

FORD OTOSAN



1H 2018 Financial Results

- **1H 2018 Evaluation**
- **European Industry & Ford**
- **Financial Results**
- **Q & A**

1H 2018 Evaluation

Ford Otosan Strengthens Position in CV Segment

2018 1H
Domestic Sales

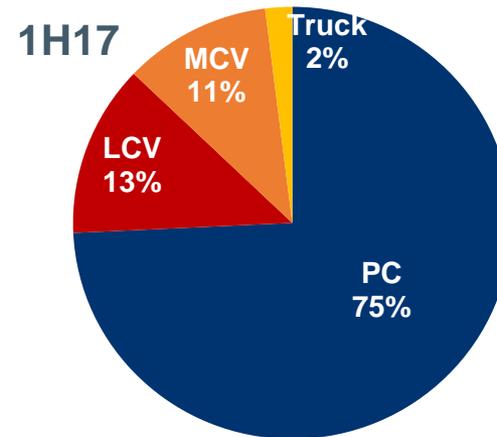
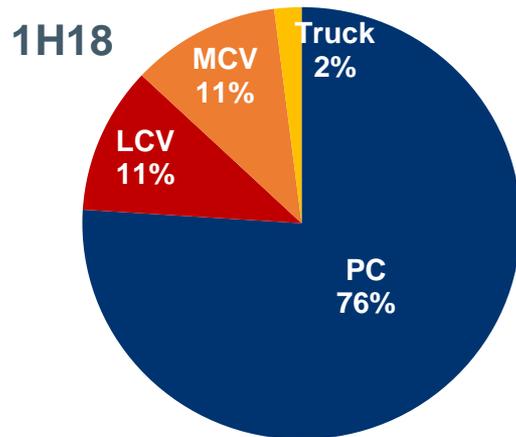
| Segments | Industry | Ford Otosan | % Share | Ranking |
|---------------------|----------------|---------------|--------------|----------|
| Commercial Vehicles | 85.534 | 26.430 | 30,9% | 1 |
| Light Commercial | 38.709 | 10.991 | 28,4% | 2 |
| Medium Commercial | 38.769 | 13.078 | 33,7% | 1 |
| Truck | 8.056 | 2.361 | 29,3% | 2 |
| Passenger Cars | 275.870 | 14.512 | 5,3% | 6 |
| Total | 362.406 | 40.942 | 11,3% | 2 |

Ford's 4th
highest in
Europe

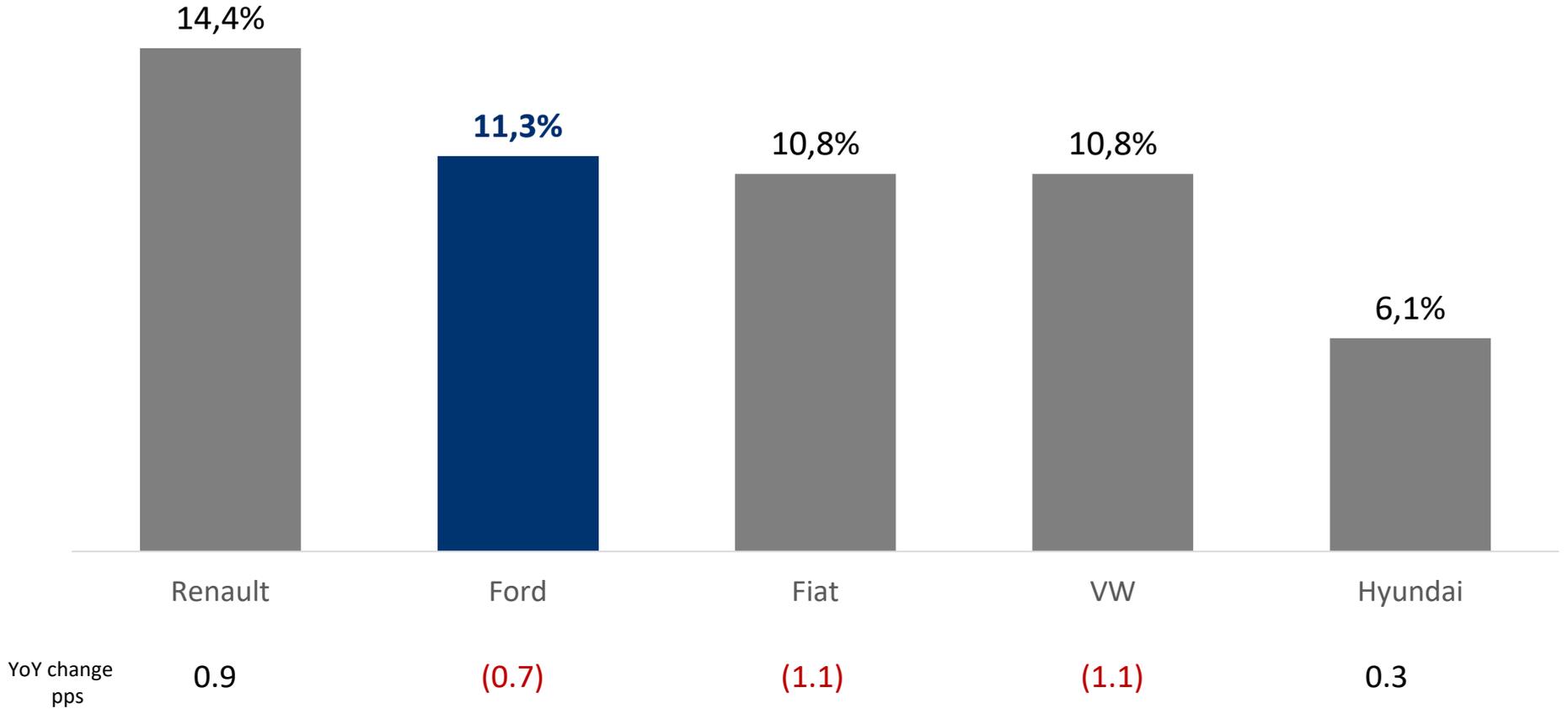
Ford's 4th
largest in
Europe

PC Industry Share Rose Slightly

| Segments | 1H18 | 1H17 | % Change |
|-------------------|----------------|----------------|-------------|
| Passenger Cars | 275.870 | 305.924 | -10% |
| Light Commercial | 38.709 | 51.828 | -25% |
| Medium Commercial | 38.769 | 43.406 | -11% |
| Truck | 8.056 | 7.273 | 11% |
| Total | 362.406 | 409.364 | -11% |

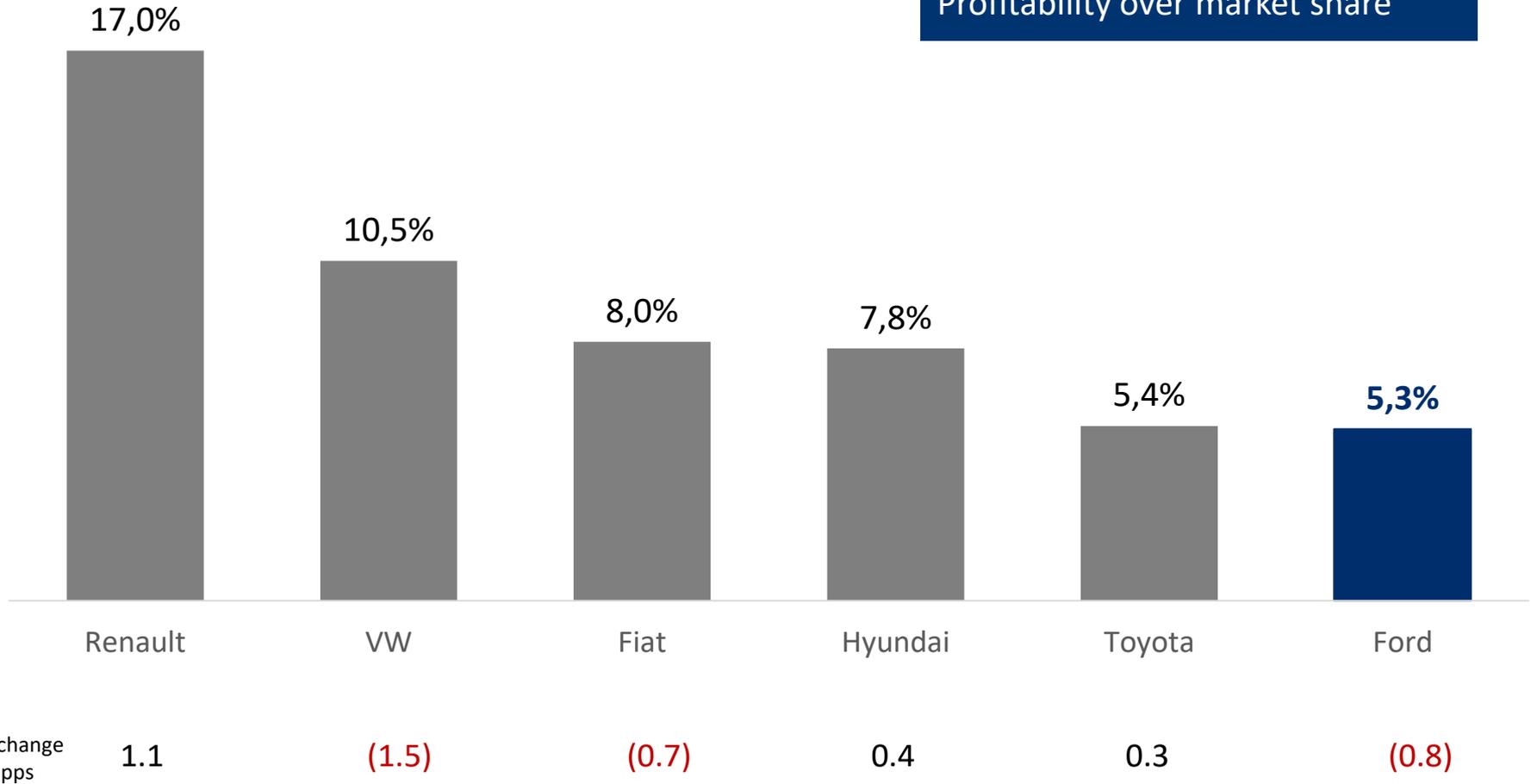


Total Industry Market Shares, 1H18



PC Market Shares, 1H18

Strategy:
Profitability over market share



39,1%

28,4%

10,8%

7,4%

6,2%

Strategy: Profitable growth

Courier continues to lead the segment

Fiat

Ford

VW

Renault

Citroen

YoY change
pps

2.3

2.0

1.7

0.2

(1.9)

33,7%

Strategy: Profitable growth

Higher market share than the next 2 brands combined

15,3%

12,9%

6,0%

5,1%

Ford

VW

Mercedes

Renault

Mitsubishi

YoY change
pps

(0.3)

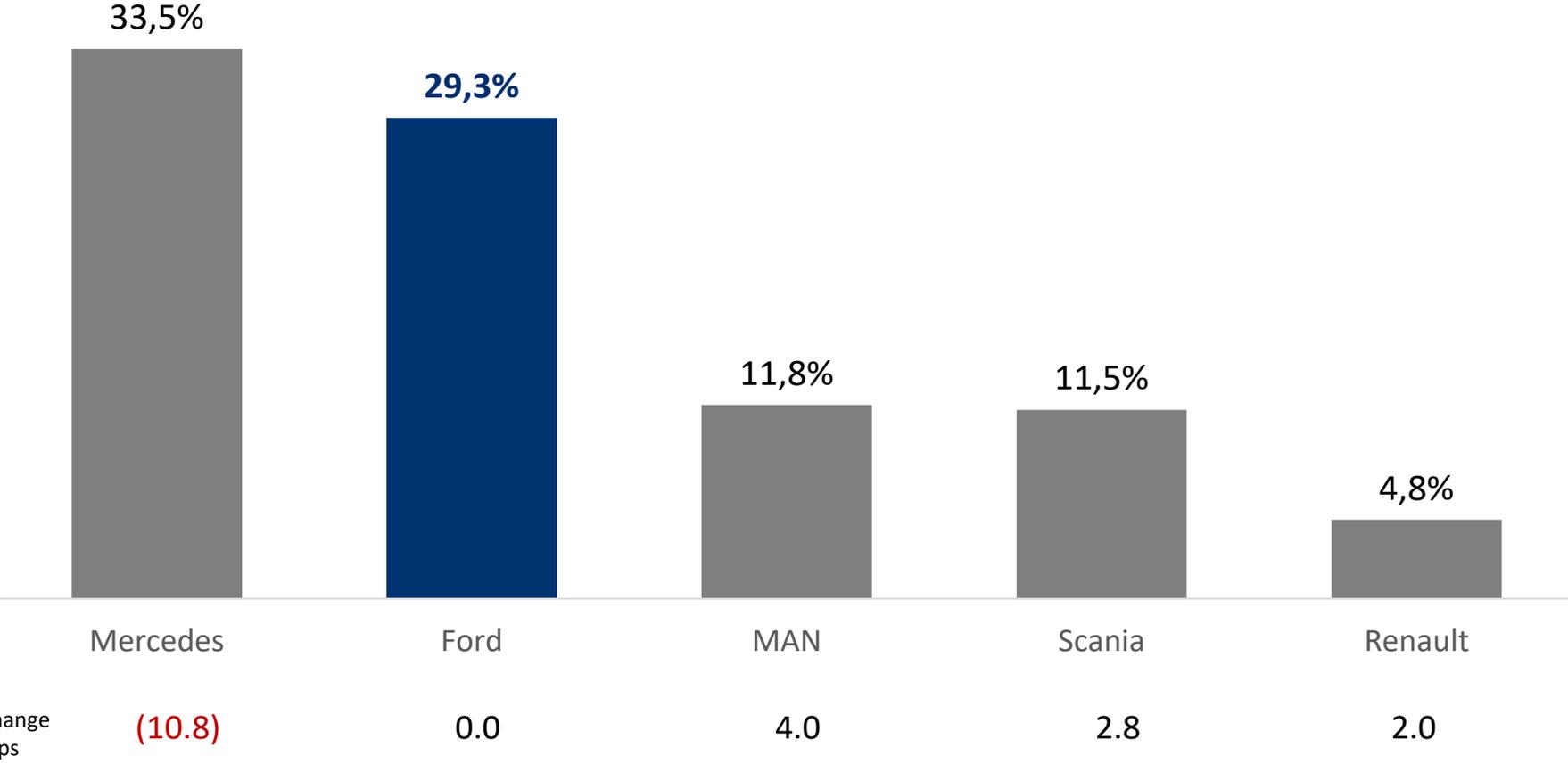
(1.6)

4.1

0.4

1.7

Strategy: Profitable growth



Courier Facelift

Spacious, flexible, and with new technologies like **SYNC 3 connectivity** to help customers get the most from their busy and active lifestyles.

Sophisticated powertrain technologies, including 1.0-litre EcoBoost petrol engines, make the new Tourneo models even **better to drive** and **cheaper to run**.



Comfort / Efficiency / Technology: BIG BOY

IP Rights owned 100% by Ford Otosan



- Cost of ownership advantage over peers
- 80% localization rate -> 90% by 2020
- 2.5 meter cabin
- 500 PS
- Domestic launch in October 2018
- Global launch in 2019

Focusing on the Tractor segment

Industry Segment Mix, %



Market Share

| | FY 2017 | 1H 2018 |
|--------------|---------|---------|
| Road | 55,3% | 45,9% |
| Construction | 33,0% | 38,5% |
| Tractor | 9,2% | 17,2% |

Targeting a higher market share in the largest segment of the truck industry with our new product

European Industry & Ford

EU Van Registrations Grew 5.1% in 1H18

Industry growth supported by broader economic recovery, SME activity and e-commerce

Ford is outperforming the UK industry strongly

UK Industry -2.3%
Ford +8.2%

Source: SMMT, June YTD

UK

-2.3%
181 K units

+5.1%
1.1 million units

European Union*

Germany

+5.0%
137 K units

France

+5.0%
240 K units

Spain

+11.6%
113 K units

Italy

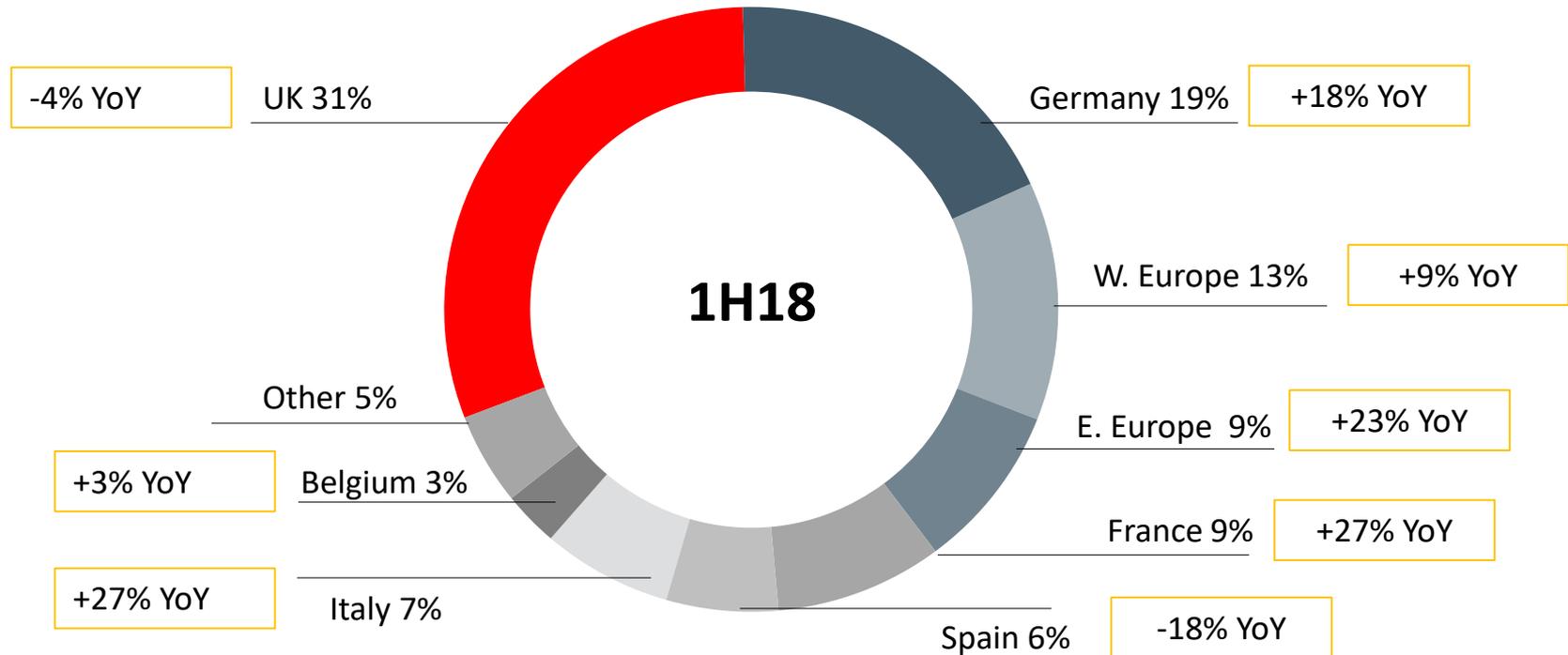
+0.1%
90 K units

Vans up to 3.5 t

* Source: ACEA; 27 European Union countries excluding Malta.

Record 1H Export Volume

Export breakdown (units)

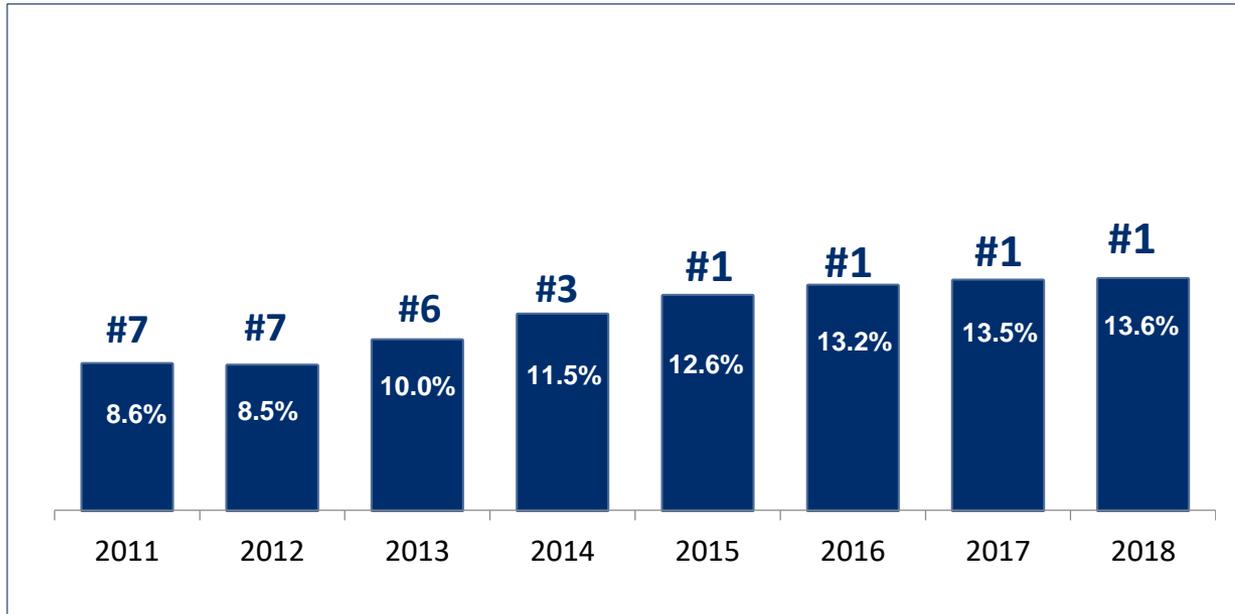


Change in Ford Otosan's unit exports to the relevant market

All export revenues are €-denominated including non-€ countries

Ford is Europe's Top-Selling CV Brand

Offering an unrivalled selection of vehicles that cater for every requirement



7.3%
Jan-Jun YoY growth
in Ford's CV sales

- ✓ Ford CV sales up more than 15% in June; **Ford's best-ever June for commercial vehicle sales** in its European 20 markets.
- ✓ The Ford Transit family set a **new June record** with sales of 30,900 vehicles.

Ford Otosan: Key Driver of Ford's Market Share

and Pillar of profitability for Ford of Europe



Courier



Connect



Custom



Transit

FORD OTOSAN produces

81%

of Transit Family vans
sold in Europe

Ford Motor Co. 2Q18 Results

2018 SECOND QUARTER FINANCIAL RESULTS*

| | Revenue (GAAP) | Net Income (GAAP) | Company Adj. EBIT (Non-GAAP) | EPS (GAAP) | Adjusted EPS (Non-GAAP) | Net Income Margin (GAAP) | Company Adj. EBIT Margin (Non-GAAP) | Cash Flows from Op. Activities (GAAP) | Company Adj. Op. Cash Flow (Non-GAAP) |
|--------------------|-------------------|----------------------|------------------------------------|---------------|-------------------------------|-----------------------------------|--|--|--|
| 2Q 2018 | \$38.9B | \$1.1B | \$1.7B | \$0.27 | \$0.27 | 2.7% | 4.3% | \$5.0B | \$(1.8)B |
| B/(W) 2Q 2017 | \$(1.0)B | \$(0.9)B | \$(1.1)B | \$(0.24) | \$(0.29) | (2.4) pts | (2.7) pts | \$(0.7)B | \$(3.1)B |

Ford Motor Co.

- Revenue, net income and EBIT were all down YoY due to factors related to N. American production disruption and ongoing challenges in the China market.
- Ford continues to be focused on redesigning business models by reallocating capital to opportunities with higher returns, restructuring and leveraging strategic partnerships.**
- Ford lowered the 2018 adjusted EPS guidance.
- The company is focused on China and taking urgent action to address underperformance. This includes improving cost competitiveness with aggressive fitness actions, localizing more product in China, as well as recruiting more local talent to key management positions. New products will also soon be entering the market, with 60 percent of the line-up being refreshed or new by the end of 2019.

Ford of Europe

- Ford is aggressively attacking costs, driving improved capital efficiencies across the business, while allocating capital to the segments and products that can generate appropriate returns.
- Ford remains the light commercial vehicle leader in the region.
- The company's future capital allocation plans will build on these strengths.
- 2018 will see an EBIT loss for the year.

1H18 Results

TL 15,472 million

Revenues, +33% YoY

Record 1H revenues and volumes driven by strong exports

TL 1,408 million

EBITDA, +49% YoY

- Driven by strong OpEx control & cost reduction actions
- Higher fx gains from operating activities

TL 12,099 million

Export Revenues, +39% YoY

- Record volumes; up 8%
- Currency impact

TL 940 million

Profit Before Tax, +49% YoY

Despite pressure from 156% rise in net financial expenses driven by 162% higher net fx loss

TL 3,374 million

Domestic Revenues, +13% YoY

- Despite 15% volume decline due to market contraction and rising prices
- Pricing discipline

TL 919 million

Net Income, +45% YoY

Main Financial Indicators

| Million TL | | 1H18 | 1H17 | YoY % | 2Q18 | 2Q17 | YoY % |
|------------------------------|--------|--------|--------|-------|-------|-------|-------|
| Total Revenues | Record | 15.472 | 11.653 | 33% | 8.190 | 6.258 | 31% |
| Export | Record | 12.099 | 8.676 | 39% | 6.370 | 4.413 | 44% |
| Domestic | Record | 3.374 | 2.977 | 13% | 1.820 | 1.844 | -1% |
| Gross Profit | Record | 1.679 | 1.172 | 43% | 921 | 620 | 49% |
| Operating Profit | Record | 1.139 | 708 | 61% | 625 | 378 | 65% |
| EBITDA | Record | 1.408 | 944 | 49% | 767 | 496 | 55% |
| Profit Before Tax | Record | 940 | 630 | 49% | 499 | 350 | 42% |
| Net Income | Record | 919 | 634 | 45% | 486 | 362 | 34% |
| Other Financial Data | | | | | | | |
| Depreciation & Amortization | | 270 | 236 | 14% | 142 | 118 | 20% |
| Financial Income / (Expense) | | -196 | -77 | 156% | -125 | -26 | 380% |

| | 1H18/1H17 | | 2Q18/2Q17 | |
|-----------------|-----------|---------|-----------|---------|
| | Volume | Revenue | Volume | Revenue |
| Total | 3% | 33% | -3% | 31% |
| Export | 8% | 39% | 7% | 44% |
| Domestic | -15% | 13% | -28% | -1% |

Domestic revenue growth

Pricing discipline
Growing heavy truck volumes

Export revenue growth

Record volumes
Currency impact

Sales Volume by Model

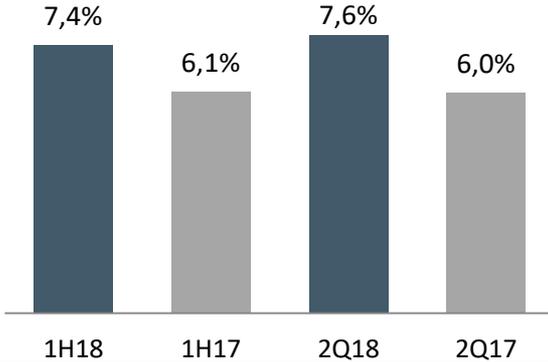
| | 1H18 | 1H17 | YoY% | 2Q18 | 2Q17 | YoY% |
|------------------------|----------------|----------------|-------------|----------------|----------------|--------------|
| Total Domestic | 41.196 | 48.659 | -15% | 22.034 | 30.465 | -28% |
| PC | 11.565 | 15.185 | -24% | 6.261 | 10.624 | -41% |
| LCV | 13.901 | 16.568 | -16% | 7.127 | 10.345 | -31% |
| Transit Courier | 13.389 | 15.777 | -15% | 6.848 | 9.981 | -31% |
| Transit Connect | 512 | 791 | -35% | 279 | 364 | -23% |
| MCV | 13.359 | 14.915 | -10% | 7.537 | 8.284 | -9% |
| Transit | 9.484 | 11.234 | -16% | 5.015 | 6.331 | -21% |
| Transit Custom | 3.204 | 2.779 | 15% | 2.050 | 1.577 | 30% |
| Ranger | 671 | 902 | -26% | 472 | 376 | 26% |
| Truck | 2.371 | 1.991 | 19% | 1.109 | 1.212 | -8% |
| Total Export | 165.166 | 152.388 | 8% | 82.098 | 76.589 | 7% |
| Transit Custom | 84.097 | 79.249 | 6% | 43.794 | 39.587 | 11% |
| Transit | 61.176 | 53.926 | 13% | 31.130 | 27.539 | 13% |
| Transit Courier | 18.999 | 18.431 | 3% | 6.709 | 9.089 | -26% |
| Cargo | 776 | 378 | 105% | 407 | 214 | 90% |
| Other | 118 | 404 | -71% | 58 | 160 | -64% |
| Total Wholesale | 206.362 | 201.047 | 2,6% | 104.132 | 107.054 | -2,7% |

Record

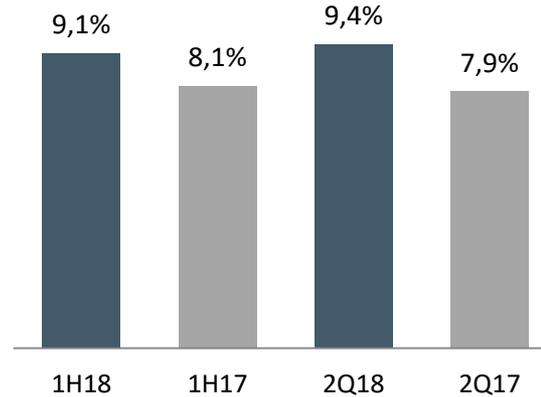
Record

Solid Profitability

Operating Margin



EBITDA Margin



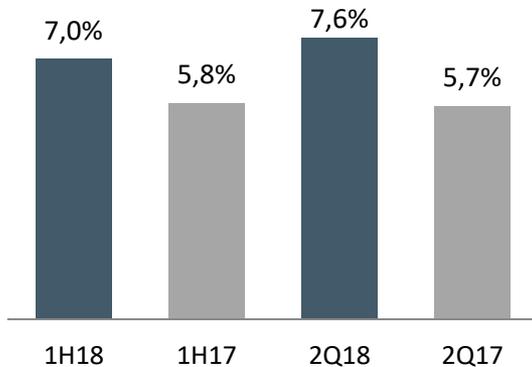
Drivers:

- + High CUR: 90% with rising export demand and production
- + Positive impact of TL depreciation on gross profit resulting from export operations
- + Pricing focus to offset the cost impact
- + Cost reduction actions and strong OpEx control
- + Lower share of imports in domestic sales (31% vs 35% YoY)
- + 295% rise in net fx gains from export business

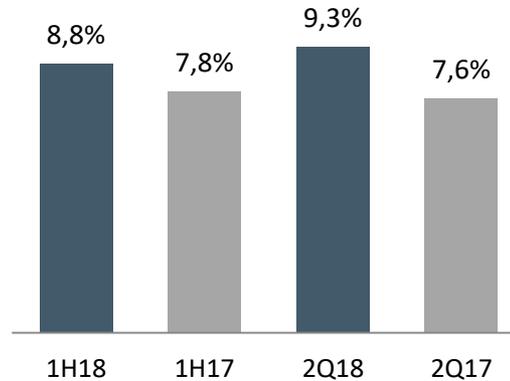
Challenges:

- Considerable cost pressure (resulting from weaker €/TL (+26% YoY), high inflation and commodity prices)
- Contracting domestic volumes.

Operating Margin (excl. Other items)



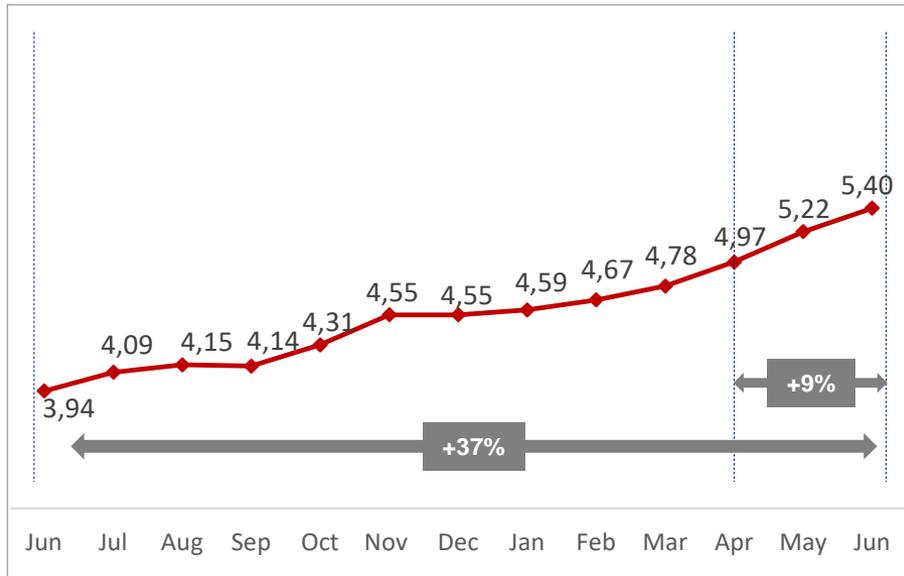
EBITDA Margin (excl. Other items)



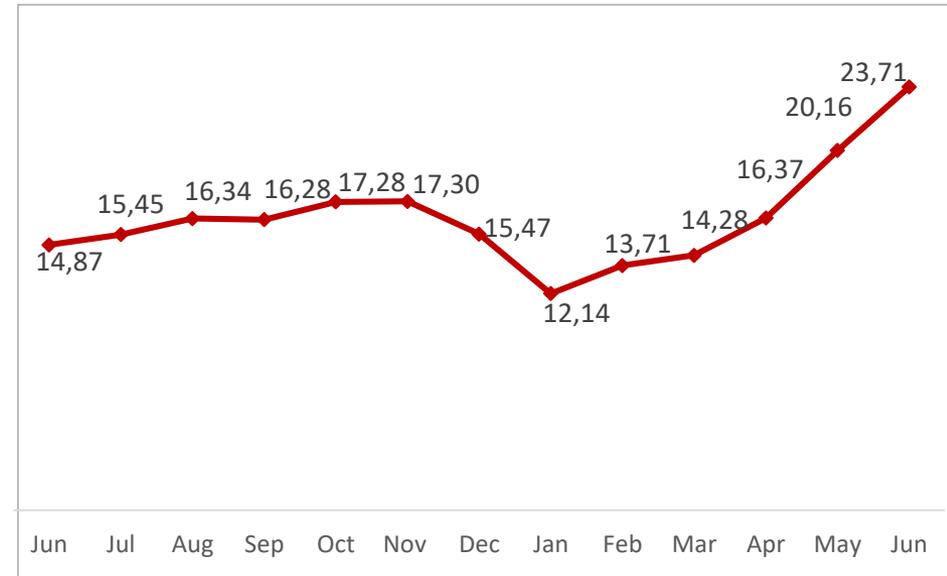
Ongoing Cost Pressure

| YoY change | 1H18/1H17 | 2Q18/2Q17 |
|--------------------|-----------|-----------|
| Production Volume | 7% | 2% |
| Raw Material Costs | 38% | 36% |

EUR/TL Rate



PPI Inflation, % (12-month rolling)



Debt Profile & Financial Ratios

| Cash Position (TL mn) | 30.06.2018 | 30.06.2017 |
|--|-------------------|-------------------|
| Cash & Cash Equivalents | 1,287 | 1,737 |
| Total Financial Debt | (4,040) | (3,576) |
| Net Financial Debt | (2,753) | (1,839) |
| Financial Ratios | 30.06.2018 | 31.12.2017 |
| Current ratio | 1.08 | 1.13 |
| Liquidity ratio | 0.67 | 0.87 |
| Net Financial Debt / Tangible Net Worth | 0.96 | 0.60 |
| Current Assets / Total Assets | 0.57 | 0.57 |
| Current Liabilities / Total Liabilities | 0.75 | 0.73 |
| Total Liabilities / Total Liabilities and Equity | 0.71 | 0.69 |
| Net Debt / EBITDA | 1.02 | 0.90 |
| Return on Equity | 51.0% | 40.3% |
| Margins | 30.06.2018 | 30.06.2017 |
| Gross Margin | 10.8% | 10.1% |
| EBITDA Margin | 9.1% | 8.1% |
| EBITDA Margin (excl.other items) | 8.8% | 7.8% |
| Operating Margin | 7.4% | 6.1% |
| Net Margin | 5.9% | 5.4% |

| | 2017A | 2018F |
|---------------------------------|----------|---------------|
| Turkish Industry Volume | 977 K | 780 K – 830 K |
| Ford Otosan Retail Sales Volume | 116 K | 85 K – 95 K |
| Exports | 297 K | 320 K – 330 K |
| Wholesale Volume | 413 K | 410 K – 430 K |
| Production Volume | 373 K | 385 K – 395 K |
| Capex (fixed assets) | € 175 mn | €190 – 210 mn |

Guidance updated in August 2018. Next update due with 3Q18 financials.

