

Highlights

Financial Results (mn TL)	1H22	YoY Δ	2Q22	YoY Δ
Revenues	60,730	127%	32,854	212%
Export Revenues	47,818	140%	25,350	245%
Domestic Revenues	12,912	87%	7,504	136%
Operating Profit	7,169	156%	4,046	274%
EBITDA	7,753	134%	4,336	224%
EBITDA excluding other income/expense	7,120	132%	4,149	230%
Profit Before Tax	5,656	103%	3,371	246%
Net Income	6,506	131%	3,704	271%

Volumes (units)	1H22	YoY Δ	2Q22	YoY Δ
Total Wholesale	185,299	13%	93,773	63%
Export	150,976	19%	74,529	81%
Domestic Wholesale	34,323	-9%	19,244	18%
Domestic Retail	35,660	-8%	19,797	16%
Market Share	9.6%	0.1 pps	9.2%	0.9 pps
Production (units)*	191,204	21%	92,519	70%***
Capacity Utilization Rate**	81%	+12 pps	78%	+30 pps

In 1H22, total CUR was 81%, reaching 80% and 84% at the Gölcük and Eskişehir Plants respectively.

*Rakun is not included. 297 and 243 units Rakun are produced in 1H22 and 2Q22 respectively.

**Revised production capacities were taken into account while calculating 1H22 CUR.

***Low base impact due to microchip related production suspension at the Kocaeli Plants in 2Q21.

Summary Income Statement, Million TL	1H22	1H21	YoY Δ	2Q22	2Q21	YoY Δ
Revenues	60,730	26,787	127%	32,854	10,533	212%
Export	47,818	19,891	140%	25,350	7,354	245%
Domestic	12,912	6,896	87%	7,504	3,178	136%
Gross Profit	8,872	3,585	147%	5,153	1,517	240%
Operating Profit	7,169	2,802	156%	4,046	1,082	274%
Financial Income/(Expense)	-1,501	-11	13911%	-676	-105	545%
Profit Before Tax	5,656	2,793	103%	3,371	975	246%
Net Income	6,506	2,819	131%	3,704	999	271%
Other Financial Data						
Depreciation and Amortization	584	510	15%	290	258	13%
EBITDA	7,753	3,312	134%	4,336	1,339	224%
EBITDA excluding other income/expense	7,120	3,070	132%	4,149	1,258	230%
Capital Expenditures	-5,345	-1,006	431%	-3,085	-670	360%

1H22 financial results published in this earnings announcement have been prepared according to the International Financial Reporting Standards (IFRS).

Revenues

Turkish automotive market contracted by 9% YoY in 1H22 to 372,849 units due to weak vehicle availability in 1H (resulting from ongoing semiconductor shortage). However, the industry recovered in 2Q and went up 5%, mainly supported by MCV sales. In 1H, sales decreased in all segments except for a slight increase in MCV (YoY: PC -10%, LCV -10%, MCV 1% and Heavy Trucks -1%). PC industry share was 74.6% (1H21: 75.9%) and LCV industry share was 12.6% (1H21: 12.8%). Ford Otosan maintained its CV leadership with 32.4% market share (1H21: 30.7%) in commercial vehicles while ranking #3 in the total industry with 9.6% share (1H21: 9.5%).

European van market continued its downward trend and the new registrations went down 24% YoY in June YTD, as global semiconductor supply shortages continue to limit the vehicle availability. On the other hand, Ford continued to be the No.1 CV brand across Europe with 14.9% market share in 1H, up 0.2 pps YoY. The demand for Ford products in Europe remains strong and Ford Otosan continues to be a key driver of Ford's market performance and pillar of profitability for Ford of Europe.

Domestic Revenues were TL 12,912 million in 1H22. Although sales volume decreased by 9%, revenues went up 87% YoY due to positive sales mix and ongoing pricing discipline. Export Revenues were TL 47,818 million in 1H22, up 140% YoY due to 19% volume growth, exchange impact (average EUR/TRY up 71% in 1H22 YoY) and sales mix. Total Revenues increased 127% YoY to TL 60,730 million and volumes were up 13% YoY. Share of exports in total revenues was 79% in 1H22 (1H21: 74%).

Profitability

The profitability was strong in 1H22 due to i) strong export performance despite ongoing semi-conductor shortage, ii) strong domestic volumes in 2Q, iii) pricing discipline, iv) ongoing cost reduction measures and OpEx control, v) exchange impact (average EUR/TRY up 71% in 1H22 YoY) and vi) cost-plus export contracts.

Gross Profit rose 147% YoY to TL 8,872 million supported by strong export performance, ongoing focus on cost reduction and pricing discipline. Despite 88% YoY rise in Net Financial Expenses, Net Other Income grew by 162% YoY to TL 634 million in 1H22, supported by the 153% YoY increase in Net FX Gain from Operating Activities (resulting from strong exports and currency impact). As a result, Operating Profit increased 156% YoY in 1H22 to TL 7,169 million. EBITDA grew 134% YoY to TL 7,753 million while EBITDA excluding the currency impact was up 132% YoY to TL 7,120 million. EBITDA per vehicle and PBT per vehicle were EUR 2,367 and EUR 1,880 in 1H22 respectively.

Net Financial Expenses increased to TL 1,501 million in 1H22 (in 1H21: TL 11 million), mainly driven by the 325% YoY growth in Net FX Loss and 82% YoY decline in Net Interest Income. As a result, Profit Before Tax increased 103% YoY to TL 5,656 million. Net Income was TL 6,506 million, up 131% YoY and higher than PBT due to Tax Income Resulting from Deferred Tax Asset.

Margins: Gross 14.6% (+1.2 pps YoY); EBITDA 12.8% (+0.4 pps YoY); EBITDA excluding other income 11.7% (+0.2 pps YoY); Operating 11.8% (+1.3 pps YoY); and Net 10.7% (+0.2 pps YoY).

Margins	1H22	1H21	YoY Δ, pps	2Q22	2Q21	YoY Δ, pps
Gross Margin	14.6%	13.4%	1.2	15.7%	14.4%	1.3
EBITDA Margin	12.8%	12.4%	0.4	13.2%	12.7%	0.5
EBITDA Margin (excluding other income)	11.7%	11.5%	0.2	12.6%	11.9%	0.7
Operating Margin	11.8%	10.5%	1.3	12.3%	10.3%	2.0
Net Margin	10.7%	10.5%	0.2	11.3%	9.5%	1.8

Per Vehicle (EUR)	1H22	1H21	1H20	2Q22	2Q21	2Q20
EBITDA	2,367	1,969	1,739	2,628	2,169	2,016
PBT	1,880	1,791	1,016	2,135	1,681	895



Sales Performance

Ranking #3 in the total industry in 1H22 with 9.6% share, maintained leadership in total CV with 32.4% share.

Sales Volume by Model, units	1H22	1H21	YoY Δ	2Q22	2Q21	YoY Δ
Domestic Sales	34,323	37,543	-9%	19,244	16,373	18%
Passenger Car	3,729	6,283	-41%	1,713	2,360	-27%
Courier	15,412	17,286	-11%	8,974	8,523	5%
Connect	217	307	-29%	133	126	6%
Light Commercial Vehicle	15,629	17,593	-11%	9,107	8,649	5%
Transit	8,867	8,060	10%	5,238	2,654	97%
Custom	2,396	1,644	46%	1,359	692	96%
Ranger	301	797	-62%	195	699	-72%
Medium Commercial Vehicle	11,564	10,501	10%	6,792	4,045	68%
Truck	3,261	3,166	3%	1,521	1,319	15%
Rakun	140	0		111	0	
Export Sales	150,976	126,603	19%	74,529	41,084	81%
Custom	75,387	70,077	8%	37,279	19,661	90%
Transit	59,022	42,802	38%	30,739	14,238	116%
Courier	13,166	11,886	11%	5,081	6,225	-18%
Truck	3,395	1,820	87%	1,424	960	48%
Other	6	18	-67%	6	-	
Total Wholesale Volume	185,299	164,146	13%	93,773	57,457	63%
Total Turkish Automotive Industry Sales	372,849	408,946	-9%	214,287	203,770	5%
Ford Otosan Retail Sales	35,660	38,778	-8%	19,797	17,005	16%
Ford Otosan Market Share	9.6%	9.5%	0.1 pps	9.2%	8.3%	0.9 pps

Balance Sheet and Cash Flow

Summary Balance Sheet, Million TL	6/30/2022	12/31/2021	YoY Δ
Current Assets	40,039	32,814	22%
Current Liabilities	35,059	20,782	69%
Property, Plant and Equipment - Net	6,497	5,149	26%
Total Assets	63,027	42,793	47%
Total Liabilities	51,359	32,644	57%
Shareholders' Equity	11,669	10,149	15%

Financial Ratios	6/30/2022	12/31/2021
Current Ratio	1.14	1.58
Liquidity Ratio	0.75	1.25
Net Debt / Tangible Equity	1.97	0.56
Net Debt / EBITDA	1.26	0.47
Current Assets / Total Assets	0.64	0.77
Current Liabilities / Total Liabilities	0.68	0.64
Total Liabilities/Total Liabilities & Equity	0.81	0.76
Return on Equity	111.5%	86.7%

Summary Cash Flow Statement, Million TL	6/30/2022	6/30/2021	YoY Δ
Beginning Balance of Cash & Equivalents	14,106	8,074	75%
Net Cash from Operating Activities	7,163	249	2779%
Net Cash Used in Investing Activities	-12,456	-994	1153%
Net Cash Used in Financing Activities	4,721	-2,320	N/M
End of Period Balance of Cash&Equivalents	13,535	5,008	170%



2022 Guidance

Total Industry Volume 800 K - 850 K

Ford Otosan:

Retail Sales Volume	90 K - 100 K
Export Volume	330 K - 340 K
Wholesale Volume	420 K - 440 K
Production Volume	410 K - 420 K
Capex (fixed assets)	€620 -670 million

Contacts

Gül Ertuğ

Chief Financial Officer
Tel: +90 262 315 69 05
gertug@ford.com.tr

Bahar Efeoğlu Ađar

Investor Relations Manager
Tel: +90 216 564 7859
bagar@ford.com.tr

