HARLEY-DAVIDSON: BACK TO THE BRICKS, DOWN TO BREAKEVEN · PART 1 OF 4

BACK TO THE BRICKS. DOWN TO BREAKEVEN.

What LiveWire costs Harley-Davidson, what the new plan leaves out, and what 2027 looks like on the company's own numbers.

PART 1 · THE ARITHMETIC

HARLEY-DAVIDSON: BACK TO THE BRICKS, DOWN TO BREAKEVEN · THE ROUTE

THE ARITHMETIC

What Harley-Davidson's own filings say about the plan, the subsidiary, and 2027.

WHAT THEY SAID · 5 MAY 2026 · INTRODUCING THE PLAN

Harley-Davidson's new CEO, on the call that replaced the old five-year strategy:

> *"Over the last several years, we leaned heavily into Touring and Electric."*

Fourteen words. The parent company's verdict on Hardwire, on LiveWire, and on five years of product decisions.

WHAT THEY GUIDED · 23 JULY 2026 · $ MILLIONS, OPERATING INCOME

THREE RANGES FROM ONE RELEASE.

HDMC · THE MOTOR COMPANY

$10–50M

RAISED FROM $(40)M TO $10M

HDFS · THE FINANCE COMPANY

$55–70M

RAISED FROM $45–60M

LIVEWIRE · THE SUBSIDIARY

$(70–80)M

UNCHANGED SINCE FEBRUARY

Segment operating income sums to the consolidated line in H-D's reporting. 2025 proves it to the decimal: $(28.7)M + $490.4M + $(75.0)M = $386.6M.

ADDED UP

HARLEY-DAVIDSON, INC., 2026, ON ITS OWN GUIDANCE:

$(15)M to $50M

CONSOLIDATED OPERATING INCOME · IMPLIED

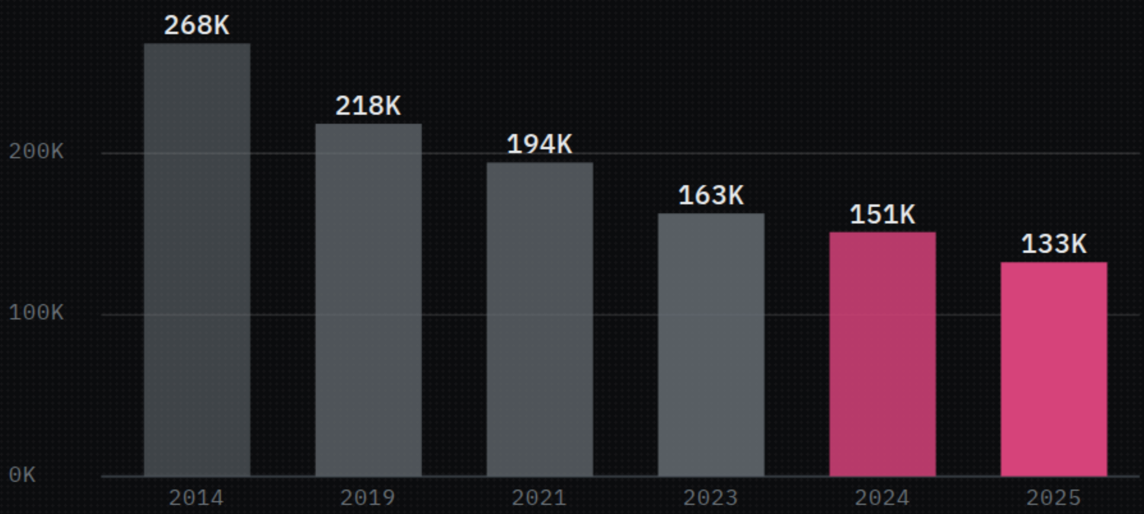
It made **$779 million** in 2023. Roughly breakeven is the floor the new strategy is being measured from.

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

At every point in both ranges. LiveWire's $70–80M loss exceeds HDMC's $10–50M profit. LiveWire is 0.6% of revenue.

THE LINE THE PLAN INHERITS · WORLDWIDE RETAIL, UNITS

HALF THE MOTORCYCLES.



267,999 in 2014. 132,535 in 2025. Down **51%**, and down every year since 2021. U.S. retail: down 52%. Shipments: down 54%.

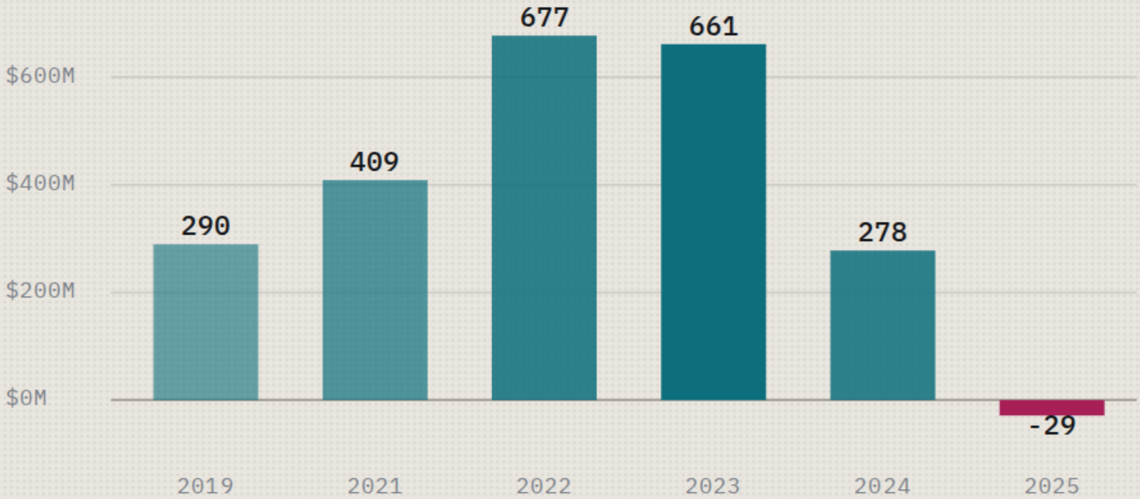
2019 → 2025 · THE COMPANY HARDWIRE INHERITED VS THE ONE IT LEFT

	2019	2025	CHANGE
Worldwide retail	218,273	132,535	−39%
U.S. retail	125,960	82,698	−34%
Shipments	213,939	124,477	−42%
HDMC operating margin	6.3%	(0.8%)	−7.1 pts
U.S. 601cc+ share	n/a	34.5%	37.9% in 2023
Dealerships worldwide	1,569	1,174	−25%
U.S. dealerships	698	554	−21%
Diluted EPS	$2.68	$2.78	+4%

EPS held up. That is the buyback and the finance company: Parts 2 and 4.

HDMC OPERATING INCOME · $ MILLIONS

2025: THE FIRST LOSS OUTSIDE THE PANDEMIC YEAR.



Q4 2025 HDMC gross margin: **(8.0%)**. For one quarter the company sold motorcycles for less than they cost to build.

TWO QUALIFICATIONS, BEFORE ANYONE ELSE MAKES THEM

- **H1 2026 consolidated operating income was $99.5M**, so the full-year guide implies a second-half loss. Q4 is seasonally weak (HDMC lost $260M in Q4 2025), and management has beaten its own ranges twice this year. The guidance may be conservative.
- **The sum is checked.** Segments add to the consolidated line in 2025 and 2024 to the decimal. No corporate eliminations sit between them.

It is still the number they chose to publish.

PART 2: WHERE THE 2025 PROFIT ACTUALLY CAME FROM, AND WHY IT DOES NOT HAPPEN TWICE.

Full brief: 16 sections in six parts, every figure linked to its filing, open items and corrections published.
weppner58-moto.github.io/ground-truth/groundtruth/02