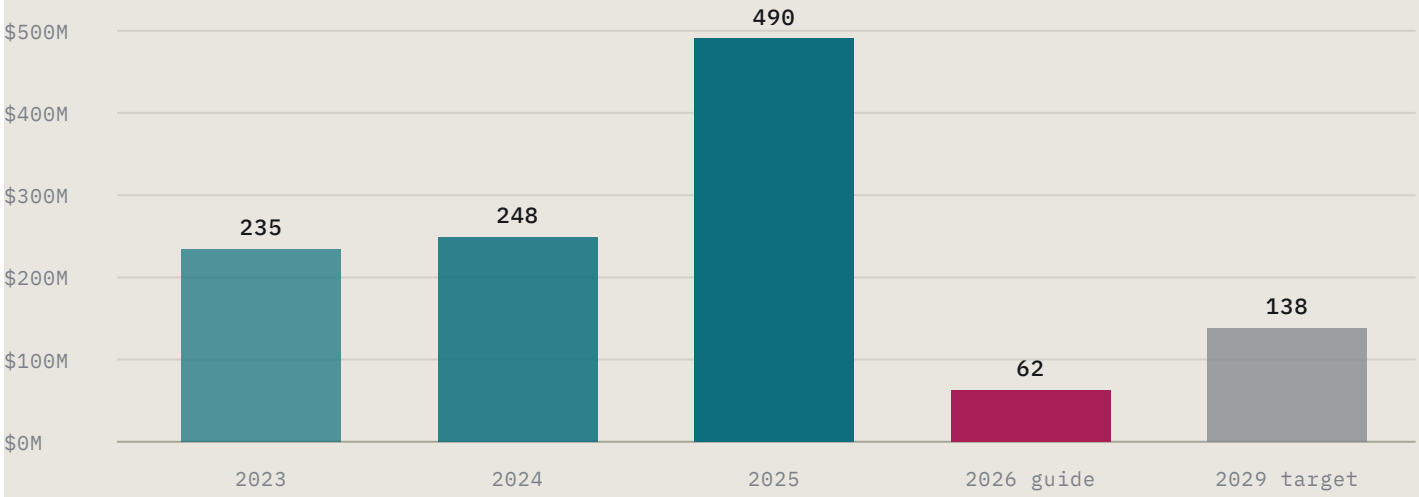
$180 MILLION A YEAR, EXCHANGED FOR $1.25 BILLION, ONCE

Whether the KKR/PIMCO deal was good depends on what the cash does. Here is what was given up.

FIG 04

HDFS OPERATING INCOME

$ MILLIONS · 2026 AND 2029 SHOWN AT RANGE MIDPOINTS



DOCUMENTED HDFS earned $235M and $248M in the two years before the sale: **60%** of consolidated operating income in 2024. It is guided to $55–70M for 2026 and targeted at $125–150M by 2029. The 2025 spike is the transaction. Sources: FY2025 10-K; Q1 and Q2 2026 calls.

WHAT H-D GOT	WHAT H-D GAVE
~$1.25B of “discretionary cash” (management’s figure), of which $450M to debt reduction and ~$500M earmarked for shareholders	~$180M a year of operating income at the 2024 run rate, rebuilding to perhaps half that by 2029
$1.0B dividend from HDFS to the parent in Q4 2025	9.8% of HDFS, with a right to buy back up to a third a year
Balance sheet: total debt $6.96B → $2.97B; cash $1.59B → $3.09B	Two-thirds of future originations, forward-sold for five years
A capital-light HDFS with, management says, “significantly higher ROE”	The CECL reserve release ($191M) that made 2025 look normal

CALCULATED At the 2024 run rate the foregone earnings are roughly **$180M** a year. $1.25B of cash buys back about **seven years** of them, before the 2029 rebuild is counted. That is not a bad trade if the cash is deployed into something that earns more than HDFS did. So far it has gone into a **$200M** accelerated repurchase

(November 2025) at an average of about $26.50, and a balance sheet that now holds $1.9B of cash against a business guided to breakeven.

DOCUMENTED The trade is already visible in cash. H1 2026 operating cash flow was **$(59)M** against $509M a year earlier; free cash flow **$(104)M** against $444M, a $548M swing the Q2 deck attributes "in part, due to 67% reduction in HDFS operating income after sale of retail finance receivables in 2H '25" and to forward-flow timing. The managed retail book is $6.1B: $1.6B owned, **$4.5B** off balance sheet with KKR and PIMCO. HDMC alone is net cash $933M; HDFS is net debt $(1,848)M; Harley-Davidson, Inc. is net debt $(862)M.

INDUSTRY CONTEXT The other thing HDFS did was floor the dealers and finance the riders in downturns when banks would not. A forward-flow partner has a contract; a captive had a reason. Whether KKR and PIMCO buy the two-thirds in 2028 at the same terms they bought it in 2025 is a question the filings cannot answer.

SO WHAT · §04

THE POINT	HDFS was Harley's annuity. It has been converted to a lump sum and a smaller annuity.
BACK TO THE THESIS	The plan's $350M HDMC EBITDA target has to carry the enterprise now in a way it did not have to before the sale. The margin for error left with the loan book.
OUTLOOK	Watch the 2029 HDFS target ($125–150M). If it slips, the enterprise is a motorcycle company with a service arm, and the motorcycle company is at 5%.

THE SUBSIDIARY

What LiveWire costs the parent, in the parent's own numbers, and the date on which that stops being a line item and becomes a decision.

THE POINT	$422M of consolidated operating losses since 2022; a fifth of the 2025 profit drag and a third of the trailing one; from 0.6% of revenue and 2.7% of headcount. Cash runs out around May 2027. The note is due in December 2027.
WHY IT MATTERS	Because LiveWire is consolidated, no ownership change short of deconsolidation improves Harley-Davidson's reported operating income. Back to the Bricks handles this by not counting it.

IMAGE TO SOURCE

S2 DEL MAR ON A HARLEY FLOOR

A LiveWire on a Harley-Davidson dealer floor, or the LiveWire space at Harley-Davidson headquarters.

Sketch: A single electric motorcycle on a display stand at the edge of a dealer showroom, hemmed in by larger cruisers and touring bikes, present day, hard overhead spotlights. Charcoal sketch with a blue-grey wash on a dark chalkboard ground, vignetted edges; any people seen from behind or with faces unresolved, no identifiable ethnicity; 3:2, no logos.

05 · WHAT LIVEWIRE COSTS

HARLEY-DAVIDSON, INC. · HOG

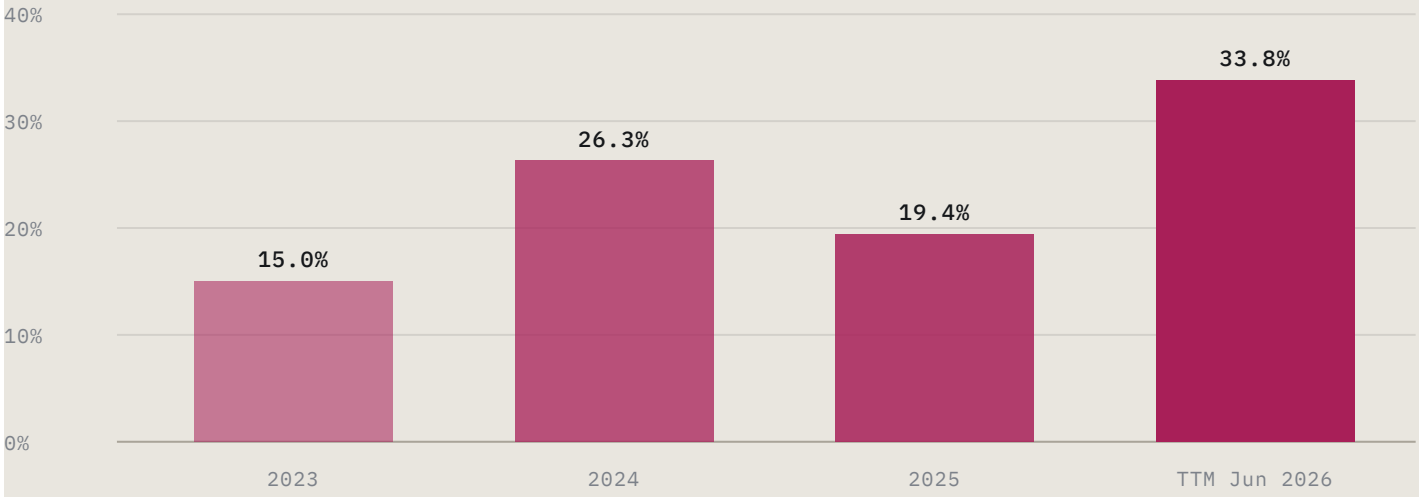
NOUGHT POINT SIX PERCENT OF REVENUE. A THIRD OF THE DRAG.

H-D consolidates LiveWire and reports it as a segment. Every dollar LiveWire loses appears in Harley-Davidson's operating income; only the ~11% belonging to LiveWire's public minority comes back out, below the line.

LIVEWIRE SEGMENT (H-D BASIS)	OPERATING LOSS	AS % OF H-D CONSOLIDATED OPERATING INCOME
2023	$(116.8)M	15.0%
2024	$(109.6)M	**26.3%**
2025	$(75.0)M	19.4%
TTM to 30 Jun 2026	$(72.1)M	**33.8%**

FIG 05 **LIVEWIRE'S SHARE OF THE DRAG**

LIVEWIRE OPERATING LOSS ÷ H-D CONSOLIDATED OPERATING INCOME



CALCULATED Both figures from H-D's segment note. TTM = FY2025 − H1 2025 + H1 2026 for each line. The 2025 figure is flattered by the HDFS transaction in the denominator; on a normalised HDFS the share would be far higher. Loss attributable to noncontrolling interests was $9.6M in 2025; Harley-Davidson shareholders bear roughly **89%** of LiveWire's losses.

CALCULATED Cumulative LiveWire operating losses consolidated into Harley-Davidson: **$337.0M** from January 2023 through June 2026, and **$422.3M** including 2022 (the spin closed 27 September 2022; the stand-alone post-spin Q4 2022 figure is open item 3 in §16). Against the December 2021 plan of 100,000 units and $1.8B of revenue by 2026, LiveWire delivered 923 units and $31.3M trailing. Ground Truth No. 01 has that story in full.

DOCUMENTED For scale, in 2025 LiveWire was **0.6%** of Harley-Davidson's revenue ($25.7M of $4,473M), **2.7%** of its headcount (about 150 of about 5,500), and **19%** of the drag on its operating income. In 2026 it is guided to be the difference between a profit and a loss.

SO WHAT · §05

THE POINT	A $75M loss did not take Harley-Davidson from $779M to zero. But when the motor company is guided to make $10–50M, a $75M loss on 0.6% of revenue is no longer a rounding error.
BACK TO THE THESIS	The plan solves this by scoring HDMC. The consolidated income statement, the share count and the dividend do not have that option.
OUTLOOK	The $150M fixed-cost target is stated as "not including LiveWire." LiveWire's own cost cuts (real: 18% less cash used) are the only thing moving this line.

06 · THE SEAT CHANGE

HARLEY-DAVIDSON, INC. · HOG

FROM EQUITY BACKSTOP TO SENIOR SECURED CREDITOR

H-D's remaining direct exposure to LiveWire is one instrument. What changed in it says what the parent intends.

FEB 2024 · ORIGINAL — CONVERTIBLE DELAYED DRAW TERM LOAN · UP TO $100M

Harley-Davidson could convert the loan to LiveWire equity at maturity if LiveWire lacked the capacity to repay. A parent's instrument: if the subsidiary cannot pay, the parent owns more of it. Never drawn.

LVWR 8-K EX. 10.1 14 FEB 2024 — Open on EDGAR →

NOV 2025 · AMENDED & RESTATED — DELAYED DRAW TERM LOAN · $75M · SECURED

Conversion feature **removed**. Security interest over **substantially all** of LiveWire's assets added. Six-month SOFR + 4.00%, compounding, all due at maturity, **15 December 2027**. Effective rate 7.64%. The first $10M of any ATM proceeds goes to the lender. Negative covenants on debt, liens, asset sales, investments and affiliate transactions. Drawn in full 15 December 2025.

LVWR 10-K FY2025 · RELATED-PARTY NOTE FILED FEB 2026 Open on EDGAR →

INFERRED Read the two together and the parent moved from prospective equity holder to senior secured creditor of its own subsidiary, twelve months before it published a strategy with no subsidiary in it. On the Q4 2025 call Starrs said: *"LiveWire is now working diligently to attract its own sources of capital to continue to finance its operations and future plans."* The FY2025 10-K risk factors name "the ability of LiveWire to obtain sufficient funding from sources other than the Company."

UNVERIFIED Ground Truth No. 01 quoted the FY2025 10-K as stating H-D "does not plan to make additional investments in LiveWire beyond the amount outstanding under the Term Loan." This revision could not re-locate the sentence in the fetched text of the filing (the MD&A liquidity section was truncated in retrieval). It is carried here as unverified until the page and paragraph are confirmed (open item 1, §16). The Q4 call language above is the verified equivalent.

SO WHAT · §06

THE POINT	A convertible loan says: if this fails, we own it. A secured loan says: if this fails, we get paid first.
BACK TO THE THESIS	That is the paper behind "working diligently to attract its own sources of capital." The parent has chosen its seat.
OUTLOOK	Any third-party capital LiveWire raises now sits behind H-D's lien. That is a hard pitch to a new investor, which is the point.

CASH TO MAY 2027. A NOTE DUE IN DECEMBER. A PLAN SCORED ON 2027.

LiveWire's own 10-Q supplies the runway. H-D's filings supply the constraint. The calendar supplies the collision.

LIVEWIRE CASH · 30 JUN 2026

$52.9M

From **$82.8M** at year-end. Burn **$29.9M** in six months. At that rate: about **ten and a half months**.

OWED TO HARLEY-DAVIDSON · DUE 15 DEC 2027

$76.8M

And compounding at SOFR + 4%. Roughly **$85M** at maturity. Secured on substantially everything.

CALCULATED Straight-line the H1 2026 burn and LiveWire's cash reaches zero around **May 2027**. The note is due seven months later. Back to the Bricks' only dated target, $350M of HDMC EBITDA, is for 2027. Harley-Davidson will make its LiveWire decision in the same year it has promised to prove the new strategy works, and it has not said what the decision is.

THE OPTIONS, AS THEY STAND ON THE FILINGS

This is an enumeration, not a prediction. H-D has stated no intention to fund, acquire, divest or wind down LiveWire, and none is asserted here.

OPTION	WHAT IT COSTS H-D	WHAT IT DOES TO H-D'S P&L
Fund LiveWire again	Reverses the stated position; cash	Nothing; the losses are already consolidated
Buy out the minority (~23.3M public shares)	~$28M at $1.20. The 4 Aug 2026 severance amendment already carves an H-D acquisition out of "change in control"	Nothing; already consolidated. Removes public-company cost and the NCI line
Let LiveWire raise from third parties	Dilution below ~89%. At $1.20 a $60M raise is ~50M shares, taking H-D to ~70%. New money sits behind H-D's lien	Still consolidated above 50%
Let it fail / foreclose	Write-down of the $75M note against the collateral; wind-down costs; the contracts in No. 01 unwind	Losses stop. Deconsolidation gain or loss
Sell or merge it	Depends on the buyer. H-D keeps the manufacturing and services agreements either way	Deconsolidation

CALCULATED Note what every row shares. **Because LiveWire is already consolidated, no ownership change short of deconsolidation improves Harley-Davidson's reported operating income.** The $70–80M a year comes out of H-D's numbers only when LiveWire stops losing it or stops being H-D's. Buying the minority for $28M would be the cheapest corporate action in the company's recent history and would change the operating line by exactly nothing.

SO WHAT · §07

THE POINT	The decision has a date, and it is inside the plan's window.
BACK TO THE THESIS	Back to the Bricks does not mention it. The Q1 and Q2 2026 calls treated LiveWire operationally: Honcho, Dust, cash used. No 2026 statement from Starrs or Root uses "strategic alternatives," "divestiture" or "wind-down."
OUTLOOK	LiveWire's 10-Q says it will pursue financing "during the third quarter of 2026." That quarter ends in three weeks.

PART IV

THE PLAN

What Back to the Bricks actually commits to, and what the plan it replaces committed to.

THE POINT	Five pillars and six targets, all HDMC. The 2027 EBITDA number translates to roughly a 5% operating margin, below 2019. Hardwire promised 15% by 2025 and delivered (0.8%).
WHY IT MATTERS	A stabilisation plan with a growth target attached is a reasonable thing to publish after 2025. Calling it ambitious is not.

IMAGE TO SOURCE

BACK TO THE BRICKS

The 5 May 2026 webcast title slide, or Starrs at a dealer meeting.

Sketch: A chief executive at a lectern addressing a hall of motorcycle dealers, a wide blank screen behind him, 2026 corporate meeting, cool stage lighting. Charcoal sketch with a blue-grey wash on a dark chalkboard ground, vignetted edges; any people seen from behind or with faces unresolved, no identifiable ethnicity; 3:2, no logos.

FIVE PILLARS, SIX TARGETS, AND WHAT IS NOT IN IT

The release is short. I quote the pillars in full because the paraphrases in circulation are more ambitious than the document.

PILLAR 1

COMPETITIVE ADVANTAGES AND LEGACY

“The Company’s iconic brand, diversified and powerful revenue channels, and best-in-class dealer network provide a powerful foundation for growth.”

PILLAR 2

EXCLUSIVE DEALER NETWORK

“The Company is planning actions to enable dealers to **double profitability in 2026** and then **double it again by 2029**.”

PILLAR 3

RECAPTURE SHARE WHERE H-D HAS “RIGHT TO WIN”

“…new motorcycles, used motorcycles, Parts & Accessories, and Apparel & Licensing.” Not electric.

PILLAR 4

STRONG FINANCIAL POSITION

“Cost and restructuring actions already underway support a path to stronger free cash flow and EBITDA margin over time.”

PILLAR 5

BOLSTERED MANAGEMENT TEAM

“…a number of leadership appointments that support the Company as it leverages its innate strengths.”

TARGET	STATED	AGAINST THE RECORD
HDMC EBITDA	**> $350M in 2027**, the only dated number	CALCULATED The Q2 2026 deck's reconciliation gives HDMC D&A of $40M for the quarter and $81M for the half, about $160M a year (restructuring adjustments of $3M / $17M are separate). **$350M of EBITDA implies roughly $190M of operating income, about a 5% margin** on 2025 revenue. HDMC made $290M in 2019 and $661M in 2023.
Retail unit growth	Mid-single-digit CAGR, "medium term" (Starrs: three to five years)	~5% on 132,535 is about **6,600 motorcycles a year**. The 2019–2025 CAGR was **−8%**. Retail has fallen every year since 2021.
HDMC gross margin	25–30%	2025: 24.2%. 2024: 28.0%. 2023: 32.3%. This is a return to 2024.
HDMC opex	< 20% of sales	2025: 25.0% ($895M / $3,578M). Needs the $150M cost take-out *and* revenue growth.
HDMC EBITDA margin	10–12%	Hardwire Stage II targeted **15% operating margin by 2025**. Delivered: (0.8%).
P&A and Apparel/Licensing	Mid-single-digit CAGR	P&A revenue: $652M (2024) → $614M (2025). Some 30% of eliminated SKUs being reinstated.
Fixed cost	"at least $150 million… impacting 2027 and beyond versus 2025 levels"	"Not including LiveWire." Restructuring expense so far: $17M for H1 2026 per the Q2 deck. A March 2026 reduction in force, size undisclosed.

WHAT IS NOT IN IT

No revenue target in dollars. No EPS target. No free-cash-flow number. No HDFS target beyond the separately stated 2029 range. No volume for Sportster or Sprint. No capital-return commitment. Starrs, February 2026: “we expect to be measured in our approach to share repurchases.” **No LiveWire target. The word “electric” does not appear.** LiveWire is in the forward-looking factors only: “the demand for and consumer willingness to adopt two- and three-wheeled electric vehicles,” and the ability to “realize the desired business benefits from LiveWire operating as a separate public company.”

THE 2027 TARGET IS BELOW WHERE THE COMPANY STOOD THE YEAR BEFORE THE STRATEGY IT REPLACES WAS WRITTEN.

SO WHAT · §08

THE POINT	Back to the Bricks is a plan to get HDMC to roughly 2019 profitability on 60% of 2019’s volume, by 2027. A stabilisation plan with growth attached for years three to five.
BACK TO THE THESIS	It scores itself on the one metric that excludes the subsidiary. Consolidated, the enterprise is a 5% motor company plus a shrunken HDFS minus $70M.
OUTLOOK	The dealer-profitability doubling is the most concrete promise and the most checkable. Starrs in July: “we expect domestic dealer profitability to double in 2026.” Hold him to it.

09 · HARDWIRE, SCORED

HARLEY-DAVIDSON, INC. · HOG

EVERY QUANTIFIED TARGET MISSED, MOST

BY THE FULL AMOUNT

Back to the Bricks replaces Hardwire (announced 2 February 2021; Stage II targets set 10 May 2022). The company set this benchmark for itself. I use it as written.

HARDWIRE COMMITMENT	TARGET	DELIVERED, FY2025
HDMC revenue growth	"+5% to +7% CAGR 2021–2025" → ~$5.5–5.9B	**$3,578M**, down 21% from 2021
HDMC operating margin	**"15% by 2025"**	**(0.8%)**
Diluted EPS	"low double-digit growth"	$4.19 (2021) → **$2.78**
HDFS operating income	"double-digit growth" (2021); +3–5% CAGR (2022)	$490M via a one-time sale; 2026 guided $55–70M
Cost productivity	"$400 million… for HDMC by 2025"	New plan requires a further $150M
Profit focus	"Touring, large Cruiser and Trike"	Touring inventory overhang; Q4 2025 HDMC gross margin (8.0%); U.S. share 37.9% → 34.5%
Selective expansion	Pan America; "profitable middleweight offerings"	Rev Max moved to Thailand (Aug 2024), now moving back to York (Jun 2026); Sportster discontinued, now returning
"Lead in Electric"	"Electric motorcycles are important to Harley-Davidson's future"; separate division; 100,000 LiveWire units a year from 2026	**923 units TTM. $422M of consolidated losses.** "We leaned heavily into… Electric."

DOCUMENTED The one structural Hardwire commitment that was executed, separating LiveWire into a public company, is the one that produced the $422M. The shareholder record of the rest is the 2025 annual meeting: **over 48%** of votes cast

were withheld from Zeitz, and over 40% from the presiding director and one other, on H Partners' campaign. The board committed that all three would leave before the 2026 meeting; all three did. Starrs was appointed 4 August 2025 from Topgolf, before that Pizza Hut. At the 2026 meeting the withhold vote against him was 1.5%. *(Open item 9: the 2025 tallies are from press reports of preliminary results; pull the Item 5.07 8-K.)*

SO WHAT · §09

THE POINT	The company's last five-year plan missed every number it published. The new one publishes fewer numbers.
BACK TO THE THESIS	That is not cynicism; it may be wisdom. But the fairest test of Back to the Bricks is the one Hardwire failed: what was said, what was delivered, in the company's own units.
OUTLOOK	Ground Truth will score it the same way, on the same table, in 2027.

PART V

THE BET

What the capital did, and the one motorcycle the growth target is riding on.

THE POINT	$1.63B of buybacks at an average of $31 for a stock at $28. A mid-single-digit growth target that needs about 6,600 units a year, and a Sportster that once sold 35,000–40,000.
WHY IT MATTERS	The plan has one volume lever. It was discontinued four years ago because it did not make money. Starrs says the cost is now right. Nothing else in the lineup has that kind of volume in it.

IMAGE TO SOURCE

SPORTSTER 883

An Evolution-engined 883: Iron 883 or a customised example. The bike the plan is betting on.

Sketch: An air-cooled Sportster 883 with a peanut tank and low bars, parked at a kerb on a city street, late 2010s, low evening sun. Charcoal sketch with a blue-grey wash on a dark chalkboard ground, vignetted edges; any people seen from behind or with faces unresolved, no identifiable ethnicity; 3:2, no logos.

10 · CAPITAL RETURNED

HARLEY-DAVIDSON, INC. · HOG

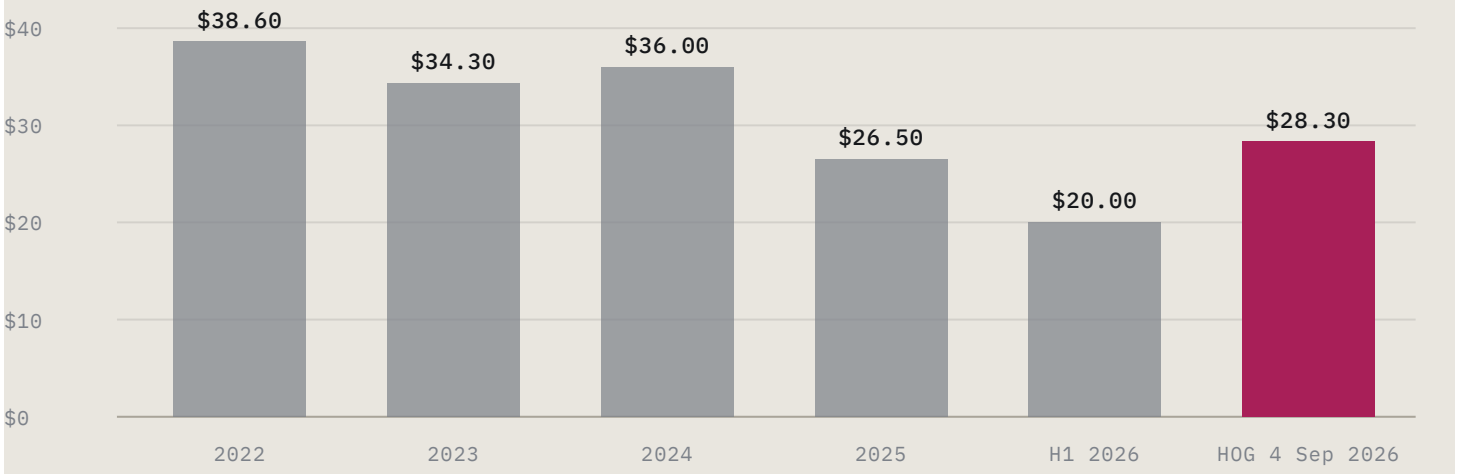
$1.6 BILLION OF BUYBACKS, AND THE STOCK WHERE IT STARTED

The share count fell 25%. The price did not follow. What the company paid, against what the shares are worth.

YEAR	REPURCHASED	SHARES	AVERAGE PRICE
2022	$324M	8.4M	$38.6
2023	$350M	10.2M	$34.3
2024	$450M	12.5M	$36.0
2025	$347M	13.1M	$26.5
H1 2026	$158M	7.9M	$20.0
Total	**$1,629M**	**52.1M**	**$31.3**

FIG 06 **AVERAGE REPURCHASE PRICE BY YEAR, AGAINST THE SHARE PRICE TODAY**

$ PER SHARE



CALCULATED Averages are annual dollars divided by annual shares from the results releases; ASR settlement timing may shift the 2025/2026 split slightly (open item 11). HOG closed at **$28.30** on 4 September 2026. The 52.1M shares bought for $1.63B are worth about **$1.47B** at that price.

DOCUMENTED Diluted shares: 145.1M (2023) → 108.6M (Q2 2026). Market capitalisation about **$2.9B**, for a company that made $779M of operating income three years ago and holds $1.9B of cash today. HOG was **$30.47** the day Zeitz took the job in February 2020. It is $28.30. Six and a half years, $1.6B of buybacks, a $1.25B balance-sheet transaction and a new CEO, and the shares are where they started. Consensus target as of 4 September: $27, rated Hold.

SO WHAT · §10

THE POINT	The buyback shrank the denominator and the business shrank faster.
BACK TO THE THESIS	The $1.25B from HDFS is the last large pool of discretionary cash. “Measured” repurchases is the right word; it is also an admission that the last $1.6B did not work.
OUTLOOK	If the plan lands, the share count makes every dollar of 2027 EBITDA worth more per share. If it does not, the company has spent its cushion buying its own decline.

ONE MOTORCYCLE CARRIES THE GROWTH TARGET

Two bikes and a return. Here is why the second one matters more than everything else in the announced lineup combined.

SPRINT · SHIPS END-2026

THE ENTRY BIKE

Zeitz, July 2025: “targeting an entry price below $6,000.” Starrs to Reuters, May 2026: “approximately $6,000.” Motorcycle.com, same day: the sub-$6,000 language is gone from the filings and the target is “less than $10,000.” Trade reporting describes a 440cc single derived from the Hero MotoCorp X440, built in India. **None of platform, plant or price is confirmed in a primary source.**

Open item 5 · UBS’s first Q1 question: will it be tariffed?

SPORTSTER 883 · 2027

THE BET

Starrs, Q1 call: “what we’re talking about today is the 883.” Air-cooled, “middleweight,” “accessible starting price point.” Q2: “the return of the Sportster 883 in 2027, which our European dealers are particularly excited about.” Price and plant (~$10,000; York) are trade reporting only.

Open item 6

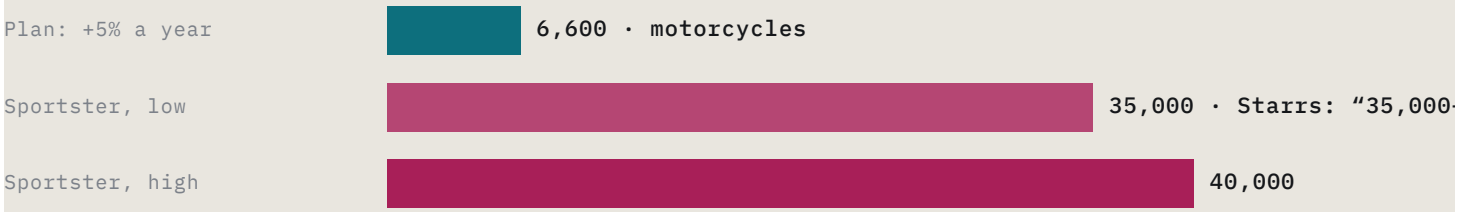
REV MAX · ANNOUNCED 10 JUN 2026

COMES HOME

Pan America, Sportster S and Nightster production returns from Rayong, Thailand to York and Menomonee Falls before 2027, reversing the August 2024 move. York to build “over 100,000 motorcycles” in 2027. Tariffs cost $67M in 2025; guided $75–90M for 2026.

Company statement · Q2 call

FIG 07 **WHAT THE GROWTH TARGET NEEDS, AGAINST WHAT THE SPORTSTER USED TO SELL** MOTORCYCLES PER YEAR



CALCULATED A mid-single-digit CAGR on 132,535 units is about **6,600** incremental motorcycles a year. Starrs on the Q1 call: the Sportster market “as recently as five, six years ago… was 35,000–40,000+ on a global basis” (the transcript renders it with a dollar sign; it is units). A Sportster that recovers a third of that delivers two years of the plan’s entire growth target on its own.

INDUSTRY CONTEXT Nothing else in the announced lineup has that kind of volume in it. Twenty “new models and trims” over three years, per the strategy slides, are mostly Touring and Softail variants and price-point trims: Street Bob $14,999, Low Rider S $18,999, Road Glide Solo $25,999. Those defend share; they do not add 6,600 units a year. The Sportster does, if it works.

DOCUMENTED And the risk was stated on the call by Raymond James: *“there’s a reason why Sportster was discontinued, right? It was hard to make money.”* Starrs: *“We have the cost at a place that we’re extremely comfortable against the expected MSRP.”* Used values, per Starrs, are “at or above original MSRP”; that is a real demand signal. So the plan’s growth is, in practice, a bet that a motorcycle discontinued because it could not make money can come back at a price where it does, into a market a third smaller than when it left, through a dealer network 21% smaller. Not an unreasonable bet. But one bet, and the plan does not have a second.

DOCUMENTED Europe is where it is most needed. EMEA retail fell 11% in 2025 and 9% in Q2 2026; share moved “from 4% to 3%.” Starrs: “We are not satisfied with our performance there.”

SO WHAT · §11

THE POINT	Back to the Bricks has one volume lever, and it is the 883.
BACK TO THE THESIS	That lever is also the answer to Hardwire's abandonment of the entry rider, and to the question LiveWire was created to answer. The company's accessible bike is a $10,000 air-cooled twin, not an electric.
OUTLOOK	The 883's first full year is 2027, the same year as the EBITDA target and the LiveWire note. Everything lands at once.

12 · 2027, IF IT WORKS

HARLEY-DAVIDSON, INC. · HOG

TAKE EVERY TARGET AT FACE VALUE

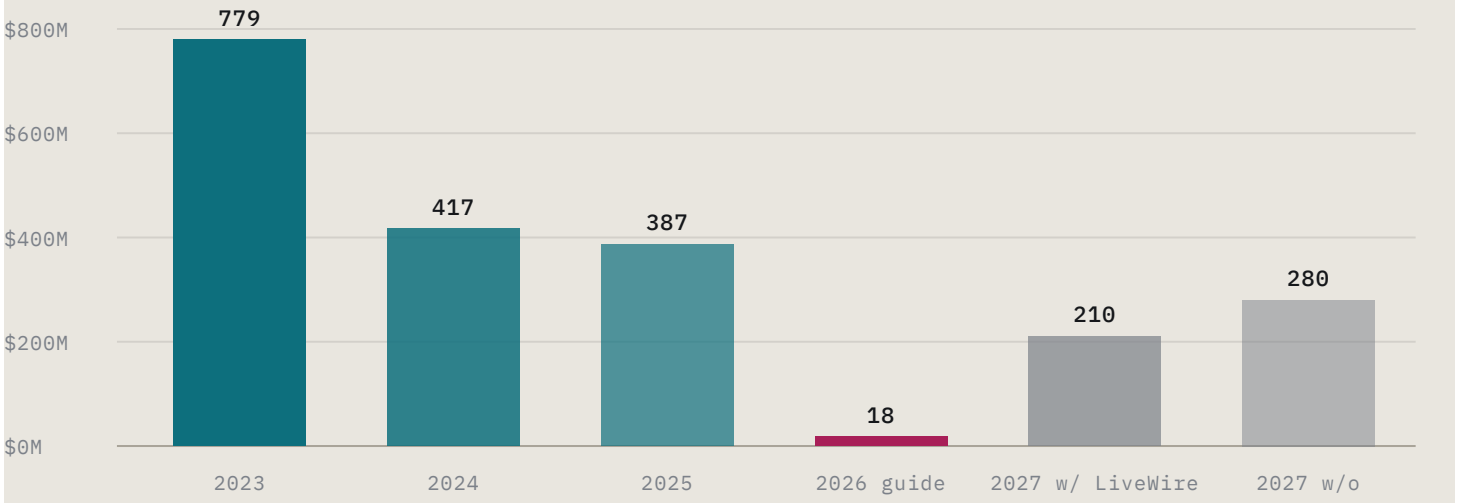
Assume Back to the Bricks lands exactly as written and on time. This is the company it describes.

2027, PLAN DELIVERED	
Worldwide retail	~143,000 (2026 guidance midpoint plus 5%): **66% of 2019, 53% of 2014**
HDMC revenue	~$3.8B (flat pricing; Sportster/Sprint mix dilutes ASP)
HDMC EBITDA / operating income	$350M+ / ~$190M: **~5% margin, below 2019's 6.3%**
HDFS operating income	~$80–100M on the path to $125–150M by 2029: **a third of 2024**
LiveWire	Unaddressed. Loss guided $70–80M for 2026; cash exhausted mid-2027; $85M owed to the parent in December
Consolidated operating income	**~$210M** if LiveWire is still losing $70M; **~$280M** if it is gone
Dealers	~1,150, "twice as profitable as 2025"
Share count	~100M at a "measured" pace

FIG 08

CONSOLIDATED OPERATING INCOME, ACTUAL AND IMPLIED

$ MILLIONS · 2026 AT GUIDANCE MIDPOINT; 2027 ON THE PLAN'S OWN TARGETS



CALCULATED 2023–2025 from the 10-K. 2026 is the midpoint of the guidance sum in §01. 2027 assumes ~$190M of HDMC operating income (from the $350M EBITDA target and ~$160M of D&A), ~$90M of HDFS, and LiveWire either at a $70M loss or deconsolidated. Every 2027 input is the company's, not mine; the arithmetic is.

Even in the success case, Harley-Davidson in 2027 is a company earning about a quarter of what it earned in 2023, selling about two-thirds of the motorcycles it sold in 2019, through three-quarters of the dealers, with its finance company deliberately shrunk and its electric subsidiary either wound up or still consuming a third of the profit. **That is the plan, working.**

The plan not working looks like 2025 again: a Touring overhang, promotional spend, a negative gross margin in the fourth quarter, and a consolidated profit that depends on a non-recurring event. Except that the non-recurring event has already been used.

SO WHAT · §12

THE POINT	The upside case is a smaller, slightly profitable Harley-Davidson. The downside case is 2025 without the HDFS sale to cover it.
BACK TO THE THESIS	This is the read-through No. 01 promised: what LiveWire is doing to the parent's numbers. The answer is that it is the difference between the two 2027 columns, and the plan does not choose between them.
OUTLOOK	Q3 2026 results, late October, are the first test: whether H2 tracks H1 or tracks Q4 2025.

PART VI

THE FINAL WORD

Three things that are true at once, and the question the plan leaves open.

THE POINT	LiveWire did not break Harley-Davidson. LiveWire is exactly what the new Harley-Davidson cannot afford. And the decision about it has a date inside the plan's own window.
WHY IT MATTERS	Anyone telling you the electric bet sank Harley is choosing the flattering villain. Anyone telling you it does not matter is not adding up the guidance.

IMAGE TO SOURCE

THE BRICKS

Headquarters brickwork, close. Or a York assembly line.

Sketch: A motorcycle assembly line in York, Pennsylvania, workers lowering an engine into a frame on a moving conveyor, present day, high skylight factory light. Charcoal sketch with a blue-grey wash on a dark chalkboard ground, vignetted edges; any people seen from behind or with faces unresolved, no identifiable ethnicity; 3:2, no logos.

13 · ANALYSIS, NOT REPORTING

WHICH BRICK IS LIVEWIRE UNDER?

Sections 01–12 are sourced. This one is judgment, and says so.

INFERRED

ONE

LiveWire is not what broke Harley-Davidson. A $75M annual loss does not take a company from $779M of operating income to breakeven. The Touring overhang, a 12% retail decline in 2025, $67M of tariffs, a negative-gross-margin quarter and the deliberate shrinking of HDFS did that. The electric bet is the flattering villain: it lets everyone else off.

CALCULATED

TWO

LiveWire is exactly what the new plan cannot afford. When the motor company is guided to make $10–50M, a $70–80M loss on 0.6% of revenue is the difference between a profitable year and a losing one. The plan solves this by not counting it. The income statement does not have that option.

DOCUMENTED

THREE

The decision has a date. LiveWire's cash lasts to roughly May 2027 at the current burn. Its note to the parent is due 15 December 2027. Back to the Bricks' one dated target is 2027. Harley-Davidson will make its LiveWire decision in the year it has promised to prove the new strategy works, and it has not yet said what the decision is.

THE FINAL WORD

BACK TO THE BRICKS HAS FIVE PILLARS, SIX TARGETS AND A TWO-YEAR CLOCK.

The plan is a reasonable one. Stabilise the motor company, fix the dealers, bring back the bike people actually ask for, take $150M of cost out, and get to a 5% margin by 2027. After 2025, that is not timid; it is honest. But it is scored on HDMC, and Harley-Davidson, Inc. is not HDMC. It is HDMC plus a finance company that has been sold forward, minus a subsidiary that is guided to lose more than the motor company is guided to make, with a note coming due in the plan's own target year.

No. 01 asked: congrats on what. This one asks something simpler. Which brick is LiveWire under, and who is going to lift it?

14 · SOURCES

EVERY DOCUMENT, LINKED

Each row opens the filing or release. Where a row is a transcript or trade report rather than a filing, it is labelled, and the brief uses it only for quotations and for the three product facts flagged as open items.

DOCUMENT	FILED	WHAT IT SUPPORTS	LINK
Form 10-K, FY2025 Harley-Davidson, Inc.	26 Feb 2026	Segment note (HDMC/LiveWire/HDFS); MIC share; dealer counts; debt; repurchases; LiveWire risk factors; HDFS transaction accounting	Open → 0000793952-26-000011
Form 10-Q, Q2 2026 Harley-Davidson, Inc.	5 Aug 2026	Q2 and H1 segment results; cash; debt; repurchases; noncontrolling interest	Open → 0000793952-26-000061
Form 8-K: Q2 2026 results Harley-Davidson, Inc.	23 Jul 2026	Ex. 99.1. Raised 2026 guidance: HDMC $10–50M, HDFS $55–70M, LiveWire $(70–80)M; retail; dealer inventory	Open → 0000793952-26-000058
Form 8-K: Q1 2026 results Harley-Davidson, Inc.	5 May 2026	Ex. 99.1. Q1 results; original 2026 guidance reaffirmed; Back to the Bricks introduced	Open → 0000793952-26-000029
“Back to the Bricks” release Harley-Davidson, Inc.	5 May 2026	Five pillars verbatim; $350M 2027 HDMC EBITDA; medium-term targets; forward-looking factors naming LiveWire and Sportster	Open → Investor site
Q4/FY2025 results and 2026 outlook Harley-Davidson, Inc.	10 Feb 2026	FY2025 results; original 2026 guidance; HDFS “record-high earnings, driven by the HDFS transaction”; $1B HDFS dividend	Open → Investor site
Q4 2025 earnings call Harley-Davidson, Inc.	10 Feb 2026	Starrs on LiveWire “working diligently to attract its own sources of capital”; Root on tariffs ($67M 2025) and the HDFS sale	Open → Transcript
Q1 2026 earnings call Harley-Davidson, Inc.	5 May 2026	“Leaned heavily into Touring and Electric”; Sportster 883 and the 35,000–40,000 figure; Raymond James on Sportster economics; $150M cost target	Open → Transcript

DOCUMENT	FILED	WHAT IT SUPPORTS	LINK
Q2 2026 earnings call Harley-Davidson, Inc.	23 Jul 2026	Raised guidance; “dealer profitability to double in 2026”; Sprint end-2026, Sportster 883 in 2027; EMEA share; LiveWire operational update	Open → Transcript
KKR / PIMCO strategic partnership Harley-Davidson, Inc.	30 Jul 2025	Deal structure: $5B+ receivables, 9.8% of HDFS, forward flow; “~$1.25 billion discretionary cash”; $450M debt, ~$500M to shareholders	Open → Investor site
KKR / PIMCO: residual interests sale Harley-Davidson, Inc.	25 Aug 2025	Step one completed; ~$2B VIEs and $1.8B of debt removed; >$230M proceeds; $1.8B HDFS valuation	Open → Investor site
Hardwire strategic plan Harley-Davidson, Inc.	2 Feb 2021	Six priorities including “Lead in Electric”; 2021–25 targets: MSD revenue growth, margin improvement, low-double-digit EPS growth	Open → Investor site
Hardwire Stage II: investor day Harley-Davidson, Inc.	10 May 2022	“HDMC Operating Margin: 15% by 2025”; +5–7% revenue CAGR; $400M cost productivity	Open → Investor site
Form 8-K: CEO appointment Harley-Davidson, Inc.	4 Aug 2025	Starrs appointed effective 1 Oct 2025; compensation terms; Zeitz transition	Open → 0000793952-25-000166
Form 8-K Ex. 17.1 / 17.2: Dourdeville letters Harley-Davidson, Inc.	Apr 2025	Director resignation; TSR under current leadership; call for Zeitz, Linebarger and Levinson to resign	Open → 0000793952-25-000085
H Partners: withhold campaign and result H Partners Management	16 Apr / 14 May 2025	Campaign against three directors; “nearly 50% of overall shares voted withhold”; board commitments	Open → Business Wire

DOCUMENT	FILED	WHAT IT SUPPORTS	LINK
Form 8-K: 2026 annual meeting Harley-Davidson, Inc.	21 May 2026	Certified director votes; Starrs 70.0M for / 1.1M withheld	Open → Item 5.07
Form 10-K, FY2019 Harley-Davidson, Inc.	Feb 2020	2019 dealer counts (698 U.S.; 1,569 worldwide); headcount	Open → 0000793952-20-000008
Results releases FY2014, FY2019–FY2023 Harley-Davidson, Inc.	2015–2024	Trend table: retail, shipments, Motorcycles segment operating income, revenue	Open → EDGAR 8-K index
Form 10-K, FY2025 LiveWire Group, Inc.	Feb 2026	Term loan terms (A&R Nov 2025; drawn 15 Dec 2025; due 15 Dec 2027; SOFR + 4%; secured); shares outstanding; cash	Open → 0001898795-26-000028
Form 10-Q, Q2 2026 LiveWire Group, Inc.	5 Aug 2026	Cash $52.9M; H1 burn; going-concern-adjacent language; Item 5 severance amendment carving out an H-D acquisition	Open → 0001898795-26-000085
Form 8-K Ex. 10.1: Convertible Delayed Draw Term Loan LiveWire Group, Inc.	14 Feb 2024	Original $100M convertible instrument, for comparison with the Nov 2025 restatement	Open → 0001898795-24-000037
Rev Max production returns to York Harley-Davidson, Inc.	10 Jun 2026	Pan America, Sportster S, Nightster production from Thailand to York/Menomonee Falls; “over 100,000 motorcycles at York in 2027”	Open → Company statement via trade press
Reuters: Back to the Bricks Reuters	5 May 2026	Starrs: Sprint “approximately $6,000”	Open → Secondary
Motorcycle.com: Sprint pricing;	5–7 May 2026	Sub-$6,000 language dropped; ~$10,000 883; 20 models/trims; price-	Open → Secondary

DOCUMENT	FILED	WHAT IT SUPPORTS	LINK
Sportster 883; plan slides Motorcycle.com		point trims	
Ground Truth No. 01 Contact Patch Advisory	Sep 2026	LiveWire operating detail, contracts, the loan, the 2021 plan of record	Open → This site

15 · METHOD & STANDING

WHO WROTE THIS, AND HOW

WILLIAM WEPPNER
CONTACT PATCH ADVISORY

I'm an independent expert witness and litigation consultant. EV and powersports product liability. Contact Patch Advisory is the practice.

I spent most of my career inside the companies this brief is about. At **Harley-Davidson** I ran product for Touring, CVO and Trike, the lines that pay for everything else on Juneau Avenue. Before that, sales planning lead for the CRF range at **Honda** and planning lead on the Grom, the bike that still defines the segment LiveWire is walking into. Later, product development at **Super73**, OEM sales at **Sena**, and **Faction MX**, which I founded and sold.

I race motocross at expert level and I ride constantly. It matters here for one reason: when this brief says what a bike costs to build, what a dealer can retail in a season, or

how much a segment will absorb, those are calls I made for a living, not things I pulled from a spreadsheet.

Nobody else is doing this particular job. The analysts don't read manufacturing agreements. The powersports people don't read 10-Ks. I do both, and the gap between what these companies announce and what they file is where the story usually is.

PRACTICE	Independent expert witness & litigation consultant, EV and powersports product liability
HARLEY-DAVIDSON	Product Manager: Touring, CVO, Trike
HONDA	Sales Planning Lead, CRF line; planning lead, Grom
SUPER73	Director of Product Development
SENA TECHNOLOGIES	Director of OEM Sales
FACTION MX	Founder; sold to private equity
ALSO	Amphenol Nova Sensor · LID Technology · expert-level motocross racer

Left: the Low Rider on the freeway. Middle: leading a group through the canyons. Right: the day job on weekends.

STANDING AND INDEPENDENCE

I hold no position in LiveWire Group, Harley-Davidson, or any company named here: long, short, or derivative. I have no engagement, adverse or friendly, with any of them.

Where a conclusion rests on my time in the industry rather than a document, I say so. Where an earlier version of this was wrong, the fix is in the log at §16, not made quietly. If something here is wrong, tell me.

METHOD

Primary documents first. Figures come from filed financial statements or are computed from them, and the computation is shown.

Derived figures are labelled. The guidance sum, LiveWire's share of the drag, the EBITDA-to-operating-income translation, the buyback averages and the 2027 picture are arithmetic on filed numbers, identified in the captions.

Fact and opinion are separated. Sections 01–12 are sourced. Section 13 is judgment, and says so. Where an interpretation rests on my time in the industry, it carries the Industry context tag.

EVIDENCE STATUS

Major findings carry one of five tags, so a reader can see what kind of claim is being made and how to attack it.

DOCUMENTED	Stated in a filing, release or transcript, and linked to it.
CALCULATED	Arithmetic on documented numbers, with the computation shown.
INFERRED	A conclusion supported by more than one documented

	fact, but stated by none of them.
INDUSTRY CONTEXT	My professional experience or established industry practice, not a document.
UNVERIFIED	Plausible, and not yet independently establishable from a document in hand.

16 · OPEN ITEMS & CORRECTIONS

WHAT IS NOT YET NAILED DOWN

Rev. 2 is a working draft. These ten items are flagged in the text where they bite and will be closed or corrected here, dated, before the brief is called final. Two closed on reading the Q2 2026 deck; the corrections are logged below.

OPEN ITEM	WHAT IS NEEDED
1. “Does not plan to make additional investments in LiveWire”	No. 01 quotes this from H-D’s FY2025 10-K. This pass could not re-locate it in the fetched text (MD&A/liquidity truncated). Confirm page and section; until then it is tagged Unverified in §06.
2. Post-spin Q4 2022 LiveWire loss	Needed to state the “since spin” cumulative precisely instead of bracketing $337M–$422M.
3. H-D ownership of LiveWire	~88.6% is computed from share counts (181M of 204.3M); neither 10-K prints it. Confirm from the most recent LiveWire proxy.
4. Sprint platform, plant and price	Hero X440 derivation and India build are trade reporting; the $6,000 vs “under $10,000” conflict is unresolved. Check the August 2026 dealer-meeting materials and the Q3 call.
5. Sportster 883 price and plant	~$10,000 and York are trade reporting only. The 883 designation itself is Starrs’s, on the record.
6. HDMC vs HDFS debt split	Inferred by instrument at 12/31/25; read the consolidating balance sheet (10-K R131).
7. 2025 annual meeting certified votes	“Over 48% withheld” is from press reports of preliminary results; pull the Item 5.07 8-K.
8. Back to the Bricks “phases”	One summary described reset/growth/acceleration phases; the release does not contain that language. Not cited here; do not add unless found in the deck.
9. Buyback average prices	Computed from annual $ and share totals; ASR settlement timing may shift the 2025/2026 split slightly.
10. Rider demographics	No 2025/2026 company-disclosed median age located; the last is “45 years old” for 2023. Omitted.

CORRECTIONS LOG

WHAT WAS CLAIMED	WHAT THE DOCUMENT SAID
8 Sep 2026 · Rev. 2 $350M of HDMC EBITDA translated to ~$180M of operating income using inferred “D&A and adjustments” of ~$43M a quarter.	The Q2 2026 deck gives HDMC D&A directly: $40M for Q2, $81M for H1, ~$160M a year. Restated to ~**$190M**; the ~5% conclusion is unchanged; 2027 consolidated moved from ~$200–270M to ~$210–280M.
8 Sep 2026 · Rev. 2 An apparent conflict on Q2 U.S. 601cc+ share (32% vs 38%) was listed as an open item.	Seasonality, not error: 34% FY2025, 38% Q1 2026, 32% Q2 2026, 34% YTD (deck slide 6). Closed.
8 Sep 2026 · Rev. 2 Restructuring expense stated as $15M (Q1) + $3M (Q2).	$17M for H1 2026 per the deck.

If something here is wrong, tell me; it will appear on this list with the date.

METHOD & LIMITATIONS

WHAT THIS BRIEF DOES AND DOES NOT CLAIM

Every figure is drawn from SEC filings, company releases or call transcripts, or is arithmetic on them identified as such. Segment figures are on Harley-Davidson’s reporting basis; LiveWire’s own filings report slightly different segment totals ($75.5M vs $75.0M for FY2025) and are used only for LiveWire’s cash and loan terms.

This brief does not assert, and no filing states, that Harley-Davidson intends to fund, acquire, divest or wind down LiveWire. The options in §07 are an enumeration of what the filings permit, not a forecast. The 2027 picture in §12 uses the company’s own targets as inputs and is labelled Calculated.

Product facts about the Sprint and the Sportster 883 beyond what management said on the record are trade reporting and are flagged as open items. The 883 designation is management’s own.

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