

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**

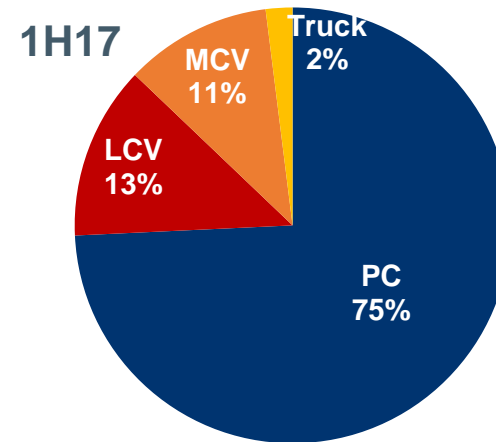
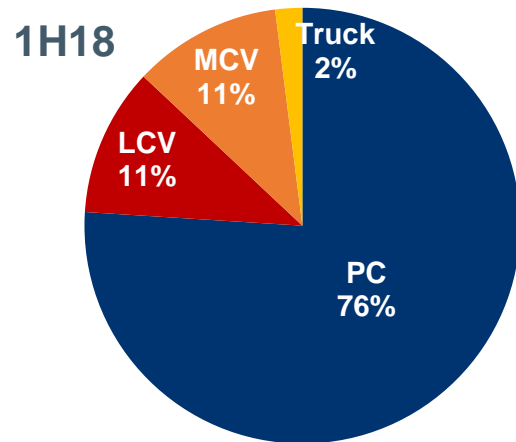
Segments	Industry	Ford Otosan	% Share	Ranking
Commercial Vehicles	85.534	26.430	30,9%	1
Light Commercial	38.709	10.991	28,4%	2
Medium Commercial	38.769	13.078	33,7%	1
Truck	8.056	2.361	29,3%	2
Passenger Cars	275.870	14.512	5,3%	6
Total	362.406	40.942	11,3%	2

Ford's 4th
highest in
Europe

Ford's 4th
largest in
Europe

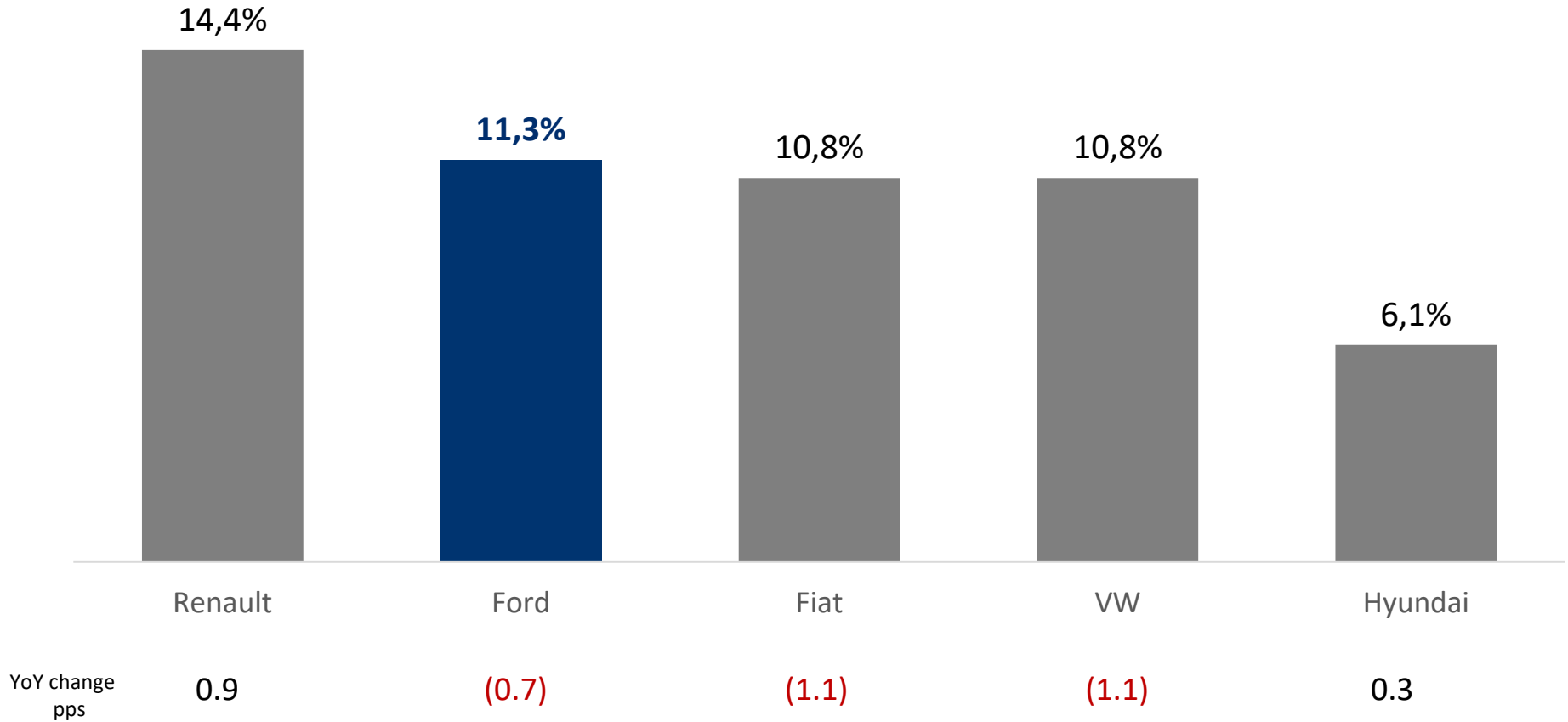
PC Industry Share Rose Slightly

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

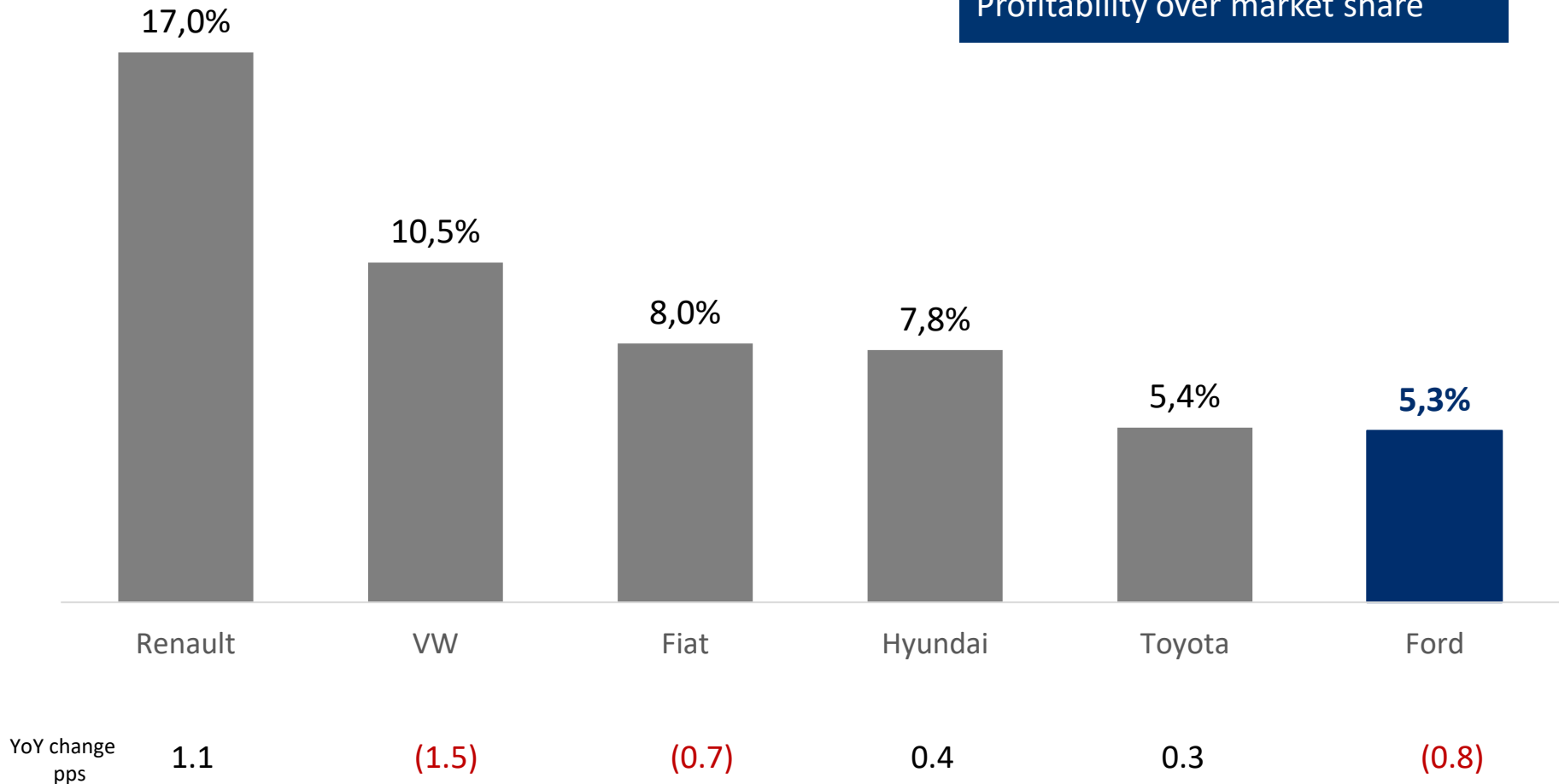
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PC Market Shares, 1H18

7

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

33,5%

29,3%

11,8%

11,5%

4,8%

Mercedes

Ford

MAN

Scania

Renault

YoY change
pps

(10.8)

0.0

4.0

2.8

2.0

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

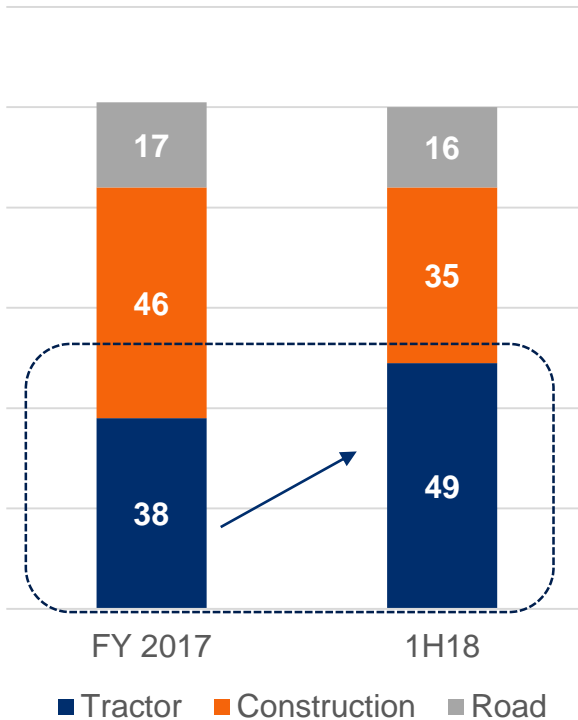
IP Rights owned 100% by Ford Otosan



- 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

15

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

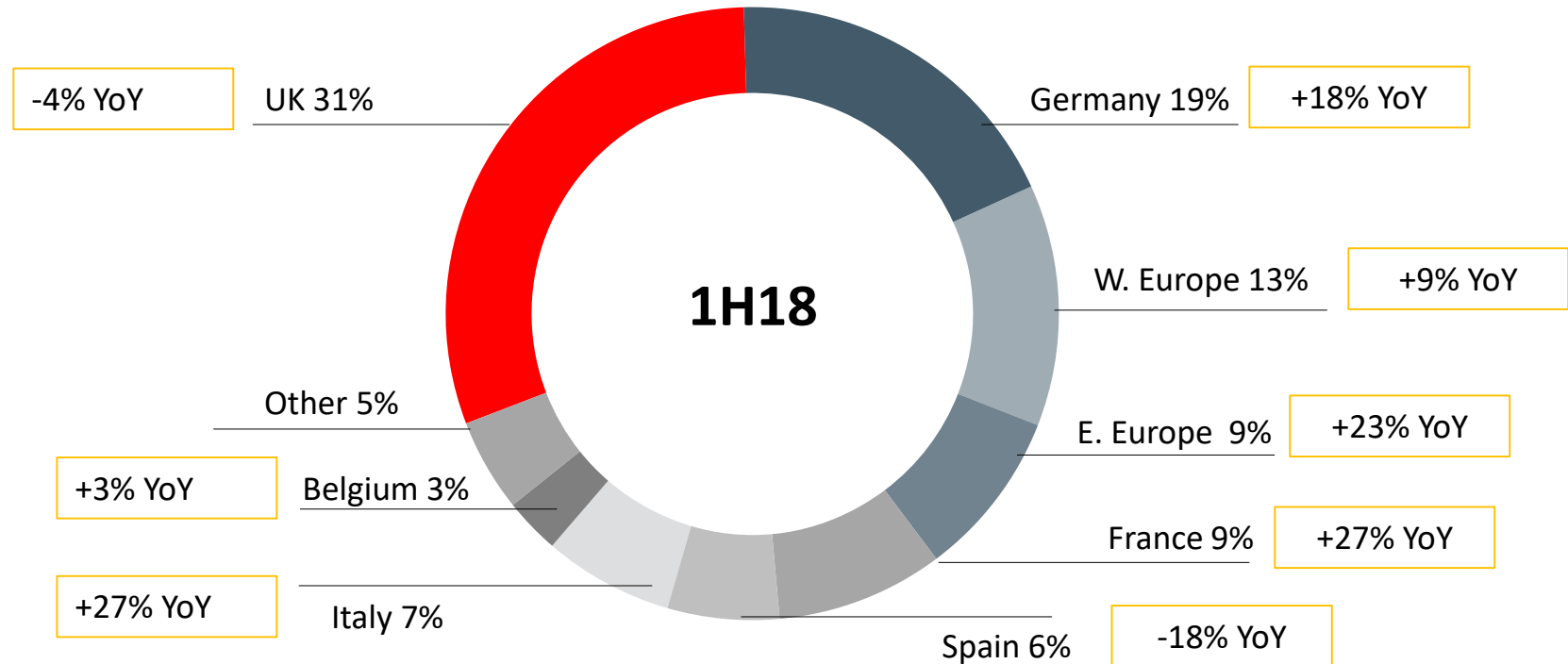
+0.1%
90 K units

Vans up to 3.5 t

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

Record 1H Export Volume

Export breakdown (units)

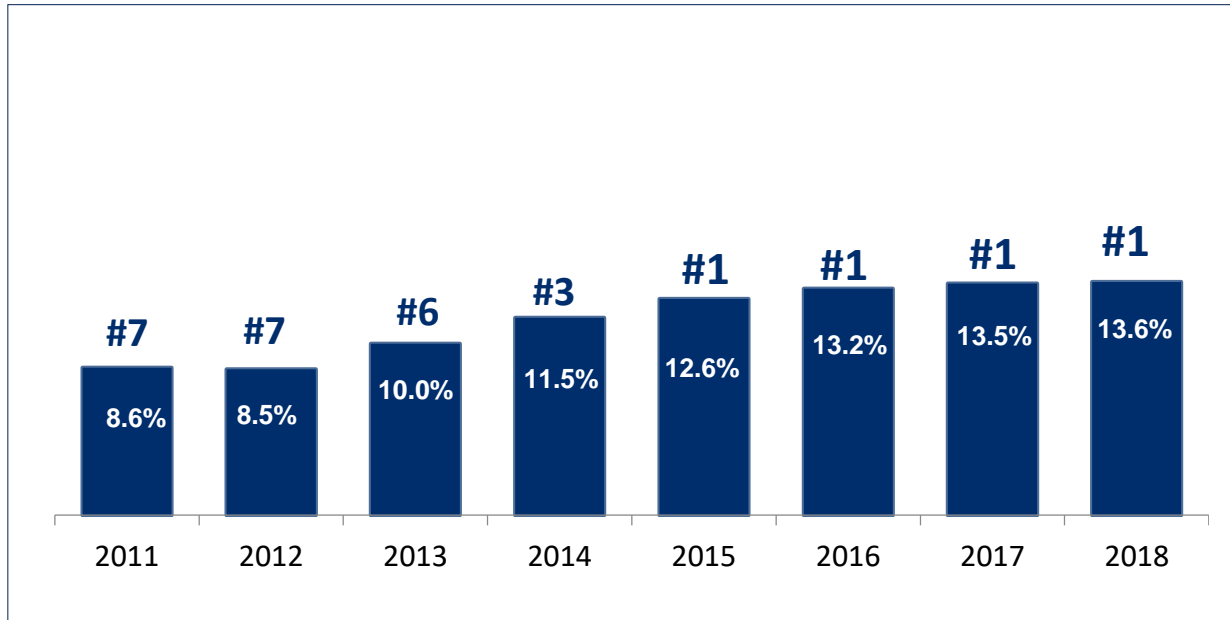


Change in Ford Otosan's unit exports to the relevant market

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%

Volume & Revenue Analysis

	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

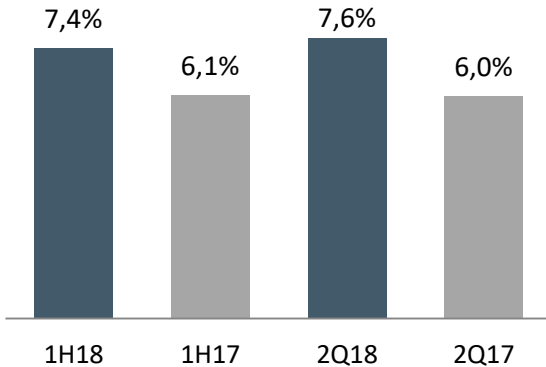
	1H18	1H17	YoY%	2Q18	2Q17	YoY%
Total Domestic	41.196	48.659	-15%	22.034	30.465	-28%
PC	11.565	15.185	-24%	6.261	10.624	-41%
LCV	13.901	16.568	-16%	7.127	10.345	-31%
Transit Courier	13.389	15.777	-15%	6.848	9.981	-31%
Transit Connect	512	791	-35%	279	364	-23%
MCV	13.359	14.915	-10%	7.537	8.284	-9%
Transit	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

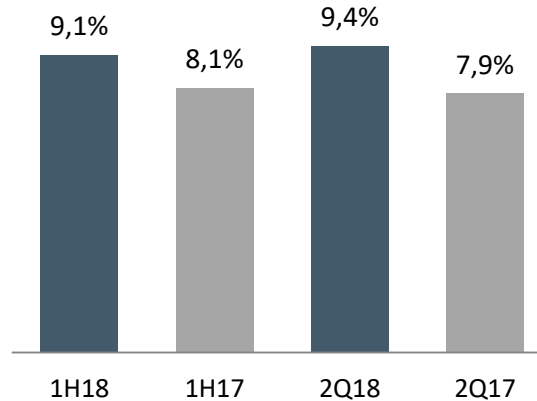
Record

Solid Profitability

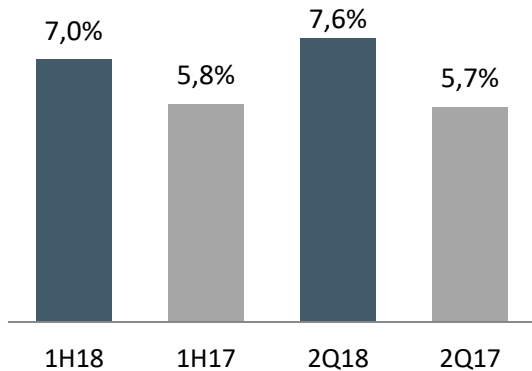
Operating Margin



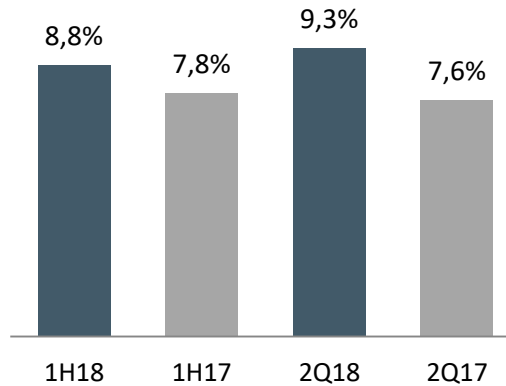
EBITDA Margin



Operating Margin (excl. Other items)



EBITDA Margin (excl. Other items)



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

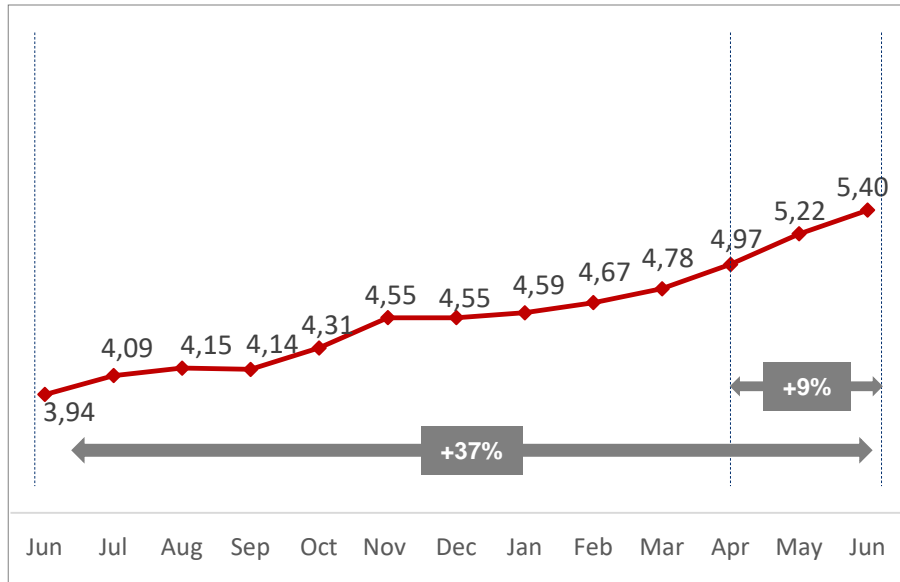
Challenges:

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

Ongoing Cost Pressure

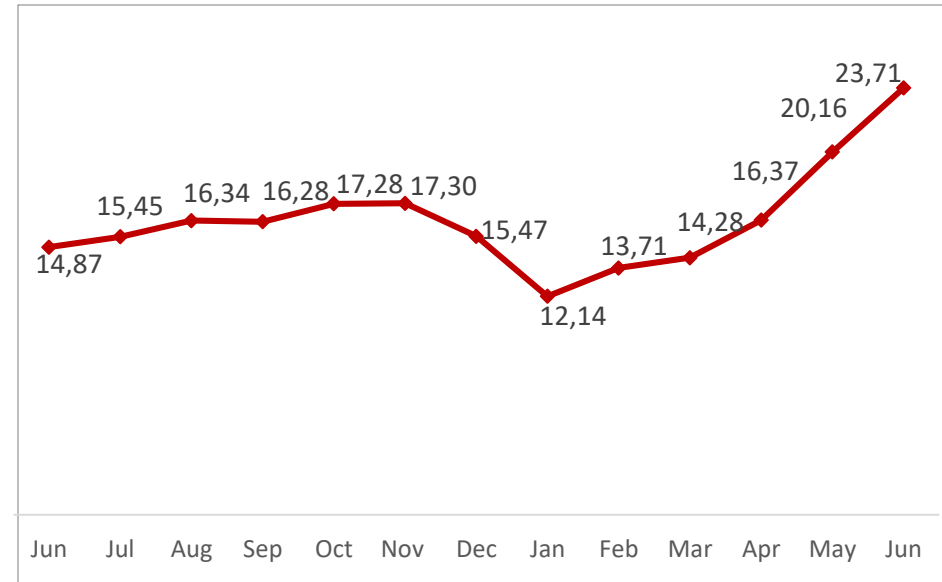
YoY change	1H18/1H17	2Q18/2Q17
Production Volume	7%	2%
Raw Material Costs	38%	36%

EUR/TL Rate



Source: CBT

PPI Inflation, % (12-month rolling)



Source: CBT

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.

