

HARLEY DAVIDSON INC
Form 10-Q
May 05, 2016

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D. C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF
 1934

For the quarterly period ended March 27, 2016

..TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF
1934

For the transition period from _____ to _____
Commission file number 1-9183

Harley-Davidson, Inc.
(Exact name of registrant as specified in its charter)

Wisconsin 39-1382325
(State of organization) (I.R.S. Employer Identification No.)

3700 West Juneau Avenue 53208
Milwaukee, Wisconsin
(Address of principal executive offices) (Zip code)

Registrants telephone number: (414) 342-4680

None

(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer

Non-accelerated filer Smaller reporting company

Indicate by check mark whether the registrant is a shell company as defined in Rule 12b-2 of the Exchange Act. Yes No

Number of shares of the registrant's common stock outstanding at April 29, 2016: 181,090,078 shares

Harley-Davidson, Inc.

Form 10-Q

For The Quarter Ended March 27, 2016

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PART I – FINANCIAL INFORMATION

Item 1. Financial Statements

HARLEY-DAVIDSON, INC.

CONSOLIDATED STATEMENTS OF INCOME

(In thousands, except per share amounts)

(Unaudited)

	Three months ended	
	March 27, 2016	March 29, 2015
Revenue:		
Motorcycles and Related Products	\$1,576,610	\$1,510,570
Financial Services	173,358	162,375
Total revenue	1,749,968	1,672,945
Costs and expenses:		
Motorcycles and Related Products cost of goods sold	986,330	920,295
Financial Services interest expense	45,919	38,536
Financial Services provision for credit losses	37,123	26,247
Selling, administrative and engineering expense	291,768	277,749
Total costs and expenses	1,361,140	1,262,827
Operating income	388,828	410,118
Investment income	766	1,322
Interest expense	7,168	9
Income before provision for income taxes	382,426	411,431
Provision for income taxes	131,937	141,577
Net income	\$250,489	\$269,854
Earnings per common share:		
Basic	\$1.37	\$1.28
Diluted	\$1.36	\$1.27
Cash dividends per common share	\$0.35	\$0.31

The accompanying notes are an integral part of the consolidated financial statements.

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HARLEY-DAVIDSON, INC.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(In thousands)

(Unaudited)

	Three months ended	
	March 27, 2016	March 29, 2015
Net income	\$250,489	\$269,854
Other comprehensive income (loss), net of tax		
Foreign currency translation adjustments	12,693	(27,021)
Derivative financial instruments	(8,352)	11,072
Marketable securities	(45)	(67)
Pension and postretirement benefit plans	7,571	8,798
Total other comprehensive income (loss), net of tax	11,867	(7,218)
Comprehensive income	\$262,356	\$262,636

The accompanying notes are an integral part of the consolidated financial statements.

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HARLEY-DAVIDSON, INC.
 CONSOLIDATED BALANCE SHEETS
 (In thousands)

	(Unaudited) March 27, 2016	December 31, 2015	(Unaudited) March 29, 2015
ASSETS			
Current assets:			
Cash and cash equivalents	\$694,013	\$ 722,209	\$1,168,724
Marketable securities	45,122	45,192	57,219
Accounts receivable, net	311,960	247,405	280,497
Finance receivables, net	2,564,608	2,053,582	2,357,993
Inventories	553,750	585,907	480,941
Restricted cash	93,192	88,267	120,428
Deferred income taxes	115,585	102,769	83,519
Other current assets	113,520	132,552	158,174
Total current assets	4,491,750	3,977,883	4,707,495
Finance receivables, net	4,811,958	4,814,571	4,490,599
Property, plant and equipment, net	932,836	942,418	873,518
Goodwill	54,585	54,182	25,632
Deferred income taxes	82,188	99,614	72,176
Other long-term assets	94,354	84,309	78,440
	\$10,467,671	\$ 9,972,977	\$10,247,860
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities:			
Accounts payable			