

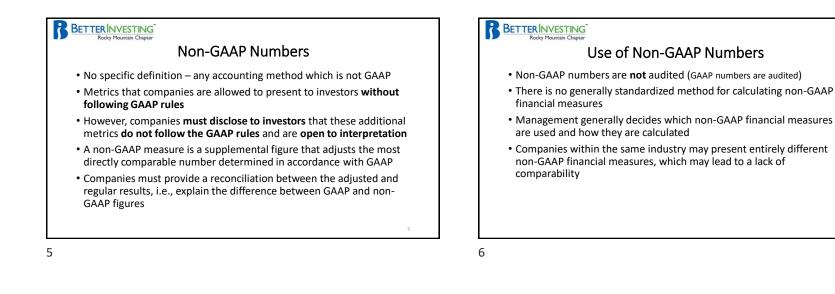
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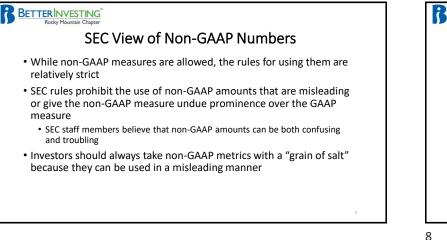
BETTERNEETING Rocky Mountain Chapter SEC requires all public companies in the United States to follow GAAP rules when reporting their financial statements Minimum standards companies must include in financial reports Failure to follow these rules can result in a public company being removed from an exchange GAAP rules standardize accounting definitions, assumptions and methods when it comes to calculating finances, e.g. What is considered "revenue?"

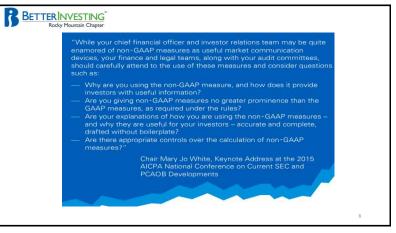
- Which line item does Research & Development (R&D) costs fall under?
- What is allowed to be considered a depreciating asset?

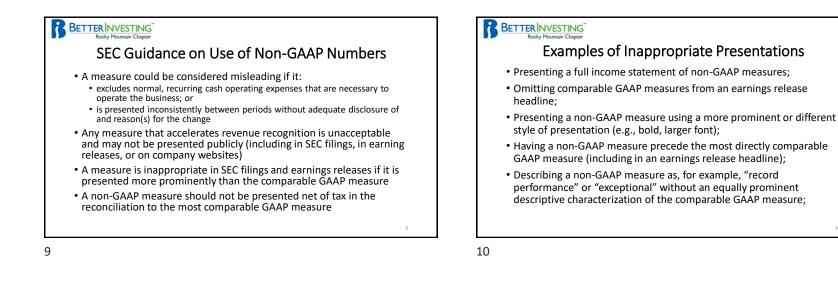
BETTERINVESTING Rody Mountain Chapter Mission Behind GAAP

- Improve the clarity, consistency and comparability of financial information, e.g.
 - A company's quarter-over-quarter or year-over-year information
 - Financial information between companies in the same sector
 Whole industries
- With this information, investors can understand how competing companies are doing against each other
- Give investors peace of mind that companies aren't getting creative with their earnings numbers just to boost the share price
 - Designed to keep investors' trust in public market by establishing rules that companies must follow when reporting their financial statements









BETTERINVESTING Rody Mountain Chapter **Examples of Inappropriate Presentations** • Providing tabular disclosure of non-GAAP financial measures without an equally prominent tabular disclosure or inclusion of the comparable GAAP measures;

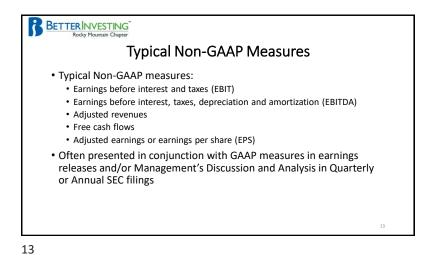
- Excluding a quantitative reconciliation with respect to a forward-looking non-GAAP measure; and
- Providing discussion and analysis of a non-GAAP measure without a similar discussion, analysis, and prominence of the comparable GAAP measure

BETTER INVESTING

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Commonly Used Non-GAAP Measures

- Disaggregating different aspects of a company's operations or removing the effects of large, unusual, or unique transactions, such as acquisitions or dispositions
- Excluding one or more expense or revenue items that are identified as "non-recurring" from operating income – smooths out earnings



	Harley-Davidson, I of GAAP Amounts to sands, except per shi (Unaudited)	Non-GAAP Amoun	ts					
		Three months ended June 25, June 28,			Six months ended June 27,		June 28,	
		2021		2020		2021	<u> </u>	2020
let income (loss) excluding restructuring plan costs and the impact of EU tariffs let income (loss) (GAAP)	s	206,340	s	(92,217)	¢.	465.484	<.	(22.5
Restructuring plan costs	- C	918	·	41.949		552		41.5
Impact of EU tariffs		15,758		5,677		18,719		15.9
Tax effect of adjustments ⁽⁴⁾		(3,956)		(13,197)		(4,563)		(15,2
Adjustments net of tax		12,720		34,429	_	14,708		42,6
djusted net Income (loss) (non-GAAP)	\$	219,060	\$	(57,788)	\$	480,192	\$	20,0
Nuted EPS excluding restructuring plan costs and the impact of EU tariffs								
viluted EPS (GAAP)	\$	1.33	5	(0.60)	\$	3.01	\$	(0
Adjustments net of tax, per share		0.08	- 00	0.22		0.10		0
djusted diluted EPS (non-GAAP)	\$	1.41	\$	(0.38)	\$	3.11	\$	0

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