



## 1Q21 Financial Results Meeting

3 May 2021



# Agenda

---

- **1Q21 Evaluation**
- **Domestic Market Performance**
- **Export Performance**
- **Since We Last Met**
- **Financial Results**
- **Q & A**

# 1Q21 Evaluation

# 1Q21 Highlights

Rank #1 in CV segment with 34.8% market share

**LCV: 32.3%**

**MCV: 40.3%**

**Truck: 30.5%**

Strong Capacity Utilization

**Total 91%**

**Gölcük 105%**

**Eskişehir 80%**

15.9% Ford CV market share in Europe

**+0.9 pps YoY**

**+1.3 pps YTD**

Strong Profitability

**EBITDA p.v. €1,908**

**PBT p.v. €1,914**

TL2.3 billion dividend payment

**USD 4.4 billion dividends paid since 2004**

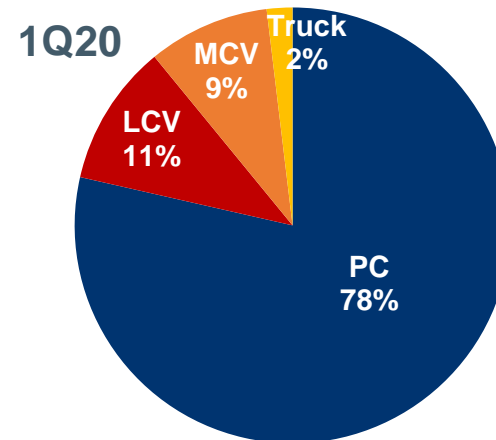
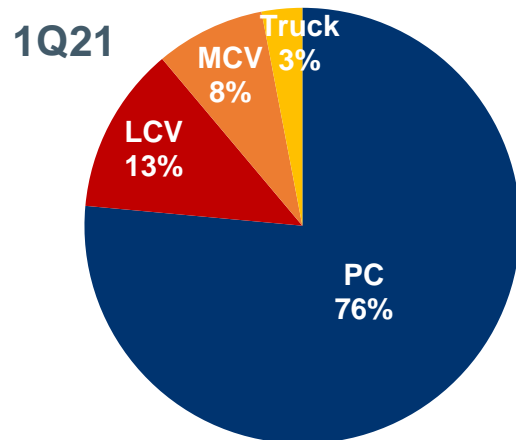
Resilient foreign share in free float

**73% as of 1Q**

# Domestic Market Performance

# CV Industry Share Rose YoY

Segments	1Q21	1Q20	Δ
Passenger Cars	156.464	99.630	57%
Light Commercial	25.499	13.390	90%
Medium Commercial	16.697	11.383	47%
Truck	6.100	2.437	150%
<b>Total*</b>	<b>205.176</b>	<b>127.137</b>	<b>61%</b>



\* Total industry volumes include PC, LCV, MCV, HCV and Truck sales.

# Domestic Market Performance - I

Total Industry					
Rank	Brand	1Q21 Sales	1Q20 Sales	Market Share %	YoY Δ in Market Share
1	Fiat	28.460	15.977	13,9	1,3
2	Ford	21.773	13.625	10,6	-0,1
3	VW	21.259	14.887	10,4	-1,3
4	Renault	20.111	16.275	9,8	-3,0
5	Toyota	17.631	8.017	8,6	2,3

Passenger Cars					
Rank	Brand	1Q21 Sales	1Q20 Sales	Market Share %	YoY Δ in Market Share
1	Fiat	19.323	10.671	12,3	1,6
2	Renault	18.630	15.759	11,9	-3,9
3	VW	17.808	11.925	11,4	-0,6
4	Toyota	16.336	7.888	10,4	2,5
5	Skoda	9.842	3.757	6,3	2,5
13	Ford	4.953	3.791	3,2	-0,6

PC strategy: Profitability over market share



# Domestic Market Performance - II

Rank	Brand	1Q21 Sales	1Q20 Sales	Market Share %	YoY Δ in Market Share
<b>LCV</b>					
1	Ford	8.236	4.037	32,3	2,1
2	Fiat	8.113	4.435	31,8	-1,3
3	Dacia	2.190	1.097	8,6	0,4
4	Peugeot	2.074	1.242	8,1	-1,1
5	VW	1.669	1.226	6,5	-2,6
<b>MCV</b>					
1	Ford	6.726	5.164	40,3	-5,1
2	VW	1.782	1.736	10,7	-4,6
3	Toyota	1.295	129	7,8	6,6
4	Mercedes	1.206	1.071	7,2	-2,2
5	Mitsubishi	1.171	405	7,0	3,5
<b>Truck</b>					
1	Mercedes	1.960	1.077	32,1	-12,1
2	Ford	1.858	633	30,5	4,5
3	Scania	627	159	10,3	3,8
4	MAN	609	213	10,0	1,2
5	Renault	392	140	6,4	0,7

CV Strategy: Profitable growth

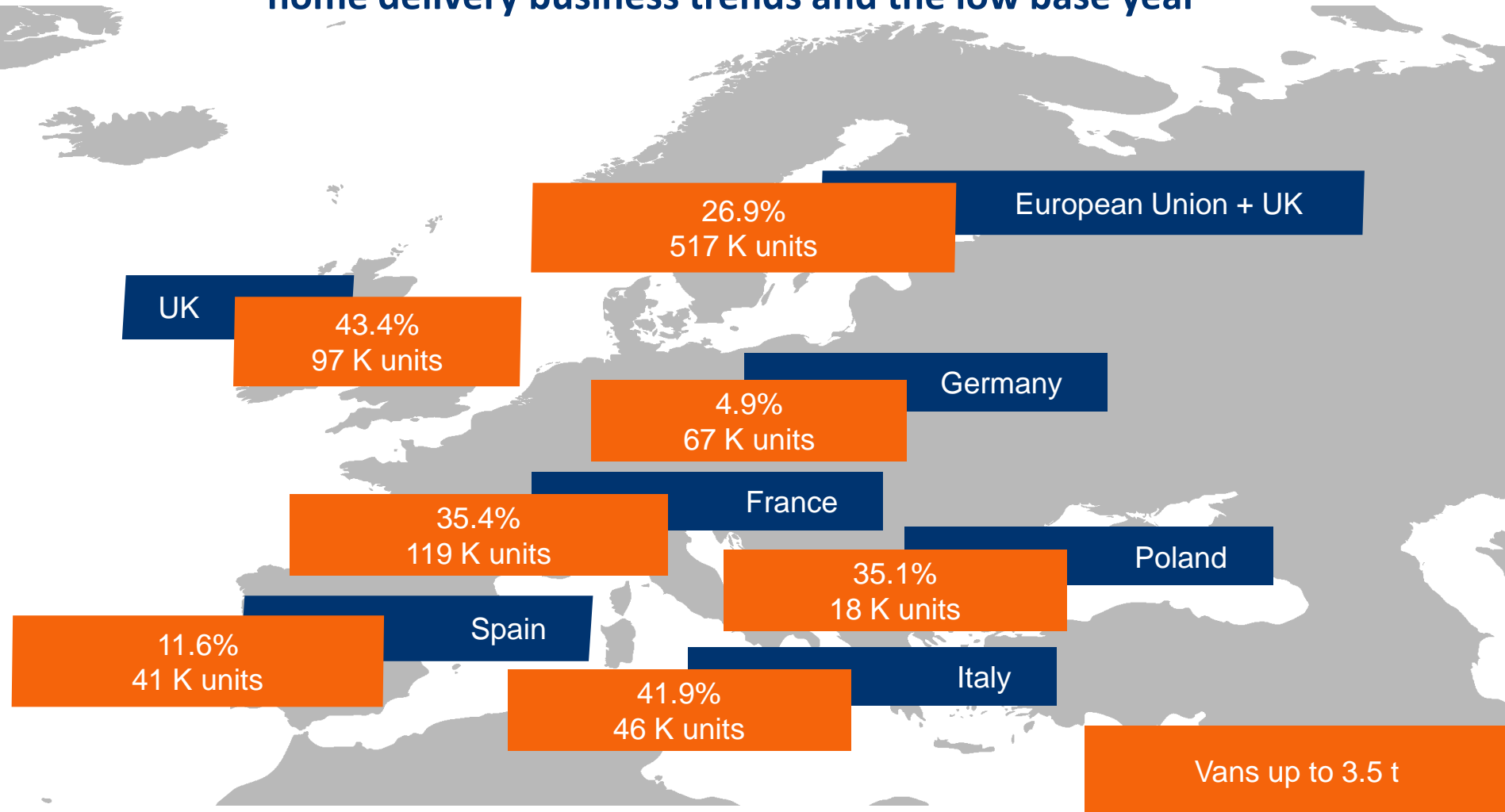




# Export Performance

# EU Van Registrations Surged by 27% in 1Q21

Commercial Vehicles remained resilient due to home delivery business trends and the low base year



Source: ACEA; 26 European markets + UK

# Strong Recovery in European Vans

Van registrations grew 27% vs 1% growth in PCs

Vans up to 3.5 tons: Ford Otosan's export segment

% Change	Jan		Feb		Mar		Apr		May		Jun		Jul		Aug		Sep		Oct		Nov		Dec		YTD	
Year	'21	'20	'21	'20	'21	'20	'21	'20	'21	'20	'21	'20	'21	'20	'21	'20	'21	'20	'21	'20	'21	'20	'21	'20	'21	'20
UK	2	6	22	-2	86	-54		-86		-74		-25		7		-16		26		13		9		-1	43	-34
Germany	-19	-3	-2	-4	36	-25		-47		-46		-18		-7		-22		20		14		6		3	5	-12
Italy	-9	-2	11	-6	269	-71		-90		-35		-5		15		4		19		9		10		-10	42	-29
Spain	-31	-20	-18	-6	169	-67		-91		-59		-20		3		-24		7		-4		-8		2	12	-34
France	7	-9	-5	3	183	-65		-84		-33		8		2		-2		17		-4		-4		-2	35	-27
Poland	5	-18	24	-11	78	-33		-56		-43		-14		2		-21		22		-7		10		5	35	-21
Total	-6	-8	3	-4	102	-51		-72		-46		-13		-1		-18		18		3		1		-5	27	-25
Total YTD	-6	-8	-2	-6	27	-25		-37		-39		-34		-30		-28		-24		-21		-19		-18		

% Change	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
UK	-15	-36	20	17	-8	13	19	16	1	-4	-1	2	-20
Germany	1	-24	16	19	-6	-3	7	4	9	5	5	7	-12
Italy	-9	-22	6	-6	-32	-13	16	12	50	-3	-6	3	-15
Spain	-40	-36	9	-10	-26	11	33	36	11	16	8	0	-27
France	-0	-19	12	3	-11	-4	2	2	8	7	5	5	-16
Poland	9	-29	-3	10	-10	7	8	17	12	2	13	2	-15
<b>Total</b>	<b>-10</b>	<b>-31</b>	<b>9</b>	<b>7</b>	<b>-13</b>	<b>-0</b>	<b>11</b>	<b>12</b>	<b>12</b>	<b>4</b>	<b>3</b>	<b>3</b>	<b>-18</b>
<b>Total Units (k)</b>	<b>1.976</b>	<b>1.376</b>	<b>1.489</b>	<b>1.589</b>	<b>1.377</b>	<b>1.375</b>	<b>1.535</b>	<b>1.714</b>	<b>1.920</b>	<b>1.996</b>	<b>2.059</b>	<b>2.116</b>	<b>1.732</b>

Registrations (Units):

Mar '21 YTD: 517 K

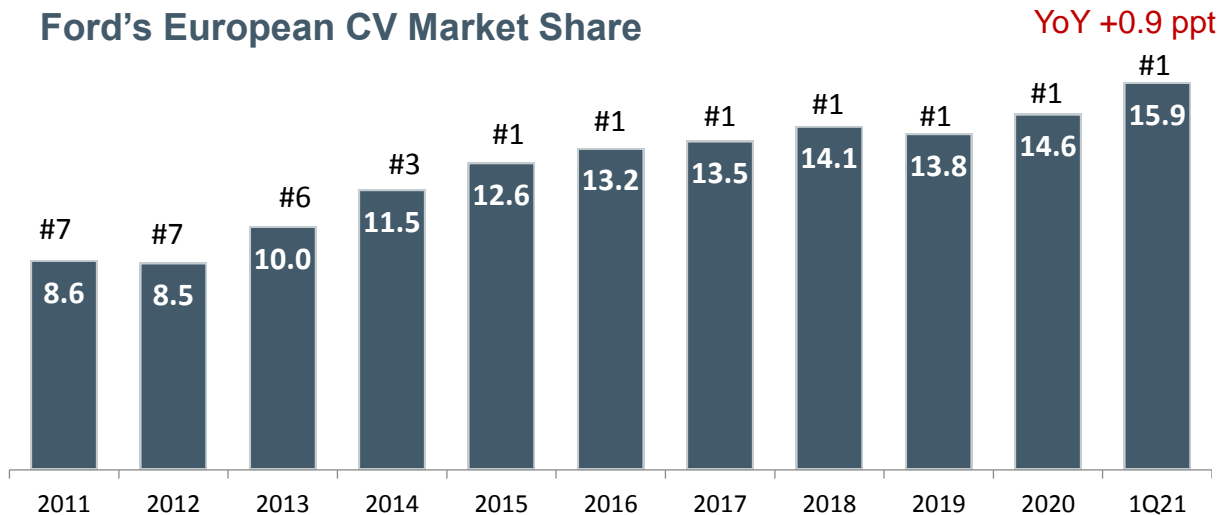
Mar '20 YTD: 407 K

\* 26 European markets + UK

# Ford Remains Europe's Top-Selling CV Brand

Home delivery trend fosters Ford's success in CV segment and leads to new records.

Ford's European CV Market Share



Ford continued to be **No.1 CV brand across Europe** with 15.9% market share in Q1, **up 0.9 pps YoY and 1.3 pps YtD.**

Ford's **CV sales grew 33% YoY.**  
**Transit Custom was the best-selling Ford vehicle across Europe.**

Source: Ford of Europe 1Q21 Sales Release, reporting sales for its 20 European traditional markets.  
In line with the Ford global standard, the sales reports are published quarterly.

# Ford Otosan: Key Driver of Ford's Market Share

## and Pillar of profitability for Ford of Europe



**Courier**



**Connect**  
(Produced in Spain)



**Custom**



**Transit**

**FORD OTOSAN** produces

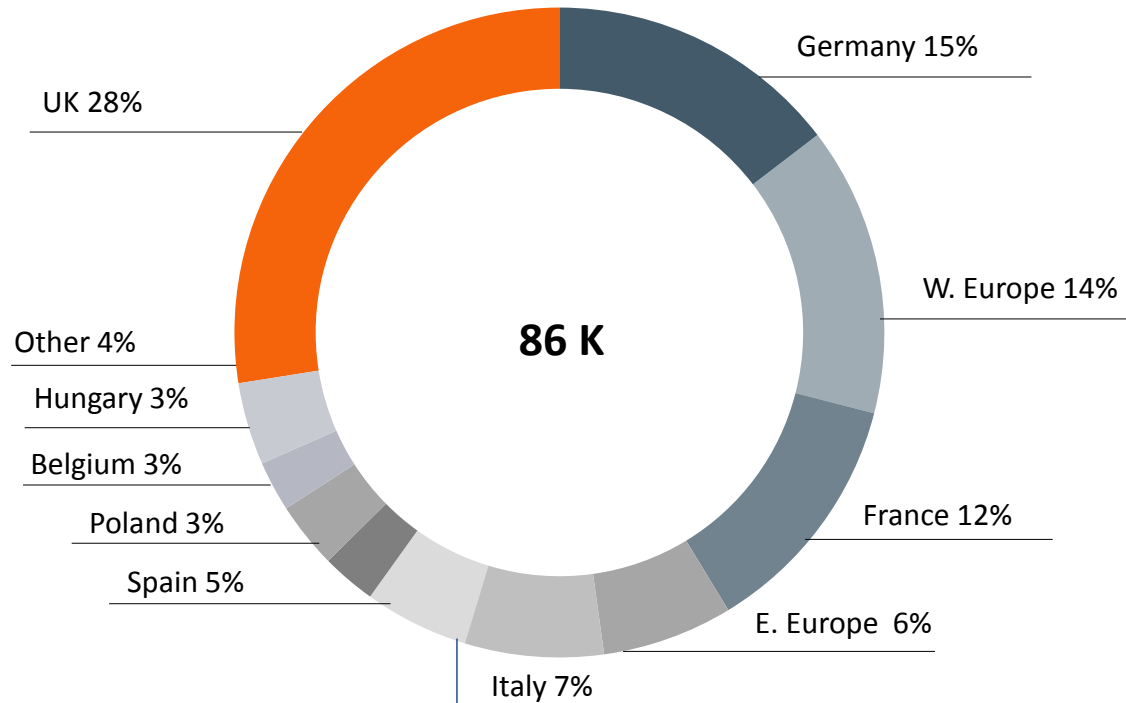
**86%**

of Transit Family vans  
sold in Europe



# Turkey's Export Champion

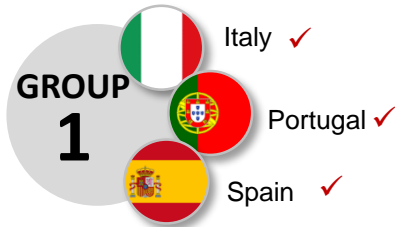
Export breakdown (1Q21, units)



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

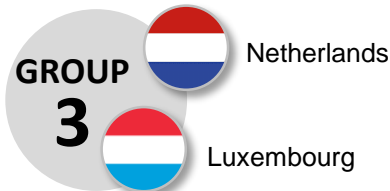
2019

Group 1



2021 – 2022

Group 2&3



2023 – 2024

Group 4&5



Western Europe is the Key Priority and Success Factor for International Expansion

## 119% growth in Ford Trucks' International Sales

HCV up to 16 tons: Ford Trucks' main export markets

YoY Δ	2018	2019	2020	Jan' 21	Feb' 21	Mar' 21	YTD
Poland	9	-6	-29	10	51	127	63
Italy	5	-10	-11	8	15	75	28
Spain	-4	3	-23	-9	10	96	21
Czech Republic	-1	2	-30	-14	13	59	19
Lithuania	19	-11	-36	59	60	-23	23
Romania	19	-6	-41	-7	19	75	25
Hungary	8	-15	-38	31	-3	86	31
Portugal	-5	-7	-11	-18	34	85	23
Bulgaria	34	-9	-36	-12	8	85	13
Slovakia	0	-20	-44	-9	41	86	32
Russia	2	-1	-7	-17	11	46	12

Source: ACEA and NAPI .

International Sales Units	1Q19	1Q20	1Q21
Ford Trucks	509	365	866



# Since We Last Met

# Ford Goes All-In on Electric Vehicles

Ford committed to invest at least \$22 billion in electrification through 2025, nearly twice what the company had previously committed to EVs, and in AVs to \$7 billion.

## TURNAROUND AUTO

## MODERNIZE EVERYWHERE

## DISRUPT OURSELVES



**FULL RANGE**  
zero emission capable  
by 2024

**2/3 OF SALES**  
expected to be all-electric  
or plug-in hybrid  
by 2030



**FULL RANGE**  
all-electric or plug-in hybrid  
by mid-2026

**100% OF SALES**  
expected to be all-electric  
by 2030

Europe-leading Ford commercial vehicle business key to future growth and profitability, supported by new products and services and Ford's strategic alliance with Volkswagen and its Ford Otosan joint venture

2019

2020

2024

2026

2030

<https://media.ford.com/content/fordmedia/feu/en/news/2021/02/17/ford-europe-goes-all-in-on-evs-on-road-to-sustainable-profitabil.html>



# Ford Otosan Plays a Key Role in Electrification

Spring 2022

**E-TRANSIT**



1H 2023

Next - Generation Custom Family with  
Plug-in Hybrid and All-Electric Variants

# Next - Generation 1-Ton CV Will Be Built by Ford Otosan



**VOLKSWAGEN**  
AKTIENGESELLSCHAFT

- Diesel, plug-in hybrid and all-electric variants of Ford's 1-ton CV, "Next - Generation Custom Family" will be manufactured starting gradually in 1H23.
- Next generation VW 1-ton CV vehicle will also be built in Kocaeli as part of the Ford-VW Alliance.
- EUR 1,390 million investment over the course of the next 5 years.
- 1-ton CV production capacity will grow to 405,000 units, replacing the current 180,000 units capacity for the similar product.
- 11-year planned life cycle.
- Cost-plus pricing methodology.

<https://www.kap.org.tr/en/Bildirim/918432>

- Suspension due to problems in the supply of in-vehicle electronic components, compounded with the additional supply issues in semiconductors caused by the earthquake and fire in Japan.
  1. Production was suspended in our Kocaeli Plants for six days from April 3 to April 9.
  2. Our annual planned summer shutdown was brought forward and production suspended in our Gölcük plant from April 19 to June 13.
  3. Production will continue in our Yeniköy and Eskişehir plants.
- Maintenance works and rearranging production lines in preparation for new investments will continue.
- The effects of production loss caused by the suspension of production is reduced by the increase in production pace in the following months. Total production guidance for 2021 is expected to remain within the guidance range previously announced.

<https://www.kap.org.tr/en/BildirimPdf/928207>

<https://www.kap.org.tr/en/BildirimPdf/921303>

# 1Q21 Results

# Highlights

**TL 16,254 million**

**Revenues, +74% YoY**

- Total volumes +31%
- Export volumes +29%
- Domestic volumes +41%

**TL 12,537 million**

**Export Revenues, +67% YoY**

- 29% volume growth
- Exchange impact
- Sales mix

**TL 3,718 million**

**Domestic Revenues, +100% YoY**

- 41% volume growth
- Sales mix
- Ongoing pricing discipline

**TL 1,973 million**

**EBITDA, +95% YoY**

- Strong export performance driving high CUR
- Robust domestic volumes
- Pricing discipline
- Ongoing cost reduction measures and OpEx control
- Exchange impact (average EUR/TRY up 32% in 1Q21 YoY)

**TL 1,812 million**

**EBITDA excl. Currency impact, +102% YoY**

**TL 1,817 million**

**PBT, +197% YoY**

- Strong cash position and rising interest rates driving 839% YoY growth in Net Interest Income
- 30% YoY decline in Net FX Loss

**TL 1,819 million**

**Net Income, +189% YoY**

- Higher than PBT due to Tax Income Resulting from Deferred Tax Asset in 1Q21.



# Volume & Revenue Analysis (1Q21/1Q20)

	Volume	Revenue
Total	31%	74%
Robust domestic volumes, strong export performance and pricing discipline		
Export	29%	67%
Volume growth, exchange impact and sales mix		
Domestic	41%	100%
Volume growth, sales mix and ongoing pricing discipline		

# Sales Volume by Model

	1Q21	1Q20	YoY%
<b>Total Domestic</b>	<b>21.170</b>	<b>14.968</b>	<b>41%</b>
<b>PC</b>	<b>3.923</b>	<b>3.538</b>	<b>11%</b>
<b>LCV</b>	<b>8.152</b>	<b>4.918</b>	<b>66%</b>
Transit Courier	8.763	4.774	84%
Transit Connect	181	144	26%
<b>MCV</b>	<b>6.456</b>	<b>5.903</b>	<b>9%</b>
Transit	5.406	4.650	16%
Transit Custom	952	1.158	-18%
Ranger	98	95	3%
<b>Truck</b>	<b>1.847</b>	<b>609</b>	<b>203%</b>
<b>Total Export</b>	<b>85.519</b>	<b>66.540</b>	<b>29%</b>
Transit Custom	50.416	37.456	35%
Transit	28.564	21.515	33%
Transit Courier	5.661	7.175	-21%
Truck	860	393	119%
Other	18	1	
<b>Total Wholesale</b>	<b>106.689</b>	<b>81.508</b>	<b>31%</b>

# Main Financial Indicators

Million TL	1Q21	1Q20	YoY %
Total Revenues	16.254	9.367	74%
Export	12.537	7.504	67%
Domestic	3.718	1.862	100%
Gross Profit	2.068	1.072	93%
Operating Profit	1.721	794	117%
EBITDA	1.973	1.012	95%
EBITDA excluding other income/expense	1.812	896	102%
Profit Before Tax	1.817	612	197%
Net Income	1.819	629	189%
<b>Other Financial Data</b>			
Depreciation & Amortization*	252	219	15%
Financial Income / (Expense)	94	-183	N/M

\*1Q21 numbers include TL 8 million (1Q20: TL 11 million) impact from IFRS16 due to classification from manufacturing overhead and operating expenses to depreciation and amortization. Please refer to footnotes 2,10,11,32 of the financial statements for further details.

# Summary Balance Sheet & Cash Flow Statement

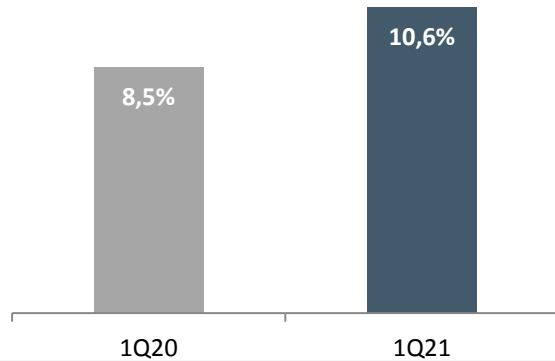
Balance Sheet, Million TL	31.3.2021	31.12.2020	YoY Δ
Current Assets*	19.459	17.605	11%
Current Liabilities	15.049	12.481	21%
Property, Plant and Equipment - Net	4.375	4.403	-1%
Total Assets	26.446	24.349	9%
Total Liabilities	20.398	17.305	18%
Shareholders' Equity*	6.048	7.044	-14%

\* Due to doubtful receivable provision regarding past periods, the 2021 Beginning Balances of Trade Receivables and Shareholders' Equity have been restated as detailed in Note 2.5 of the Financial Statements.

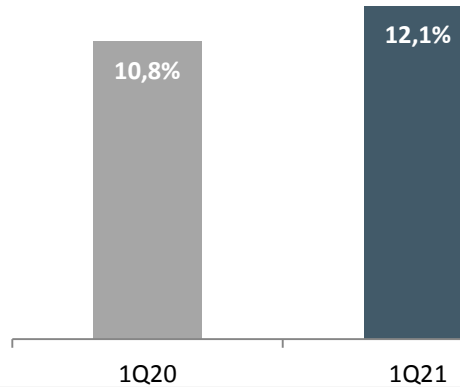
Cash Flow Statement, Million TL	31.3.2021	31.3.2020	YoY Δ
Beginning Balance of Cash & Equivalents	8.074	3.200	152%
Net Cash from Operating Activities	1.338	702	91%
Net Cash Used in Investing Activities	-327	-153	114%
Net Cash Used in Financing Activities	107	-78	-239%
End of Period Balance of Cash&Equivalents	9.192	3.672	150%

# Margins

Operating Margin



EBITDA Margin



Growing EBITDA and PBT per Vehicle

EUR	EBITDA	PBT
1Q21	1,908	1,914
1Q20	1,633	1,115
1Q19	1,285	784

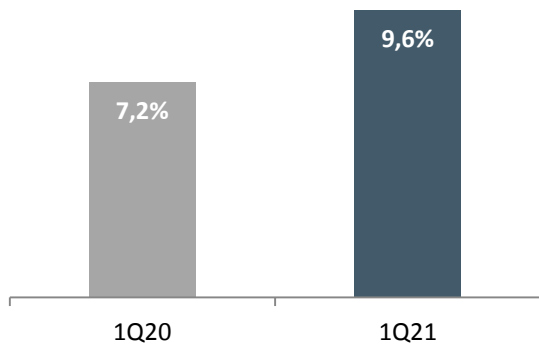
**Drivers:**

- + Robust domestic volumes
- + Pricing discipline
- + Ongoing cost reduction measures and OpEx control
- + Strong export performance driving high CUR
- + Exchange impact (average EUR/TRY up 32% in 1Q21 YoY).

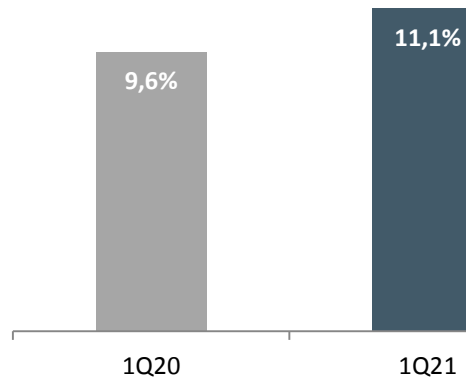
**Challenges:**

- TL volatility
- Increasing costs

Operating Margin (excl. Other items)

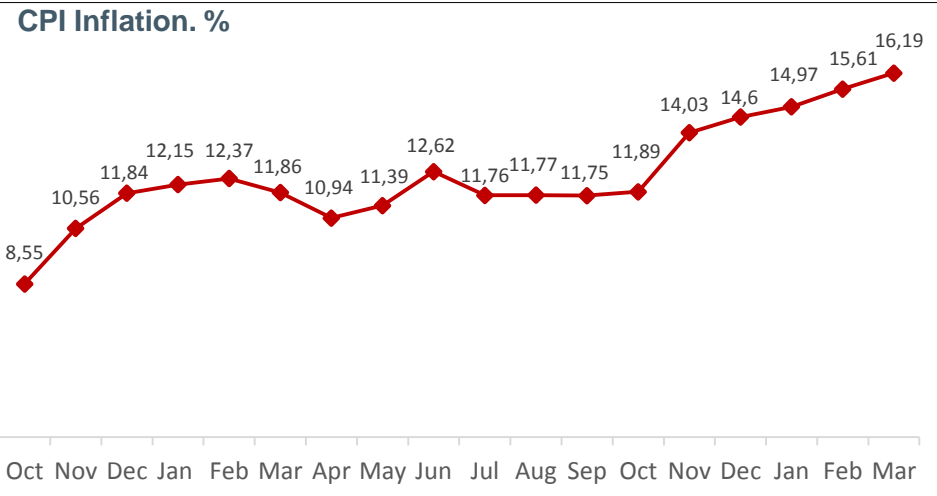


EBITDA Margin (excl. Other items)

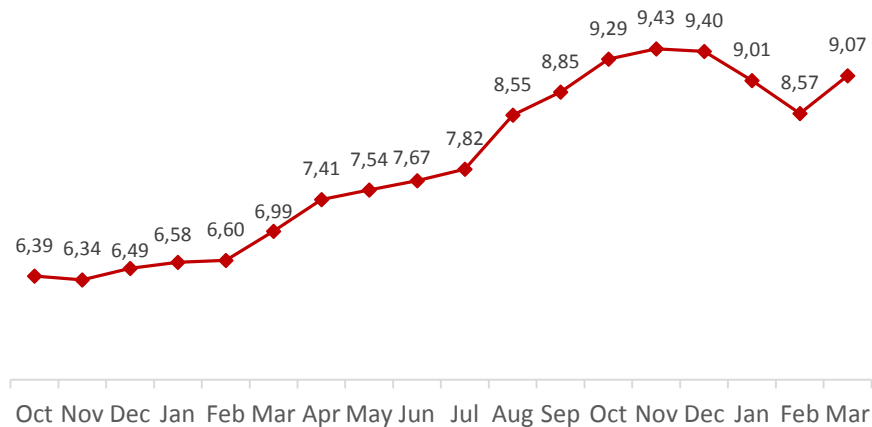


# Cost Dynamics

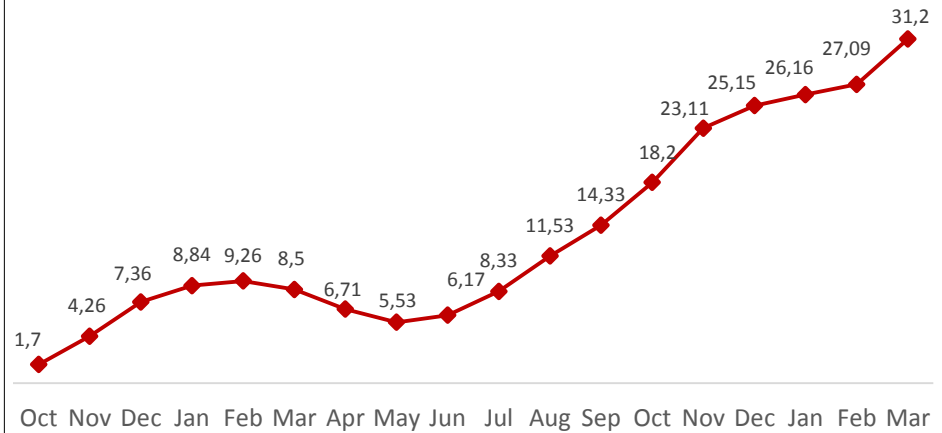
	1Q21/1Q20
Production Volume	29%
Raw Material Costs	73%
€ / TL Average	32%



**EUR/TL Rate, Average**



**PPI Inflation. %**



Source: Ford Otosan, CBT, Turkstat



# Debt Profile & Financial Ratios

Cash Position (TL mn)	31.03.2021	31.12.2020
Cash & Cash Equivalents	9.256	8.124
Total Financial Debt	-11.072	-8.081
Net Financial Debt	-1.815	43
Financial Ratios	31.03.2021	31.12.2020
Current ratio	1,29	1,41
Liquidity ratio	1,00	1,13
Net Debt / Tangible Net Worth	0,36	-0,01
Net Debt / EBITDA*	0,27	-0,01
Current Assets / Total Assets	0,74	0,72
Current Liabilities / Total Liabilities	0,74	0,72
Total Liabilities / Total Liabilities and Equity	0,77	0,71
Return on Equity**	120,3%	59,6%
Margins	31.03.2021	31.03.2020
Gross Margin	12,7%	11,4%
EBITDA Margin	12,1%	10,8%
EBITDA Margin (excl. other items)	11,1%	9,6%
Operating Margin	10,6%	8,5%
Net Margin	11,2%	6,7%

\* Capped at 3.5x. EBITDA is calculated on a rolling 4-quarter basis.

\*\* Annualized Net Income / Shareholders Equity

# 2021 Guidance

	2020A	2021F
Turkish Industry Volume	791 K	900 K – 950 K
Ford Otosan Retail Sales Volume	98 K	95 K – 105 K
Exports	254 K	315 K – 325 K
Wholesale Volume	355 K	410 K – 430 K
Production Volume	328 K	390 K – 410 K
Capex (fixed assets)	€ 130 mn	€450 – 500 mn

- Ford Otosan provides guidance 4 times a year as part of quarterly financial statements.
- Guidance updated in April 2021 with 1Q21 results. Next update will be in August 2021 as part of 1H21 results.

# Q & A

