



1Q24 Earnings Presentation

22 May 2024

Agenda

- **1Q24 Evaluation**
- **Domestic Sales Performance**
- **Export Performance**
- **Since We Last Met**
- **Financial Results & Guidance**



1Q24 Evaluation

1Q24 Highlights

✂ Maintaining 3rd position in domestic market with 7.9% share

22.5% market share in Total CV

✂ Domestic performance impacted by the YoY lower LCV sales

8% decrease in Volumes and flat Domestic Revenues

✂ Export volume growth supported by the renewed flagship products

Volumes up by 11% and Export Revenues up by 12%

✂ Total CUR: 92% - High capacity utilization across all production plants

Gölcük 94%

Yeniköy 91%

Eskişehir 70%

Craiova 92%

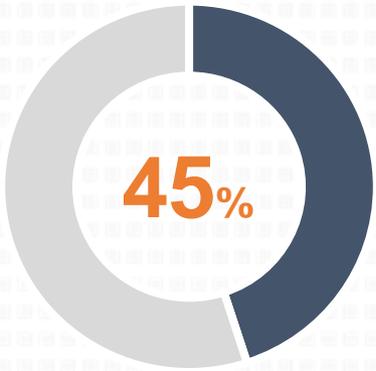
✂ Solid profitability per vehicle in the heavy investment cycle

EBITDA p.v. € 1,815

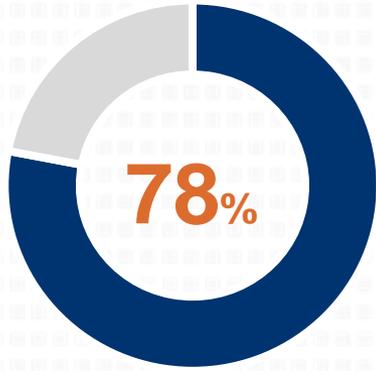
PBT p.v. € 1,728

Leading Auto Producer in Turkey & Strong Presence in Romania

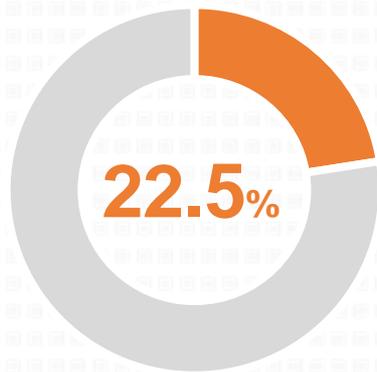
Turkey



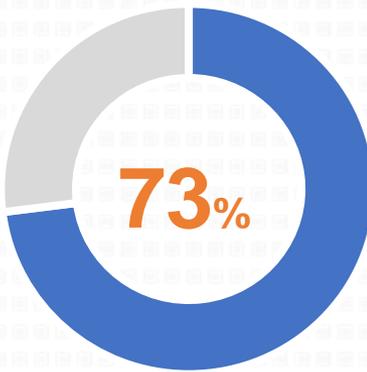
of Turkey's total automotive production



of Turkey's CV production

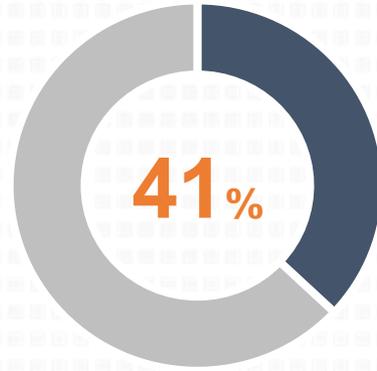


of Turkey's CV sales

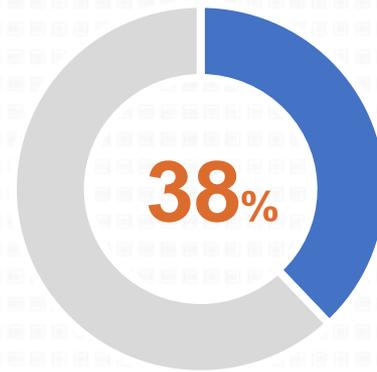


of Ford's CV Sales in Europe are produced by Ford Otosan

Romania



of Romania's total automotive production



of Ford's PC Sales in Europe are produced by Ford Otosan

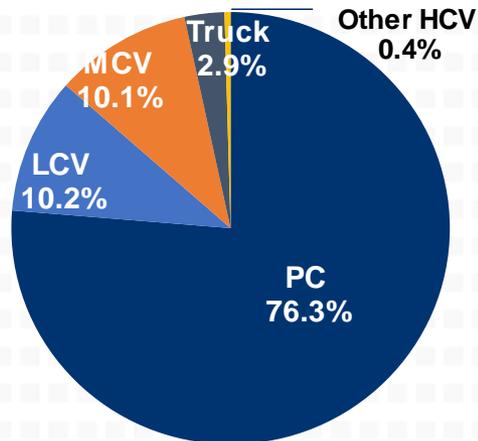


Domestic Sales Performance

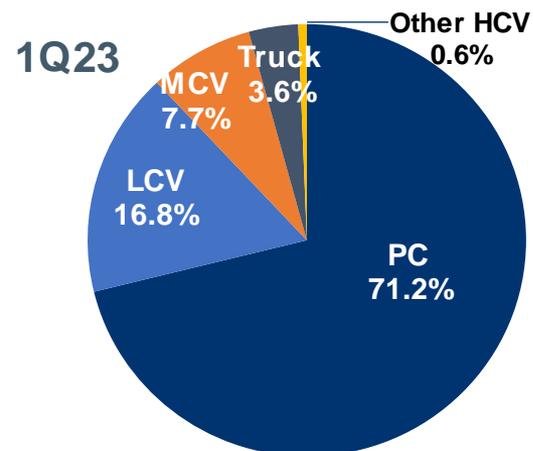
Turkish Automotive Market

Segments	1Q24	1Q23	Δ
Passenger Cars	233,389	175,421	33%
Light Com. Vehicle	31,158	41,523	-25%
Medium Com. Vehicle	30,972	19,027	63%
Truck (>16 t)	9,005	8,976	0%
Other HCV (6-16t)	1,354	1,553	-13%
Total*	305,878	246,500	24%

1Q24



1Q23



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

Domestic Sales Performance - I

Rank	Brand	1Q24	1Q23	Δ, %	Market Share % in 1Q24	Δ, pps
		Sales	Sales			
Total Industry						
1	Fiat	39,983	49,704	-20%	13.1	-7.1
2	Renault	36,529	19,972	83%	11.9	3.8
3	Ford	24,293	25,796	-6%	7.9	-2.5
4	Volkswagen	18,587	17,480	6%	6.1	-1.0
5	Toyota	17,589	9,148	92%	5.8	2.0
Passenger Cars						
1	Renault	32,024	16,591	93%	13.7	4.3
2	Fiat	23,892	34,390	-31%	10.2	-9.4
3	Chery	15,467	629	2359%	6.6	6.3
4	Toyota	14,337	6,499	121%	6.1	2.4
5	Peugeot	12,980	13,567	-4%	5.6	-2.2
12	Ford	8,313	5,173	61%	3.6	0.6



PC strategy: Profitability over market share

Domestic Sales Performance - II

Rank	Brand	1Q24	1Q23	% Change	Market Share % in 1Q24	Δ, pps
		Sales	Sales			
LCV						
1	Fiat	13,545	14,382	-6%	43.5	8.8
2	Citroen	3,095	3,355	-8%	9.9	1.9
3	Renault	2,779	1,735	60%	8.9	4.7
4	Ford	2,684	12,373	-78%	8.6	-21.2
5	Volkswagen	2,571	2,964	-13%	8.3	1.1
MCV						
1	Ford	10,754	5,455	97%	34.7	6.1
2	Volkswagen	3,687	2,056	79%	11.9	1.1
3	Fiat	2,546	932	173%	8.2	3.3
4	Mercedes	2,406	1,900	27%	7.8	-2.2
5	Citroen	1,787	1,005	78%	5.8	0.5
Truck						
1	Mercedes	3,588	3,297	9%	39.8	3.1
2	Ford	2,542	2,795	-9%	28.2	-2.9
3	Scania	751	814	-8%	8.3	-0.7
4	Volvo	511	554	-8%	5.7	-0.5
5	MAN	487	230	112%	5.4	2.8

22.5%

Market Share in total CV

#4



#1



#2



CV Strategy: Profitable growth



Export Performance

European Van & PC Market Outlook

European Van and PC Market went up 12% & 5% respectively primarily driven by the growing fleet demand and better vehicle availability

European Van Market

	2023	2022	%
EU + UK	1,810,362	1,564,071	15.7%
	1Q24	1Q23	%
EU + UK	495,173	442,983	11.8%

YoY % Δ	Mar. YTD	
Year	'24	'23
UK	8.5	17.0
Germany	12.7	9.0
Italy	19.4	7.0
Spain	10.9	31.0
France	8.7	-3.0
Poland	1.9	0.0
Total	11.8	9.5

European PC Market

	2023	2022	%
EU+UK	10,400,801	9,023,860	15.3%
	1Q24	1Q23	%
EU+UK	3,314,187	3,145,523	5.4%

YoY % Δ	Mar. YTD	
Year	'24	'23
UK	10.4	17.0
Germany	4.2	9.0
Italy	5.7	7.0
Spain	3.1	31.0
France	5.7	-3.0
Poland	12.7	0.0
Total	5.4	18.0

Ford is Europe's No.1 CV brand for 9 consecutive years and Ford Otosan produces 73% of Ford's CVs sold in Europe

Ford Otosan, contributes to Ford's performance in PC segment with Puma by producing 38% of Ford's PC Sales in Europe

Source: ACEA, 26 European Markets + UK



Since We Last Met

Ford Otosan Issued Eurobond for the First Time in its History



Lowest interest rate in Turkish bond issuances since January 2022

Corporate Ratings S&P: BB- / Fitch: BB+

Eurobond Ratings S&P: BB- / Fitch: BB+

Limit USD 500 mn

Total Demand USD 1.5 bn

Interest Rate 7.125%

Maturity Starting Date 25/04/2024

Maturity 5 years

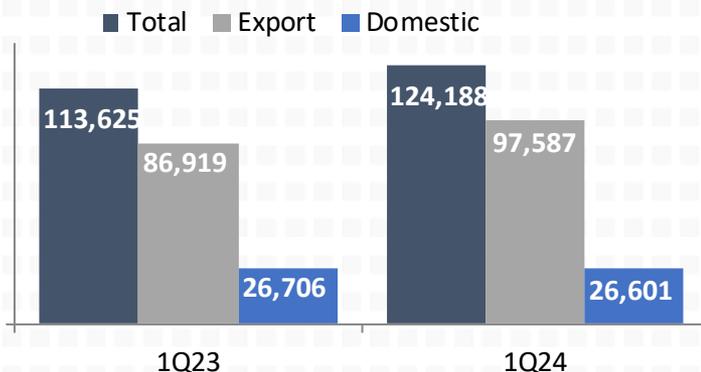
Over 75 institutional investors participated in the roadshow organized in London, New York, and Boston



Financial Results & Guidance

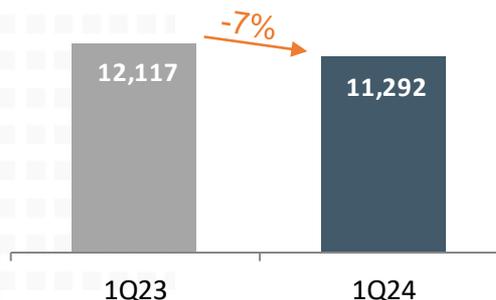
Financial Highlights in 1Q24

Revenues, mn TL

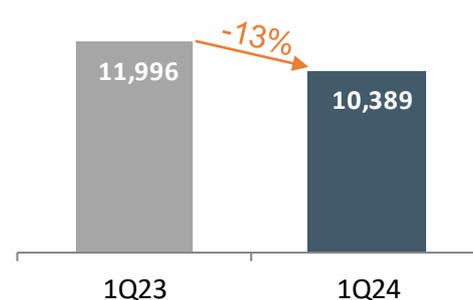


Total Revenues, +9%, Total volumes +8%
Export Revenues⁽¹⁾, +12%, Export volumes +11%
Domestic Revenues, 0%, Domestic volumes -8%

EBITDA, mn TL

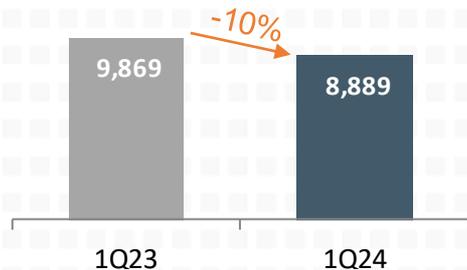


EBITDA, mn TL excl. Other items



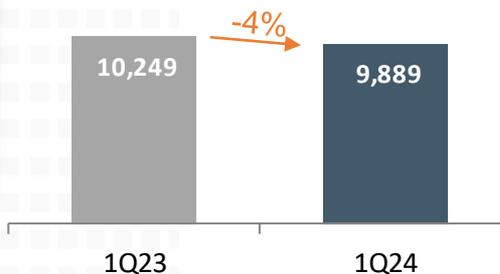
- Slightly lower domestic volumes and pricing ability due to increased vehicle availability
- Increasing export revenues share in total revenues
- Extended ramp-up period of new models

Operating Profit, mn TL



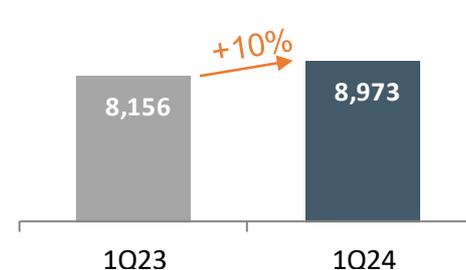
Despite the support of 111% increase in Net FX Gain from Operating Activities, Net Other Income rose by 647%, reaching TL 903 million, leading to a 10% decline in Operating Profit

Profit Before Tax, mn TL



TL 4,430 mio monetary gain (1Q23: TL 2,625 mio) was included in Profit Before Tax

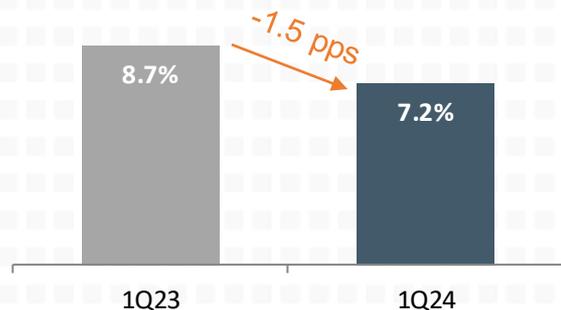
Net Income, mn TL



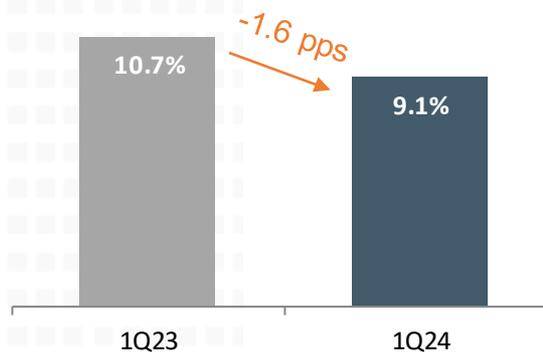
⁽¹⁾ Export revenues and volumes include exports from Ford Otosan and Ford Otosan Romania SRL

Margins

Operating Margin



EBITDA Margin



Solid EBITDA and PBT per Vehicle

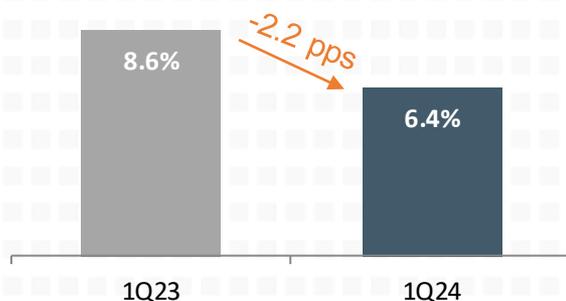
EBITDA, EUR	
1Q23	2,223
1Q24	1,815

PBT, EUR	
1Q23	1,899
1Q24	1,728

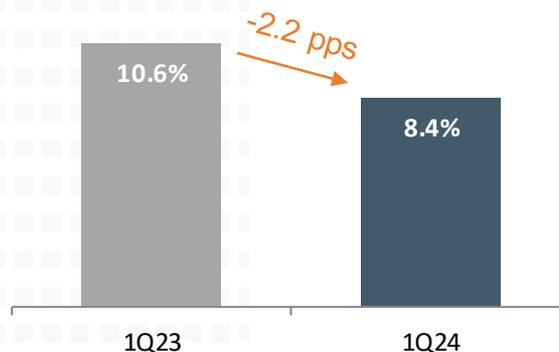
Drivers:

- strong base year impact
- slightly lower YoY domestic volumes and pricing ability due to increased vehicle availability
- increase in the share of export revenues in the overall revenue mix
- Extended ramp-up period of new models

Operating Margin (excl. Other items)



EBITDA Margin (excl. Other items)



Challenges:

- TL volatility
- Contraction in the domestic market due to tightened macroeconomic environment

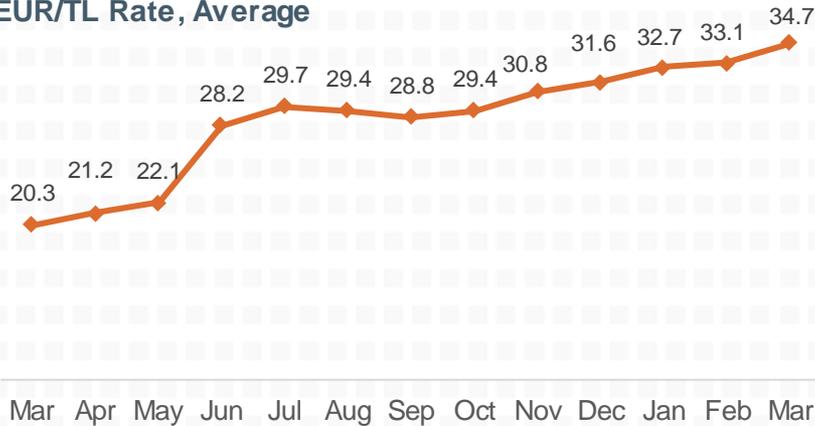
Cost Dynamics

	1Q24/1Q23 Δ
Production Volume	5% ↑
Raw Material Costs	11% ↑
€ / TL Average	66% ↑

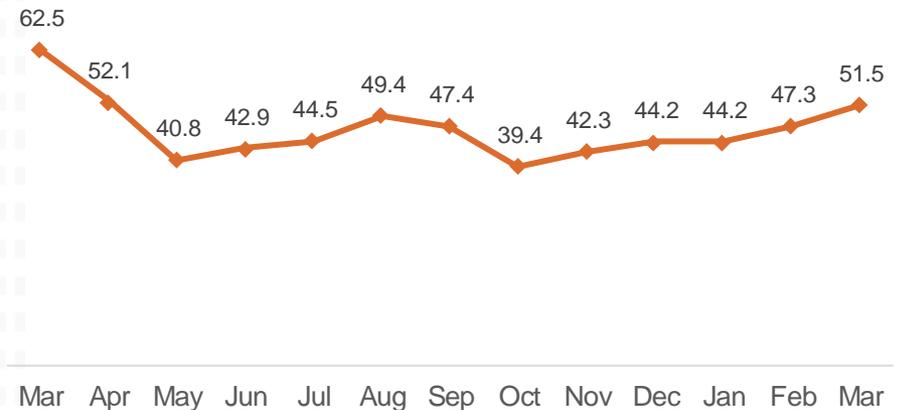
CPI Inflation, %



EUR/TL Rate, Average



PPI Inflation, %



Source: Ford Otosan, CBT, Turkstat

Sales Volume by Model

	1Q24	1Q23	YoY%
Total Domestic	24,407	26,662	-8%
PC	7,641	4,980	53%
Puma	2,592	727	257%
Other	5,049	4,253	19%
LCV	3,499	12,979	-73%
Transit Courier	3,397	12,815	-73%
Transit Connect	102	164	-38%
MCV	10,906	5,788	88%
Transit	7,530	4,485	68%
Transit Custom	2,028	1,202	69%
Ranger	1,348	101	1235%
Truck	2,361	2,788	-15%
Rakun ⁽¹⁾	-	127	-
Total Export⁽²⁾	145,817	131,378	11%
Transit Custom	50,980	39,826	28%
Transit	39,942	36,456	10%
Transit Courier	14,071	7,990	76%
Truck	481	2,031	-76%
Puma	40,321	45,005	-10%
Other	22	70	-69%
Total Wholesale	170,224	158,040	8%

(1) Rakun production ended in 3Q23

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

Summary Balance Sheet & Cash Flow Statement

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%

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 from 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%

Other Financial Data	1Q24	1Q23	YoY %
Depreciation & Amortization& Embedded Lease in Turkey and Romania	2,403	2,248	7%
Net Financial Expense	-4,120	-2,242	84%

Debt Profile & Financial Ratios

Cash Position (TL mn)	31.03.2024	31.12.2023
Cash & Cash Equivalents	26.019	17.518
Total Financial Debt	-89.196	-87.167
Net Financial Debt	-63.177	-69.649
Financial Ratios	31.03.2024	31.12.2023
Current Ratio	1.16	1.09
Liquidity Ratio	0.76	0.69
Net Debt / Tangible Net Worth	0.87	1.10
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%
Margins	31.03.2024	31.03.2023
Gross Margin	10.6%	12.4%
EBITDA Margin	9.1%	10.7%
EBITDA Margin (excluding other items)	8.4%	10.6%
Operating Margin	7.2%	8.7%
Net Margin	7.2%	7.2%

* Capped at 3.5x. EBITDA

2024 Guidance

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

Ford Otosan provides guidance 4 times a year as part of quarterly financial statements. This is the second guidance issued for 2024 as part of 1Q24 results in May.



Thank You