

## Harley 1Q Profit Jumps On Sales Increase

Published on Industrial Maintenance & Plant Operation (<http://www.impomag.com>)

---

# Harley 1Q Profit Jumps On Sales Increase

Bree Fowler, AP Business Writer

NEW YORK (AP) — Harley-Davidson Inc. said Wednesday that its first-quarter profit jumped 44 percent, as improving economic conditions boosted U.S. sales of its well-known motorcycles.

The results beat Wall Street expectations and the company boosted its shipment guidance for the year.

Harley shares climbed \$1.94, or 3.9 percent, to \$52.30 in premarket trading. That would top its 52-week high of \$52.03 if the premarket price carries over into regular trading once the market opens.

Keith Wandell, Harley's chairman, president and chief executive, partially credited the results to an improved U.S. economic environment and the company's ongoing restructuring program.

Tough economic times tend to hurt sales at companies like Milwaukee-based Harley, whose bikes can range from about \$8,000 for a basic model to more than \$30,000 for a large highly customized model.

After the global economy stalled in 2008 and Harley's sales plunged 23 percent the next year, it embarked on a massive plan to slash its costs and transform the way it manufactures its motorcycles.

But over the last year, the Milwaukee-based company has managed to turn itself around, despite continued economic uncertainty both at home and abroad. Harley's sales of motorcycle and related products grew 13 percent in 2011 and the recent quarter marked its fourth-straight increase in U.S. sales.

For the three months ended April 1, Harley reported net income of \$172 million, or 74 cents per share, up from \$119.3 million, or 51 cents per share, a year ago.

Analysts polled by FactSet expected a profit of 72 cents per share.

Sales of motorcycles and related products jumped 20 percent to \$1.27 billion from \$1.06 billion in the same quarter last year, ahead of average analyst predictions of \$1.22 billion.

Worldwide motorcycle sales rose 20 percent to 59,677 bikes and included a 26 percent jump in U.S. sales. International sales rose 11 percent.

Demand for heavy-weight motorcycles, which include many of the company's priciest models, increased 18 percent. Sales of parts and accessories rose 21 percent to \$199.1 million, while general merchandise sales, such as clothing, rose

## Harley 1Q Profit Jumps On Sales Increase

Published on Industrial Maintenance & Plant Operation (<http://www.impomag.com>)

---

19 percent to \$74.6 million.

Based on the first-quarter results, Harley boosted its full year shipment guidance to a range of 245,000 to 250,000 bikes, up from 240,000 to 245,000 bikes. For the current quarter, Harley said it expects to ship between 79,000 and 84,000 bikes.

Harley said its restructuring costs for the quarter totaled \$11.5 million and that it still expects its overall restructuring program, which began in 2009, to result in total one-time costs of between \$500 million and \$520 million., including between \$500 million and \$520 million this year.

**Source URL (retrieved on 10/25/2014 - 4:11am):**

[http://www.impomag.com/news/2012/04/harley-1q-profit-jumps-sales-increase?qt-recent\\_content=1](http://www.impomag.com/news/2012/04/harley-1q-profit-jumps-sales-increase?qt-recent_content=1)