

Highlights

Financial Results (mn TL)	1Q24	YoY Δ
Revenues	124,188	9%
Export Revenues ⁽¹⁾	97,587	12%
Domestic Revenues	26,601	0%
Operating Profit	8,889	-10%
EBITDA	11,292	-7%
EBITDA excluding other income/expense	10,389	-13%
Profit Before Tax	9,889	-4%
Net Income	8,973	10%

⁽¹⁾ Export revenues and volumes include exports from Ford Otosan and Ford Otosan Romania SRL

Volumes (units)	1Q24	YoY Δ
Total Wholesale	170,224	8%
Export	145,817	11%
Domestic Wholesale	24,407	-8%
Domestic Retail	24,293	-6%
Market Share	7.9%	-2.6pps
Production (units)	171,167	5.4%
Capacity Utilization Rate	92%	-6 pps

In 1Q24, total CUR was 92%, reaching 94%, 91%, 70% and 92% in the Gölcük, Yeniköy, Eskişehir and Craiova Plants respectively.

Summary Income Statement, Million TL	1Q24	1Q23	YoY Δ
Revenues	124,188	113,625	9%
Export	97,587	86,919	12%
Domestic	26,601	26,706	0%
Gross Profit	13,216	14,041	-6%
Operating Profit	8,889	9,869	-10%
Financial Income/(Expense)	-4,120	-2,242	84%
Profit Before Tax	9,889	10,249	-4%
Net Income ⁽²⁾	8,973	8,156	10%
Other Financial Data			
Depreciation & Amortization & Embedded Lease in Turkey and Romania	2,403	2,248	7%
EBITDA	11,292	12,117	-7%
EBITDA excluding other income/expense	10,389	11,996	-13%
Capital Expenditures	-6,734	-4,583	47%

⁽²⁾ The impact of deferred tax in 1Q23 (TL 2,033 mn) on Net Income is limited due to increase in the current period tax expenses (TL 1,840 mn) mainly resulting from the additional earthquake tax (one-off payment).

1Q24 financial results published in this earnings announcement have been prepared according to the International Financial Reporting Standards (IFRS).

Revenues

In 1Q24, Turkish automotive market experienced a 24% YoY growth despite last year's strong basis. In this period total sales reached to 305,878 units (1Q23: 246,500). During the first quarter of 2024, there was notable growth in both PC and MCV sales, with increases of 33% and 63%, respectively. However, sales in the LCV segment declined by 25%, while Heavy Trucks showed a relatively stable performance. i) The increase in the base price for the SCT-exemption applied to disabled individuals, ii) pull-forward domestic demand in the pre-election period despite ongoing tightening monetary policy, iii) improved vehicle availability were effective in this mixed market performance. In 1Q24, Ford Otosan maintained its #3 position in the total industry with 7.9% market share (1Q23: 10.5%) due to extended ramp-up period in new Courier model and 9% YoY decline in the HCV sales.

In spite of a strong performance in the previous year, Ford Otosan's primary export markets, consisting of European Van and PC market, grew by 12% and 5% YoY, respectively in 1Q24. Ford Otosan is the largest commercial vehicle manufacturer of Ford Pro in Europe and supports Ford's growth and 9 years of consecutive leadership in the CV market as Ford Otosan produces 73% of Ford's CVs sold in Europe. Also, we contribute to Ford's performance in European PC market with Puma by producing 38% of Ford's PC Sales.

While our domestic sales volumes decreased by 8%, our domestic revenues remained flat, compared to 1Q23, and realized as TL 26,600 million due to ongoing pricing discipline and favorable product mix. Export revenues were TL 97,587 million in 1Q24, up 12% YoY and export volumes increased by 11% mainly supported by the renewed models. As a result, total revenues increased by 9% YoY to TL 124,188 million due to 8% YoY increase in volumes despite lower HCV sales units (mainly driven by the compliance process to the new regulatory requirements). The share of export revenues in total revenues increased to 79% in 1Q24 (compared to 76% in 1Q23).

Profitability

In the first quarter of 2024, 1) strong base year impact, 2) slightly lower YoY domestic volumes and pricing ability due to increased vehicle availability, 3) an increase in the share of export revenues in the overall revenue mix and 4) ramp-up period of new models, created a dilutive impact on Ford Otosan's profitability.

In 1Q24, Gross Profit realized as TL 13,216 million with 6% YoY decrease due to YoY increase in labor & raw material costs and reduced domestic volumes combined with competitive pricing environment despite growing export volumes. In this period, despite the support of 111% increase in Net FX Gain from Operating Activities (resulting from the currency impact), Net Other Income experienced a rise of 647% year-on-year, reaching TL 903 million, leading into a 10% YoY decline in Operating Profit to TL 8,889 million. Meanwhile, EBITDA and EBITDA excluding the currency impact reached to TL 11,292 million and TL 10,389 million, with declines of 7% and 13% YoY, respectively. EBITDA per vehicle was EUR 1,815 and PBT per vehicle was EUR 1,728.

In 1Q24, TL 4,430 million monetary gain (1Q23: TL 2,625 million) was included in Profit Before Tax which was realized as TL 9,889 million due to 84% increase in Net Financial Expenses. Net Income was TL 8,973 million, up 10% YoY.

Margins: Gross 10.6% (-1.8 pps YoY); Operating 7.2% (-1.5 pps YoY); EBITDA 9.1% (-1.6 pps YoY); EBITDA excluding other income 8.4% (-2.2 pps YoY); and Net 7.2% (0 pps YoY).

Margins	1Q24	1Q23	YoY Δ, pps
Gross Margin	10.6%	12.4%	(1.8)
EBITDA Margin	9.1%	10.7%	(1.6)
EBITDA Margin (excluding other income)	8.4%	10.6%	(2.2)
Operating Margin	7.2%	8.7%	(1.5)
Net Margin	7.2%	7.2%	0.0

Per Vehicle (EUR)	1Q24	1Q23
EBITDA	1,815	2,223
PBT	1,728	1,899

Sales Performance

Ranked #3 in the total industry in 1Q24 with 7.9% share and total CV market share realized as 22.5%.

Sales Volume by Model, units	1Q24	1Q23	YoY Δ
Domestic Sales	24,407	26,662	-8%
Puma	2,592	727	257%
Other	5,049	4,253	19%
Passenger Car	7,641	4,980	53%
Courier	3,397	12,815	-73%
Connect	102	164	-38%
Light Commercial Vehicle	3,499	12,979	-73%
Transit	7,530	4,485	68%
Custom	2,028	1,202	69%
Ranger	1,348	101	1235%
Medium Commercial Vehicle	10,906	5,788	88%
Truck	2,361	2,788	-15%
Rakun	0	127	-
Export Sales	145,817	131,378	11%
Custom	50,980	39,826	28%
Transit	39,942	36,456	10%
Courier	14,071	7,990	76%
Truck	481	2,031	-76%
Puma	40,321	45,005	-10%
Other	22	70	-69%
Total Wholesale Volume	170,224	158,040	8%
Total Turkish Automotive Industry Sales	305,878	246,500	24%
Ford Otosan Retail Sales	24,293	25,796	-6%
Ford Otosan Market Share	7.9%	10.5%	-2.6pps

Balance Sheet and Cash Flow

Summary Balance Sheet, Million TL	3/31/2024	12/31/2023	YoY Δ
Current Assets	135,947	118,481	15%
Current Liabilities	117,447	108,314	8%
Property, Plant and Equipment - Net	66,118	65,814	0%
Total Assets	265,205	249,697	6%
Total Liabilities	175,291	165,692	6%
Shareholders' Equity	89,914	84,005	7%

Financial Ratios	3/31/2024	12/31/2023
Current Ratio	1.16	1.09
Liquidity Ratio	0.76	0.69
Net Debt / EBITDA	1.10	1.19
Current Assets / Total Assets	0.51	0.47
Current Liabilities / Total Liabilities	0.67	0.65
Total Liabilities/Total Liabilities & Equity	0.66	0.66
Return on Equity	39.9%	38.8%

Summary Cash Flow Statement, Million TL	3/31/2024	3/31/2023	YoY Δ
Beginning Balance of Cash & Equivalents	17,487	19,163	-9%
Net Cash from Operating Activities	10,739	22,527	-52%
Net Cash Used in Investing Activities	-6,709	-4,561	47%
Net Cash Used in Financing Activities	6,618	1,026	545%
Monetary Gain/(Loss) on Cash&Equivalents	-2,369	-2,365	0%
End of Period Balance of Cash&Equivalents	25,790	35,823	-28%



2024 Guidance		
	2023A	2024 Guidance
Total Industry Volume	1,278 K	800K - 900K
Ford Otosan:		
Retail Sales Volume	114 K	100K - 110K
Export Volume	492 K	560K - 610K
Turkey	312K	350K - 380K
Romania	180K	210K - 230K
Wholesale Volume	610 K	660K - 720K
Total Production Volume	590 K	650K - 700K
Turkey	399 K	400K - 430K
Romania	191 K	250K - 270K
Capex (fixed assets)	€ 900 mn	€ 900 - 1,000 mn
General Investments	€ 96 mn	€ 170 - 190 mn
Product Related Investments	€ 804 mn	€ 730 - 810 mn

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