

HARLEY-DAVIDSON INC.: DIVIDEND DISCOUNT VALUATION¹

Craig Dunbar and Felipe Restrepo wrote this case solely to provide material for class discussion. The authors do not intend to illustrate either effective or ineffective handling of a managerial situation. The authors may have disguised certain names and other identifying information to protect confidentiality.

This publication may not be transmitted, photocopied, digitized, or otherwise reproduced in any form or by any means without the permission of the copyright holder. Reproduction of this material is not covered under authorization by any reproduction rights organization. To order copies or request permission to reproduce materials, contact Ivey Publishing, Ivey Business School, Western University, London, Ontario, Canada, N6G 0N1; (t) 519.661.3208; (e) cases@ivey.ca; www.iveycases.com. Our goal is to publish materials of the highest quality; submit any errata to publishcases@ivey.ca.

Copyright © 2020, Ivey Business School Foundation

Version: 2020-04-15

It was the afternoon of July 30, 2018, and Aditi Basu had just disconnected from the Harley-Davidson Inc. (Harley-Davidson) sell-side analyst webcast, which had discussed the company's new "accelerated" strategy. Basu worked as a buy-side analyst at Dimensional Wealth Group (DWG), a privately owned investment management firm that provided its services primarily to investment companies and pooled investment vehicles. DWG started investing in Harley-Davidson's stock in 2008. Initially, the stock performed remarkably well for DWG, particularly since 2010, increasing in value almost 30 per cent per year through late 2013. At its peak in April 2014, the stock traded slightly above US\$66 per share.² Since then, however, the stock had mostly declined (see Exhibit 1 – all exhibits are also provided in the student spreadsheet, product 7B20N012). The closing price for Harley-Davidson stock on July 27, 2018, was \$44.48 per share.³

The period from April to July 2018 had been incredibly tumultuous for Harley-Davidson. In late June, responding to new European Union (EU) tariffs on motorcycles, the company announced through an 8-K filing with the US Securities and Exchange Commission that it intended to shift to manufacturing in Europe for its motorcycles sold there.⁴ This announcement in turn led to a series of critical tweets by President Donald Trump. On July 30, 2018, the company released its second-quarter results and announced that it would be rolling out a new corporate strategy.⁵ While her initial reaction to the strategy rollout webcast was positive, Basu wondered whether parts of the plan were bold or simply desperate. The company's motto was to "bring more freedom to the world," but were its best days in the future or in the past?

HARLEY-DAVIDSON BACKGROUND AND RECENT EVENTS

Harley-Davidson was the parent company of Harley-Davidson Motor Company and Harley-Davidson Financial Services. Founded in 1903, Harley Davidson was headquartered in Milwaukee, Wisconsin (see Exhibit 2). The company's stock traded on the New York Stock Exchange under the ticker symbol HOG.

¹ This case has been written on the basis of published sources only. Consequently, the interpretation and perspectives presented in this case are not necessarily those of Harley-Davidson or any of its employees.

² All currency amounts are in US dollars.

³ Harley-Davidson Inc., "Stock Prices for Harley-Davidson Inc.," Standard & Poor's Capital IQ, accessed July 29, 2019.

⁴ United States Securities and Exchange Commission, "Harley-Davidson, Inc., Form 8-K," June 25, 2018, accessed July 29, 2019, www.sec.gov/Archives/edgar/data/793952/000079395218000038/a8-kitem701tariffdisclosur.htm.

⁵ Harley-Davidson Inc., *More Roads to Harley-Davidson: Accelerated Strategy—Investor Communication*, July 30, 2019, accessed July 29, 2019, <http://investor.harley-davidson.com/static-files/1bdc12c4-f26d-49d7-8ddd-bcb4e44d3ede>.

Over the past decade, Harley-Davidson had faced two significant challenges. First, the rate of growth of Harley-Davidson motorcycle ownership had decreased since the credit crisis in the United States, and ownership for major competitors had actually declined, as had overall ownership.⁶ As a result, Harley-Davidson and its competitors needed to look to new markets for growth. Second, starting in 2017, trade issues had complicated Harley-Davidson's global aspirations. In early 2017, the United States pulled out of the Trans-Pacific Partnership, which would have reduced the tariffs on US-produced motorcycles sold in 11 other countries from approximately 70 per cent to 0 per cent.⁷ Harley-Davidson responded by announcing plans to begin manufacturing motorcycles in Thailand to serve Asian markets and thereby avoid the 70 per cent tariff.⁸ Then, in March 2018, as recommended by the US Department of Commerce, President Trump announced plans to impose a 25 per cent tariff on steel and aluminum imports from Europe, which were key inputs to motorcycle production.⁹ In response to these new tariffs, the EU announced in May 2018 that it would impose reciprocal tariffs of 31 per cent (up from 6 per cent) on certain items imported from the United States, including motorcycles.¹⁰

On June 25, 2018, Harley-Davidson announced in a regulatory filing that it would not increase prices in response to the new EU tariffs (thus cutting significantly into its margins) but would gradually move production to Europe for motorcycles sold there.¹¹ Europe had become a significant market for Harley-Davidson, accounting for approximately 16 per cent of its sales. That market also had experienced more growth than the United States: in Europe, retail growth in the first quarter of 2018 was 8 per cent, compared with -12 per cent in the United States (see Exhibit 3). The June 25 announcement angered the US administration and led to President Trump posting several negative tweets.¹²

To evaluate the impact of these recent challenges for Harley-Davidson, Basu gathered the company's recent financial statements and key financial ratios (see Exhibits 4 and 5).

SECOND-QUARTER RESULTS AND STRATEGY ANNOUNCEMENT

Harley-Davidson released its 2018 second-quarter results on July 24, 2018.¹³ At that time, the company announced that, on July 30, it would share its plans to accelerate its strategy to build the next generation of riders globally. When those plans became available, Basu downloaded the accelerated strategy presentation and listened to the sell-side analyst Q & A webcast.¹⁴ The accelerated strategy also articulated the objectives

⁶ Ibid.

⁷ After the withdrawal by the United States, the 11 remaining member countries of the Trans-Pacific Partnership were Australia, Brunei, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore, and Vietnam.

⁸ Amy Sawitta Lefevre, "Harley-Davidson Plans a Thailand Factory to Serve SE Asian Market," Reuters, May 25, 2017, accessed July 29, 2019, www.reuters.com/article/us-harleydavidson-thailand/harley-davidson-plans-a-thailand-factory-to-serve-se-asian-market-idUSKBN18L0DA.

⁹ Ana Swanson, "Trump to Impose Sweeping Steel and Aluminum Tariffs," *New York Times*, March 1, 2018, accessed July 29, 2019, www.nytimes.com/2018/03/01/business/trump-tariffs.html.

¹⁰ Alan Rappeport, "Harley-Davidson, Blaming E.U. Tariffs, Will Move Some Production Out of U.S.," *New York Times*, June 25, 2018, accessed July 29, 2019, www.nytimes.com/2018/06/25/business/harley-davidson-us-eu-tariffs.html.

¹¹ United States Securities and Exchange Commission, op. cit.

¹² Donald J. Trump (@realDonaldTrump), "Surprised that Harley-Davidson, of all companies, would be the first to wave the White Flag," Twitter, June 25, 2018, accessed July 29, 2019, <https://twitter.com/realdonaldtrump/status/1011360410648416258?lang=en>; Ibid, "A Harley-Davidson should never be built in another country—never!," Twitter, June 26, 2018, accessed July 29, 2019, <https://twitter.com/realdonaldtrump/status/1011584315040419840?lang=en>.

¹³ Harley-Davidson Inc., *2018 Second Quarter Update Presentation*, July 24, 2018, accessed July 29, 2019, <https://investor.harley-davidson.com/static-files/0c855215-1c4f-495d-b7eb-ecc1534e17e4>.

¹⁴ The accelerated strategy presentation is available for download from Harley-Davidson's website: Harley-Davidson Inc., *More Roads to Harley-Davidson*, op. cit. Basu also watched a new promotional video: "More Roads to Harley-Davidson," YouTube video, 2:50, posted by "Harley-Davidson," July 30, 2018, accessed July 29, 2019, www.youtube.com/watch?v=j2XglhtZTbA&feature=youtu.be.

that the company hoped to achieve by 2027, including attracting 2 million new Harley-Davidson riders in the United States, growing its international business to 50 per cent of annual volume, and launching 100 new high-impact Harley-Davidson motorcycles.

The new accelerated strategy identified some short-term plans to help the company more quickly achieve the 2027 objectives as well as set some new targets to achieve by 2022 (e.g., increase motorcycle revenues by \$1 billion to \$1.5 billion, and improve the operating margin by 0.75 per cent to 1.25 per cent). The company announced some specific new product initiatives, including smaller-engine motorcycles, which were more popular overseas, and electric motorcycles. The company also announced changes to its distribution strategy (i.e., new retail formats and a greater online presence).

Certain elements of the new accelerated strategy appealed to Basu. She liked the detail and specificity of the plan, and she thought the company was responding to important consumer trends. However, other parts of the plan concerned her. Would the focus on overseas consumers, smaller motorcycles, and electric motorcycles offend the traditional American Harley-Davidson owner? Would that focus lead to further criticism from the US government?

VALUING HARLEY-DAVIDSON

As part of her decision with regard to recommending whether DWG should increase, decrease, or not change its position in Harley-Davidson stock, Basu first wanted to determine whether the company's shares were fairly priced. She decided to use the dividend discount model to determine what she thought would be an appropriate valuation for Harley-Davidson. Basu estimated one key input to this model—that the required return for Harley-Davidson stock going forward should be approximately 8 per cent.

Harley-Davidson had paid increasing dividends in every year since 1994—except in 2009, when dividends were cut by 70 per cent in the wake of the global financial crisis (see Exhibits 6 and 7). Over the last 12 months (LTM) up to July 30, 2018, Harley-Davidson had paid dividends of \$1.47 per share. The LTM earnings per share (EPS) was \$2.92.¹⁵

Looking forward, Basu obtained information on sell-side analyst earnings and dividend forecasts for Harley-Davidson. The consensus EPS forecast for the 12 months ending July 2019, July 2020, July 2021, July 2022, and July 2023 were \$3.18, \$3.56, \$4.06, \$4.34, and \$4.65, respectively.¹⁶ Basu expected this growth to decline at some point to a more modest rate of 3–5 per cent per year for the long run.

The consensus analyst forecast for dividends per share for the 12 months ending July 2019, July 2020, July 2021, July 2022, and July 2023 were \$1.50, \$1.56, \$1.80, \$1.95, and \$2.10, respectively (see Exhibit 8). The dividend payout ratio for the 12 months ending July 2023 was, therefore, expected to be 45.2 per cent. While dividend forecasts beyond July 2023 were not broadly available, Basu expected Harley-Davidson to set a payout rate of approximately 45 per cent, the maximum payout ratio typically targeted by mature companies.

With all of this information in hand, Basu had important questions to answer as she considered the investment case for Harley-Davidson. Would the new strategy turn the company around, or would it expose the company to the risk of backlash from consumers? Did the current share price of \$44.48 represent a good buying opportunity, or was it time to sell?

¹⁵ Harley-Davidson Inc., “Quarterly Dividend History for Harley-Davidson, Inc.,” Bloomberg L.P., accessed July 29, 2019.

¹⁶ Consensus earnings and dividend forecasts were obtained from the Institutional Brokers' Estimate System.

EXHIBIT 1: HARLEY-DAVIDSON INC. STOCK PRICE, JULY 2010–APRIL 2018 (US\$)

Source: Harley-Davidson Inc., "Stock Prices for Harley-Davidson, Inc.," Standard & Poor's Capital IQ, accessed July 29, 2019.

EXHIBIT 2: HARLEY-DAVIDSON INC. BUSINESS DESCRIPTION

Harley-Davidson Inc. primarily manufactures and sells cruiser and touring motorcycles. The company operates through two segments, motorcycles and related products, and financial services. The motorcycles and related products segment designs, manufactures, and sells wholesale on-road Harley-Davidson motorcycles, as well as motorcycle parts, accessories, general merchandise (e.g., MotorClothes apparel), and related services. This segment also licenses the Harley-Davidson name and other trademarks. It sells its products to retail customers through a network of independent dealers as well as ecommerce channels in the United States, Canada, Latin America, Europe, the Middle East, Africa, and Asia-Pacific. The financial services segment provides wholesale and retail financing services as well as insurance and insurance-related programs primarily to Harley-Davidson dealers and retail customers in the United States and Canada. Harley-Davidson Inc. was founded in 1903 and is based in Milwaukee, Wisconsin.

Source: Harley-Davidson Inc., "Business Description for Harley-Davidson, Inc.," Standard & Poor's Capital IQ, accessed July 29, 2019.

EXHIBIT 3: HARLEY-DAVIDSON INC. REVENUE BY GEOGRAPHIC SEGMENT, 2009–2017

Year	US Revenue		Non-US Revenue		Total (\$)	Total Growth
	(\$)	US Growth	(\$)	Non-US Growth		
2017	3,913.9	(8.4)%	1,733.33	0.5%	5,647.22	(5.8)%
2016	4,271.9	(3.5)%	1,724.55	9.8%	5,996.46	0.0%
2015	4,425.0	0.6%	1,570.45	(14.1)%	5,995.40	(3.7)%
2014	4,400.4	5.5%	1,828.10	5.8%	6,228.51	5.6%
2013	4,172.4	5.1%	1,727.45	7.4%	5,899.87	5.7%
2012	3,971.5	5.2%	1,608.96	4.7%	5,580.51	5.1%
2011	3,774.8	8.8%	1,536.89	10.7%	5,311.71	9.3%
2010	3,470.9	2.8%	1,388.46	(1.2)%	4,859.34	1.6%
2009	3,376.3		1,405.65		4,781.91	
8-Year Annual		1.9%		2.7%		2.1%
Compound Growth						

Note: All dollar amounts are in US dollars.

Source: Harley-Davidson Inc., "Revenue by Geographic Segment for Harley-Davidson, Inc.," Standard & Poor's Capital IQ, accessed July 29, 2019.

**EXHIBIT 4: HARLEY-DAVIDSON FINANCIAL STATEMENTS, DECEMBER 2015–JULY 2018
(US\$ MILLIONS)****Balance Sheet**

	Dec-31-2015	Dec-31-2016	Dec-31-2017	Jul-01-2018
Assets				
Cash & ST Investments	445.6	431.1	338.2	627.8
Accounts Receivable	247.4	285.1	330.0	335.6
Inventory	585.9	499.9	538.2	465.4
Finance Division Loans & Leases, ST	2,053.6	2,076.3	2,105.7	2,253.0
Other Current Assets	645.4	561.5	572.7	561.7
Total Current Assets	3,977.9	3,853.9	3,884.7	4,243.4
Net Property, Plant & Equipment	942.4	981.6	967.8	854.7
Goodwill & Intangibles	71.1	63.9	62.9	55.5
Finance Division Loans & Leases, LT	4,814.6	4,759.2	4,859.4	5,060.2
Other LT Assets	167.0	231.7	197.9	332.2
Total Assets	9,973.0	9,890.2	9,972.7	10,546.0
Liabilities				
Accounts Payable	235.6	235.3	227.6	287.2
Accrued Expenses	398.5	402.7	407.5	535.5
Finance Division Debt, Current	2,039.7	2,140.6	2,400.8	2,272.8
Other Current Liabilities	73.4	84.0	122.3	36.9
Total Current Liabilities	2,747.3	2,862.6	3,158.2	3,132.4
LT Debt	740.7	741.3	742.0	742.3
Finance Division Debt, Non-current	4,091.8	3,925.7	3,845.3	4,126.1
Pension & Other Post-retirement Benefits	358.5	257.7	173.4	169.3
Other Non-current Liabilities	195.0	182.8	209.6	214.4
Total Liabilities	8,133.3	7,970.1	8,128.4	8,384.5
Common Stock	3.4	1.8	1.8	1.8
Additional Paid in Capital	1,328.6	1,381.9	1,422.8	1,442.6
Retained Earnings	8,962.0	1,337.7	1,607.6	1,906.0
Treasury Stock	(7,839.1)	(235.8)	(687.9)	(792.1)
Comprehensive Income and Other	(615.2)	(565.4)	(500.0)	(396.8)
Total Common Equity	1,839.7	1,920.1	1,844.3	2,161.5
Total Liabilities and Equity	9,973.0	9,890.2	9,972.7	10,546.0

Notes: ST = short-term; LT = long-term.

Source: Harley-Davidson Inc., "Financial Statements for Harley-Davidson, Inc.," Standard & Poor's Capital IQ, accessed July 29, 2019.

EXHIBIT 4 (CONTINUED)

<u>Income Statement</u>	Fiscal Year Ending			12 Months Ending
	Dec-31- 2015	Dec-31- 2016	Dec-31- 2017	Jul-01- 2018
Total Revenue	5,840.0	5,827.3	5,470.6	5,448.4
Cost of Goods Sold	3,610.9	3,705.5	3,548.4	3,553.5
Gross Profit	2,229.1	2,121.9	1,922.3	1,894.9
Selling General & Administrative Expenses	1,040.3	1,050.1	1,027.4	1,063.6
Operating Income	1,188.9	1,071.8	894.8	831.3
Interest Expense	(12.1)	(29.7)	(31.0)	(31.0)
Other Non-operating Income (Expenses)	0.0	0.0	0.0	(3.7)
EBT excluding Unusual Items	1,176.8	1,042.1	863.8	796.6
Restructuring Charges	(26.6)	(18.2)	0.0	(62.3)
EBT including Unusual Items	1,150.2	1,023.9	863.8	734.3
Income Tax Expense	398.0	331.7	342.1	240.6
Earnings from Continuing Operations	752.2	692.1	521.8	493.7
Net Income	752.2	692.1	521.8	493.7
Weighted Average Diluted Shares Outstanding	203.7	180.5	172.9	168.9
Total Shares Outstanding on Balance Sheet Date	183.9	174.6	166.5	166.6

Note: EBT = earnings before taxes.

Source: Harley-Davidson Inc., "Financial Statements for Harley-Davidson, Inc.," Standard & Poor's Capital IQ, accessed July 29, 2019.

EXHIBIT 5: HARLEY-DAVIDSON INC. KEY FINANCIAL RATIOS, DECEMBER 2015–JULY 2018

For the Fiscal Period Ending:	12 Months Dec-31-2015	12 Months Dec-31-2016	12 Months Dec-31-2017	LTM 12 Months Jul-01-2018
Profitability				
Return on Assets (%)	7.5	7.0	5.2	4.7
Return on Common Equity (%)	40.9	36.0	28.3	22.8
Gross Margin (%)	38.2	36.4	35.1	34.8
Net Margin (%)	12.9	11.9	9.5	9.1
EBIT Margin (%)	20.4	18.4	16.4	15.3
Asset Turnover* (%)	58.6	58.9	54.9	51.7
Liquidity & Efficiency				
Current Ratio	1.4x	1.3x	1.2x	1.4x
Quick Ratio	1.2x	1.2x	1.1x	1.2x
Average Days Receivable	15.5	17.9	22.0	22.5
Average Days Inventory	59.2	49.2	55.4	47.8
Average Days Payable Outstanding	23.8	23.2	23.4	29.5
Cash Conversion Cycle	50.9	43.9	54.0	40.8
Long-Term Solvency				
EBIT ÷ Interest Expense	98.3x	36.1x	28.9x	26.8x
Assets ÷ Equity	5.4x	5.2x	5.4x	4.9x

Note: LTM = last 12 months; EBIT = earnings before interest and taxes; *asset turnover = revenue ÷ assets.

Source: Case writer analysis based on Harley-Davidson Inc., "Financial Statements for Harley-Davidson, Inc.," Standard & Poor's Capital IQ, accessed July 29, 2019.

EXHIBIT 6: HARLEY-DAVIDSON INC. QUARTERLY DIVIDEND HISTORY, 2009–2018

Declaration Date	Ex-dividend Date	Record Date	Payable Date	Dividend Amount (US\$)
5/10/2018	5/30/2018	5/31/2018	6/15/2018	0.370
2/5/2018	2/13/2018	2/14/2018	3/2/2018	0.370
11/28/2017	12/14/2017	12/15/2017	12/29/2017	0.365
8/29/2017	9/11/2017	9/12/2017	9/22/2017	0.365
4/29/2017	5/23/2017	5/24/2017	6/9/2017	0.365
2/1/2017	2/13/2017	2/15/2017	3/3/2017	0.365
11/28/2016	12/14/2016	12/16/2016	12/30/2016	0.350
8/30/2016	9/9/2016	9/13/2016	9/23/2016	0.350
4/30/2016	5/24/2016	5/26/2016	6/10/2016	0.350
2/3/2016	2/12/2016	2/17/2016	3/4/2016	0.350
12/1/2015	12/9/2015	12/11/2015	12/28/2015	0.310
9/1/2015	9/11/2015	9/15/2015	9/25/2015	0.310
4/25/2015	5/26/2015	5/28/2015	6/12/2015	0.310
2/4/2015	2/13/2015	2/18/2015	3/6/2015	0.310
12/2/2014	12/12/2014	12/16/2014	12/26/2014	0.275
9/3/2014	9/12/2014	9/16/2014	9/26/2014	0.275
4/26/2014	5/27/2014	5/29/2014	6/13/2014	0.275
2/5/2014	2/14/2014	2/19/2014	3/7/2014	0.275
12/3/2013	12/13/2013	12/17/2013	12/27/2013	0.210
8/30/2013	9/13/2013	9/17/2013	9/27/2013	0.210
4/27/2013	5/28/2013	5/30/2013	6/14/2013	0.210
2/5/2013	2/14/2013	2/19/2013	3/1/2013	0.210
12/4/2012	12/14/2012	12/18/2012	12/28/2012	0.155
9/13/2012	9/26/2012	9/28/2012	10/12/2012	0.155
4/28/2012	5/29/2012	5/31/2012	6/15/2012	0.155
2/7/2012	2/16/2012	2/21/2012	3/2/2012	0.155
12/6/2011	12/16/2011	12/20/2011	12/30/2011	0.125
9/8/2011	9/28/2011	9/30/2011	10/14/2011	0.125
4/30/2011	5/31/2011	6/2/2011	6/17/2011	0.125
2/10/2011	2/17/2011	2/22/2011	3/4/2011	0.100
12/7/2010	12/17/2010	12/21/2010	12/31/2010	0.100
9/16/2010	9/29/2010	10/1/2010	10/15/2010	0.100
4/24/2010	6/1/2010	6/3/2010	6/18/2010	0.100
2/11/2010	2/19/2010	2/23/2010	3/5/2010	0.100
12/10/2009	12/17/2009	12/21/2009	12/31/2009	0.100
9/10/2009	9/24/2009	9/28/2009	10/8/2009	0.100
4/25/2009	6/2/2009	6/4/2009	6/19/2009	0.100
2/12/2009	3/3/2009	3/5/2009	3/19/2009	0.100

Source: Harley-Davidson Inc., "Quarterly Dividend History for Harley-Davidson, Inc.," Bloomberg L.P., accessed July 29, 2019.

EXHIBIT 7: HARLEY-DAVIDSON INC. ANNUAL DIVIDEND AND EARNINGS HISTORY, 1994–2017

Year	Dividends per Share (US\$)	Earnings per Share (US\$)	Dividend Payout (%)	Dividend Growth (%)	Earnings Growth (%)
2017	1.460	3.020	48	4.3	21.2)
2016	1.400	3.830	37	12.9	3.8
2015	1.240	3.690	34	12.7	(4.9)
2014	1.100	3.880	28	31.0	18.3
2013	0.840	3.280	26	35.5	20.6
2012	0.620	2.720	23	30.5	6.7
2011	0.475	2.550	19	18.8	311.3
2010	0.400	0.620	65	0.0	(358.3)
2009	0.400	(0.240)		(69.0)	(108.6)
2008	1.290	2.790	46	21.7	(25.4)
2007	1.060	3.740	28	30.9	(4.8)
2006	0.810	3.930	21	29.6	15.2
2005	0.625	3.410	18	54.3	13.7
2004	0.405	3.000	14	107.7	20.0
2003	0.195	2.500	8	44.4	31.6
2002	0.135	1.900	7	17.4	32.9
2001	0.115	1.430	8	17.9	26.5
2000	0.098	1.130	9	11.4	30.6
1999	0.088	0.865	10	12.9	25.4
1998	0.078	0.690	11	14.8	22.1
1997	0.068	0.565	12	22.7	2.7
1996	0.055	0.550	10	22.2	46.7
1995	0.045	0.375	12	28.6	9.3
1994	0.035	0.343	10		
Average Annual Dividend Growth, 1995–2017 (%)				22.3	
Average Annual Dividend Growth, 2012–2017 (%)				21.1	
Compound Annual Dividend Growth, 1995–2016 (%)				17.6	
Compound Annual Dividend Growth, 2012–2016 (%)				18.7	

Source: Harley-Davidson Inc., “Quarterly Dividend History for Harley-Davidson Inc.,” Bloomberg L.P., accessed July 29, 2019.

EXHIBIT 8: HARLEY-DAVIDSON INC. CONSENSUS FORECASTS, 2018–2023 (US\$)

	LTM	Consensus for 12 Months Ending				
	July 1, 2018	July 1, 2019	July 1, 2020	July 1, 2021	July 1, 2022	July 1, 2023
Earnings per Share	2.92	3.18	3.56	4.06	4.34	4.65
Dividends per Share	1.47	1.50	1.56	1.80	1.95	2.10

Note: LTM = last 12 months.

Source: Harley-Davidson Inc., “Consensus Forecasts for Harley-Davidson, Inc.,” Institutional Brokers' Estimate System, accessed July 29, 2019.