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HARLEY-DAVIDSON INC.: DIVIDEND DISCOUNT VALUATION

INTRODUCTION

American motorcycle manufacturer Harley-Davidson Inc was established in the year 1903 has been identified by most people as conveying freedom and rebellion. Over the years, the company has suffered various challenges such as loss of market demand, more competition and economic cycles.

DIVIDEND DISCOUNT

The Dividend Discount Model abbreviated as DDM is a valuation model that seeks to value the stock of a firm given its future dividends. When it comes to Harley-Davidson Motor Company, the DDM is quite applicable because the company has enjoyed a history of paying dividends and therefore it will be suitable for those investors who are in need of regular income.

ANALYSIS AND FINDINGS

Therefore, while analysing dividend policy of Harley-Davidson, another factor that needs examination relates to the consistency of the firm's dividends for the sales and profitability instability. Analyzing the historical information it became evident that despite steady growth in the company's dividend payout, questions regarding its capability to continue to deliver such payouts in the new markets have emerged.

CONCLUSION

This paper has also shown that the DDM analysis for HAR is valuable in evaluating the stock valuation for Harley-Davidson Inc. after thorough analysis. It becomes imperative that the investors factor in past results, current problems and opportunities for growth.

RECOMMENDATION

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