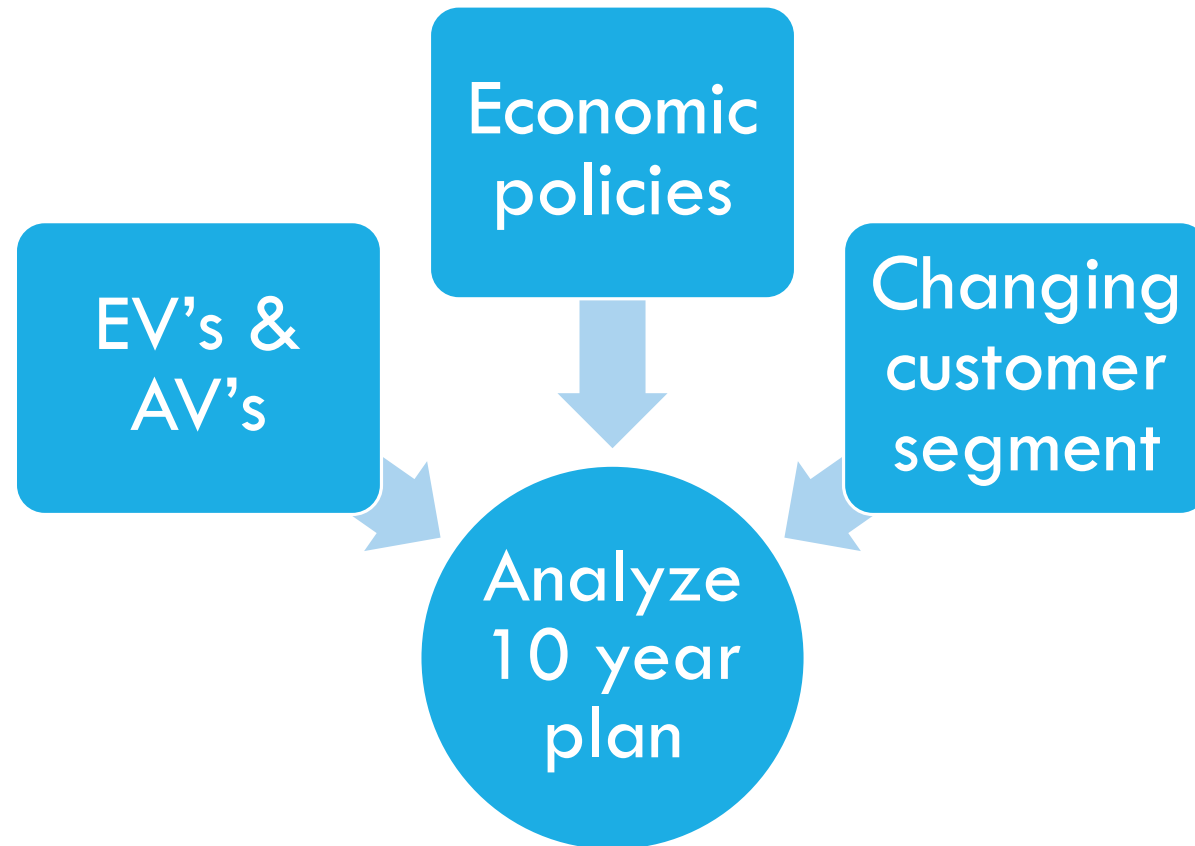




GREEN EXPANSIONS: HARLEY DAVIDSON

Easy Rider Consulting:
Presented by Wes Teriber, Sarah
Henkind, Mara Hilmy, Vijay

EXECUTIVE SUMMARY

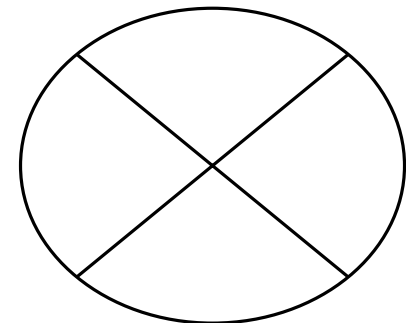


HARLEY DAVIDSON

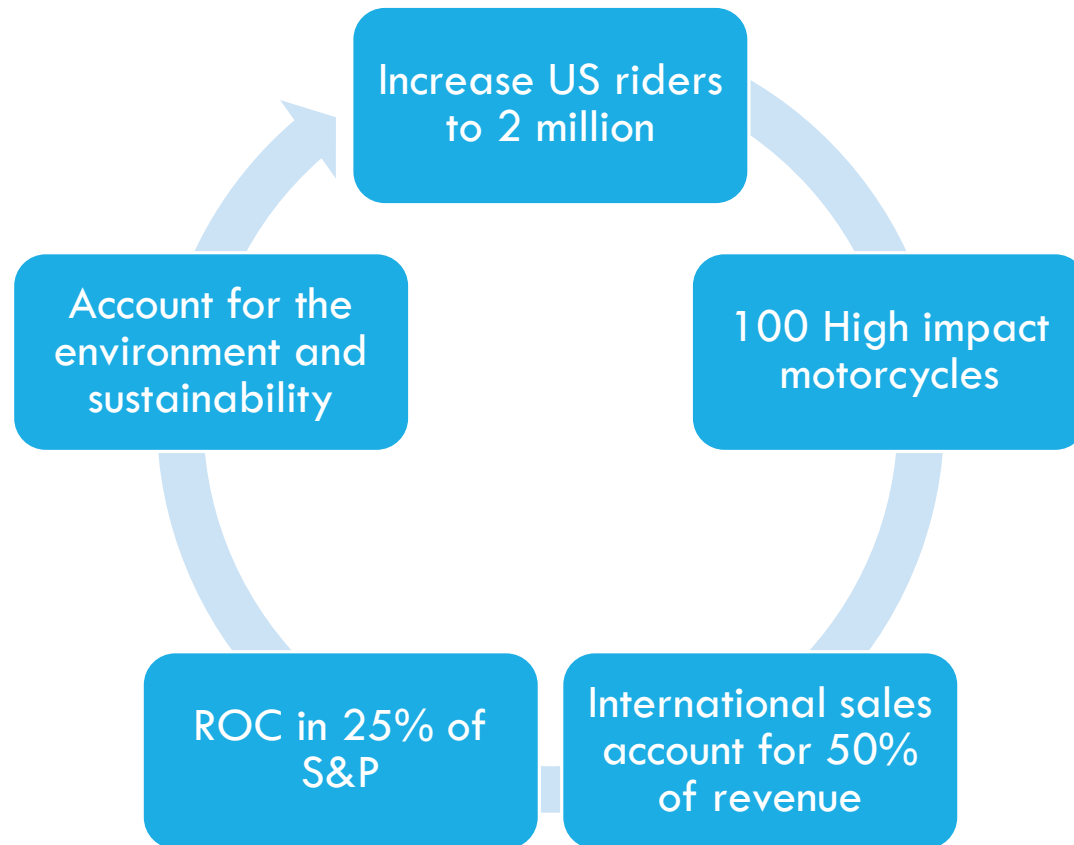
Founded by William Harley and the Davidson brothers (Arthur, Walter and William).

Legacy American Brand credited to build the motorcycling culture in North America.

History of making comebacks and meeting disruptive competitors head on.



THE 10 YEAR PLAN



INCREASING US RIDERS

Goal is to
increase to 2
million riders

Continue projects
like the Harley
Davidson riding
academy

Focus on
maintaining
strong brand
identity

Look for growth
in the millennial
and international
marketplace

100 “HIGH IMPACT VEHICLES”

100 vehicles could eat up costs and jeopardize brand

Competitors do not have a product line this deep

We see a better benefit to quality over quantity

INCREASE INTERNATIONAL SALES

Goal is to have international sales account for 50% of revenues



Large opportunity in SE Asia because of growing wealth



Bikes are seen as more of a necessity than a luxury

IMPROVE RETURN ON CAPITAL

Research acquisitions and joint venture

Continue to communicate discipline in investing activities

Provide shareholders with details of international expansion strategy

SUSTAINABILITY

Regulation on combustion engines

Social push for electric alternatives

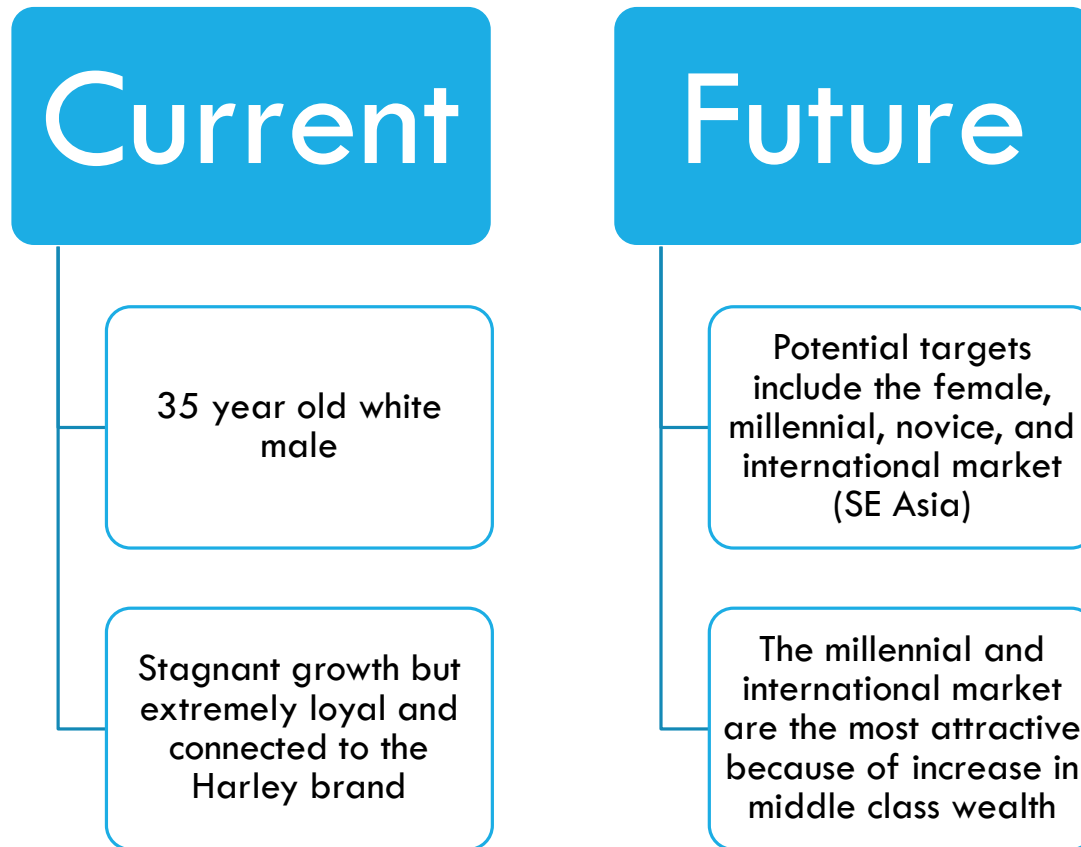
Diversifying customer base

Improving manufacturing sources and techniques

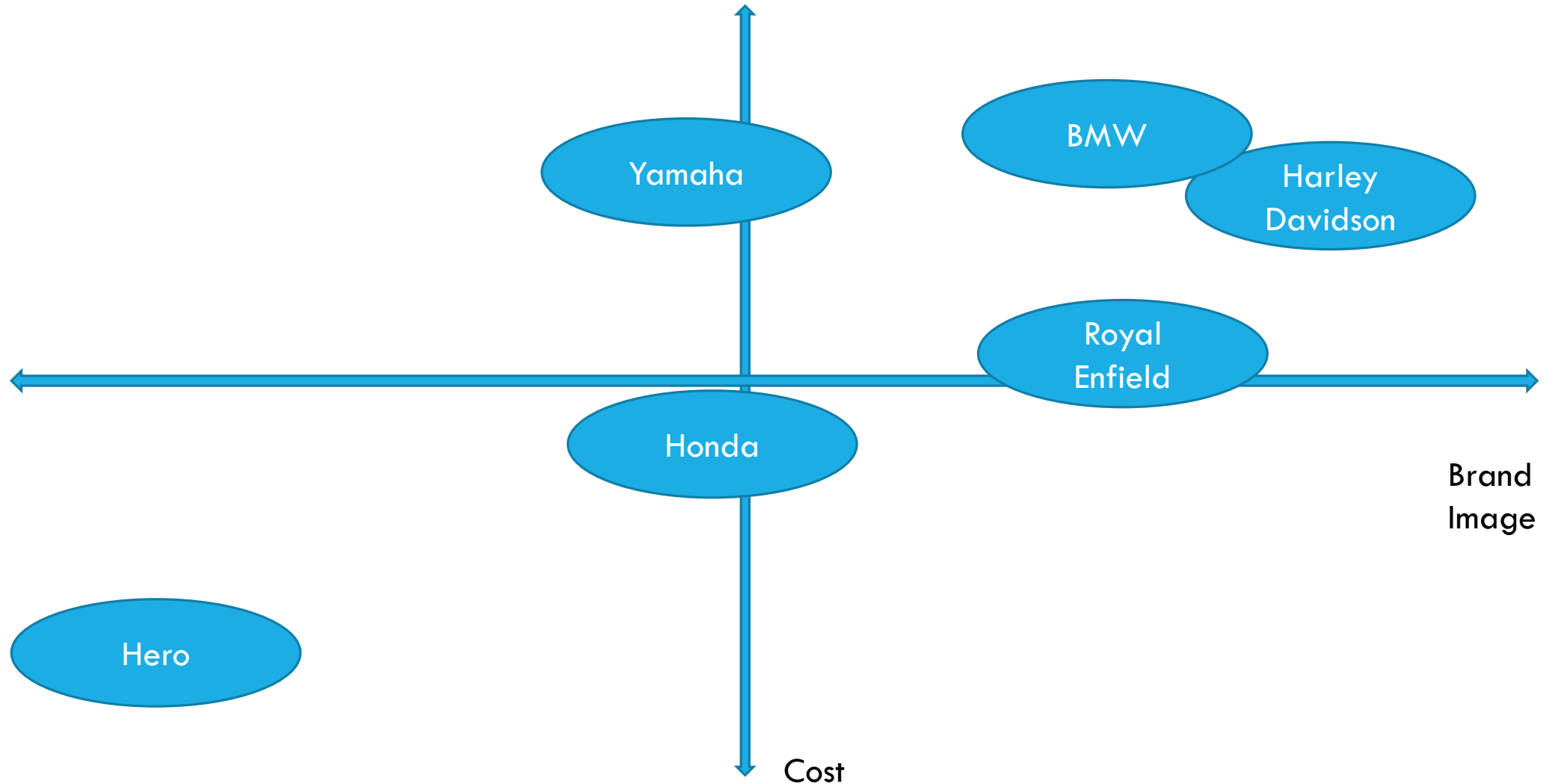
CUSTOMER BASE

Location	Market Share
USA	33%
Canada	17%
Russia	9%

WHO PURCHASES A HARLEY



COMPETITIVE LANDSCAPE



COMPETITOR REACTION

Honda: Pessimistic of future, due to shift towards smaller electric motorcycles. Investing in EV and advanced rider technology

BMW: High concentration in India offering sub 500cc brands. Plans for smart EV scooter (Concept Link 2021) and hi-Tech (Motorrad Vision 2040) optimistic for Motorcycle market.

Royal Enfield: Expand aggressively in their traditional market. Enter US and Europe directly competing against Harley. Heavy investments in emission reduction eventually transition to EV

Hero: Expand global market share by entering markets with high potential. Aggressive push in EV market with investments in battery technology

ECONOMIC POLICIES

US abandonment of the
Trans Pacific Partnership

Import tariffs on steel on
aluminum

Phasing out of combustion
engines in France, China,
Vietnam, Norway, and the
Netherlands

ALTERNATIVES

Acquire Zero:

Purchase private company Zero

Utilize their expertise in the electric motorcycle market

Pros

- Proven electronic bike technology
- Established sales channels
- Avoids engine tariffs
- Explores more US growth

Cons

- Initial investment
- Break away from traditional Harley brand

ALTERNATIVES

Embrace retail revenues:

Focus on bringing in revenue from urban wear apparel

Pros

- Builds brand image and loyalty
- Focuses on revenue from current customers

Cons

- Not core competency
- No international focus

ALTERNATIVES

Joint Venture with Royal Enfield:

Establish a sales and distribution network thorough a trusted legacy brand

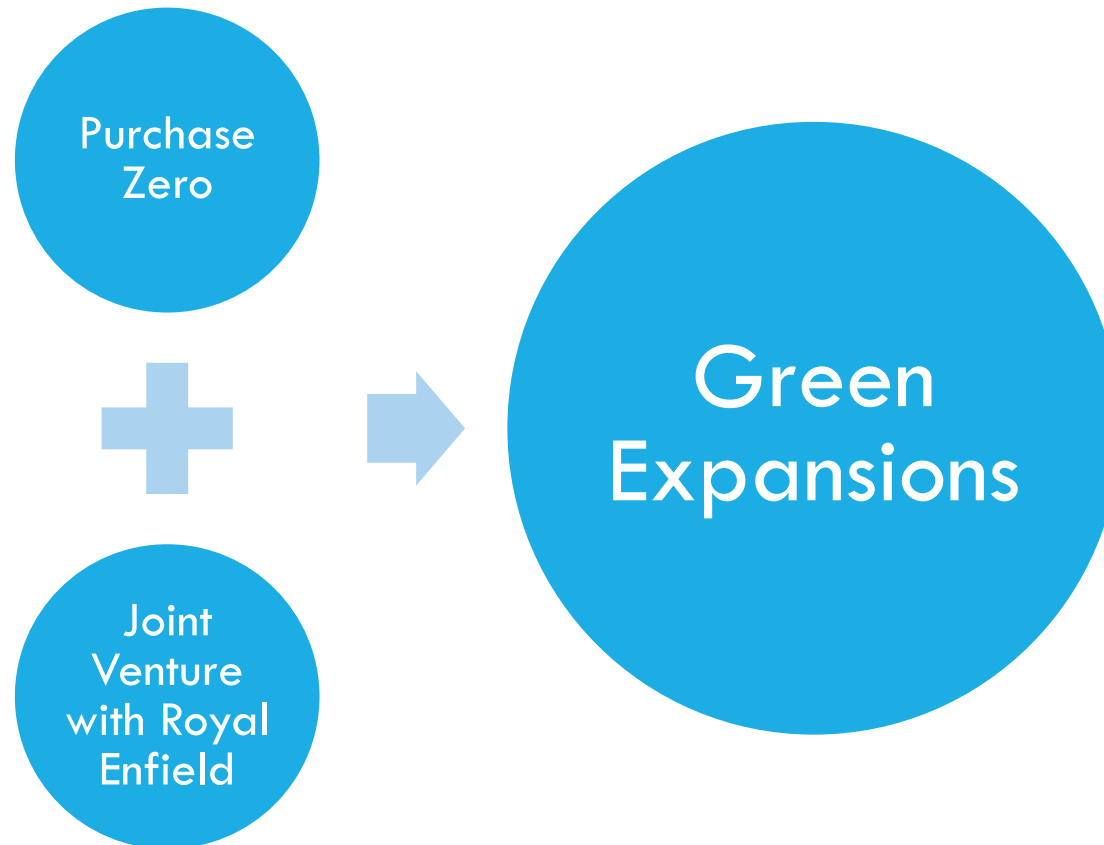
Pros

- Easy access to new sales
- Mutually beneficial relationship

Cons

- Large upfront investment
- Have to adopt Royal Enfield sales policies and process

RECOMMENDATION



ACQUISITIONS AND JOINT VENTURE

Acquire Zero Motorcycles ISA private company for \$270 million (3 times sales)

Joint Venture with Royal Enfield \$30Million for 15-20% ownership stake in company

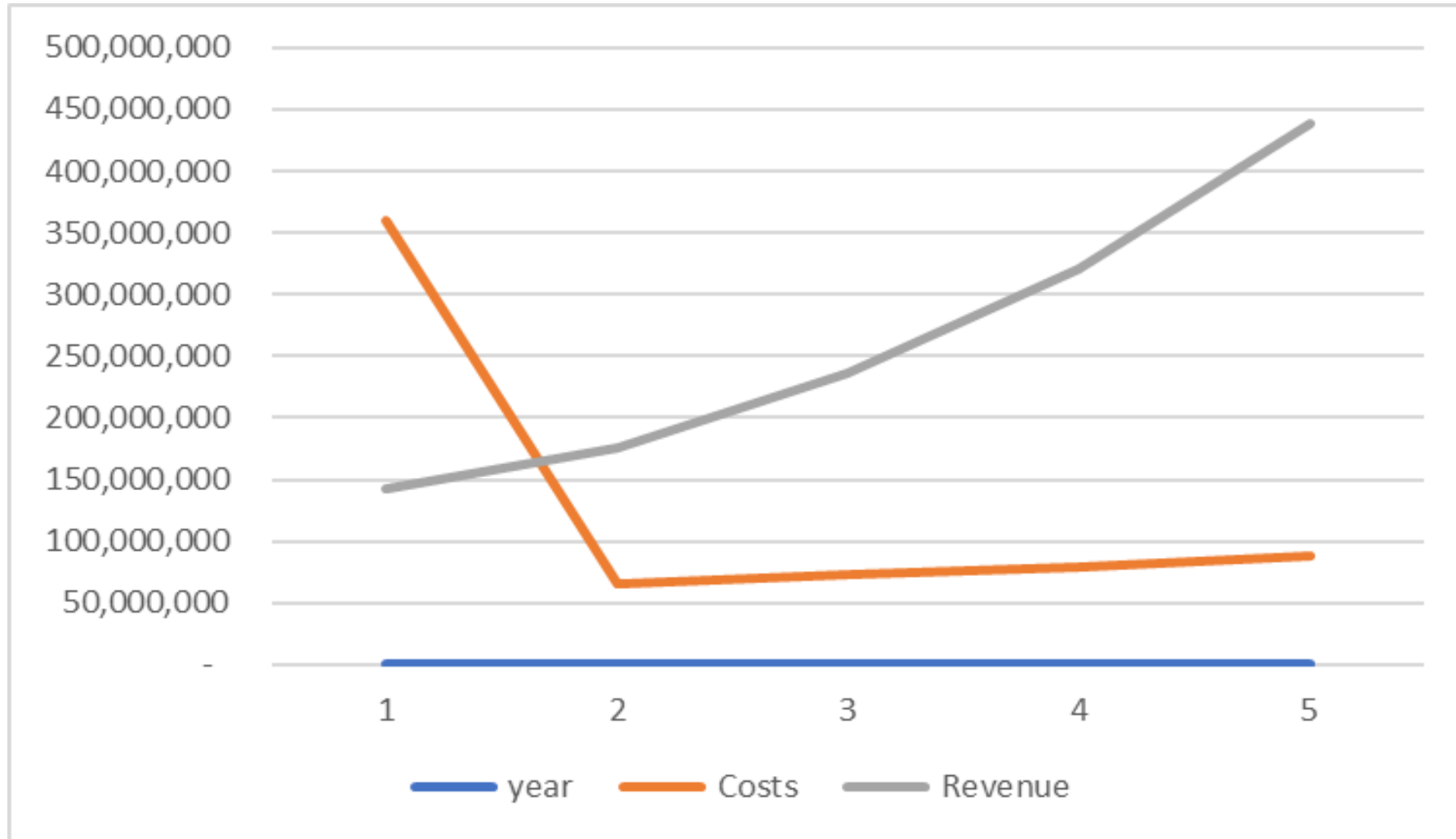
OPERATING COSTS

Year	RE	Zero	Total
Y1	50,000,000.00	10,000,000.00	60,000,000.00
y2	50,000,000.00	16,000,000.00	66,000,000.00
y3	50,000,000.00	22,600,000.00	72,600,000.00
y4	25,000,000.00	54,860,000.00	79,860,000.00
y5	25,000,000.00	62,846,000.00	87,846,000.00

REVENUES

Revenues	Zero	RE	Total
Y1	108,000,000.00	35,000,000.00	143,000,000.00
y2	129,600,000.00	45,500,000.00	175,100,000.00
y3	168,480,000.00	68,250,000.00	236,730,000.00
y4	219,024,000.00	102,375,000.00	321,399,000.00
y5	284,731,200.00	153,562,500.00	438,293,700.00
Total Revenue	909,835,200.00	404,687,500.00	1,314,522,700.00

COSTS VS REVENUE



MANUFACTURING

Continue with complete knock down assembly plants in North America exporting to international markets

Implement 10 high impact vehicles in knock down plants

Utilize Zero's expertise in electric motorcycle production

SALES AND MARKETING

North America

- Use traditional established network to reach core audience
- Target millennials

India

- Follow Royal Enfield's current strategy
- Focus on growing market need for affordable transportation

YEARS 1-5

United States

Year 1

Acquire Zero and “Do no harm” to Harley

Year 2-3

Target millennial markets geographically and continue Harley training programs

Year 4-5

Re-evaluate growth and development

India

Year 1

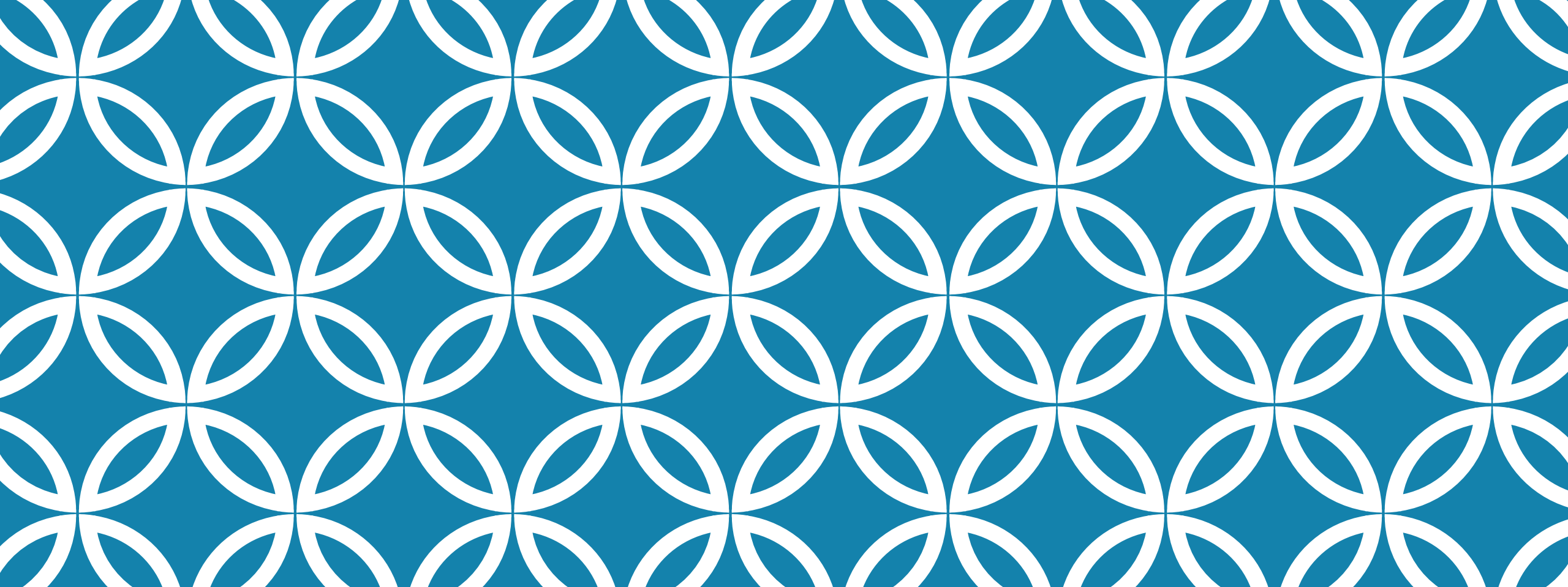
Joint venture with Royal Enfield

Year 2-3

Promote and develop both brands within market segmentations

Year 4-5

Re-evaluate growth and development with forward thinking towards Eastern Asia



QUESTIONS

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COSTS OF ECONOMIC POLICIES

Policy	Estimated Cost
Short term tariff	15-20 Million
If no action is taken	90-100 Million
Cost of no TPP	17-200 Million