



2019 Financial Results Meeting
12 February 2020

Agenda

- **2019 Evaluation**
- **European Industry & Ford**
- **Financial Results**
- **Q & A**

2019 Evaluation

2019 Highlights



Record exports

334,455 units

5th

consecutive
year



Ford was Europe's CV market leader

13.8% market share

5th

consecutive
year



Ford Otosan remained Turkey's CV market leader

34% market share

Highest
on
record



High efficiency despite the temporary
impact of Transit facelift transition

81% CUR



Record dividend payment

1.3 billion TL

3.9

billion USD
since 2004

Efficient Production



Gölcük CUR

93.4%



Total CUR

81.1%

25%

Our share in total
Turkish auto production

77%

Our share in total
Turkish CV production

PHEV – International Van of the Year

Ford plans to release **16 hybrid** and **all-electric models** within a global portfolio of **40 electrified vehicles by 2022.**



- **Custom PHEV** launched in 4Q19
- **Zero emission** driving option
- **First PHEV** in its segment
- Charging time **2.7 – 4.3 hours**
- 92.9 kW electric motor powered by a 13.6 kWh lithium-ion battery pack. The 1.0-litre EcoBoost petrol engine **guarantees a total electric range of over 500 km.**

Gölcük Plant included in Global Lighthouse Network



WORLD
ECONOMIC
FORUM

McKinsey
&Company

WEF & Mc Kinsey teams jointly did a comprehensive scanning of **1,000+ leading manufacturers** across all industries and geographies to select **10 lighthouse factories for 2019**.

Ford Otosan Gölcük Plant has been designated as an **Advanced Fourth Industrial Revolution (4IR) Lighthouse** and joined WEF Fourth Industrial Revolution front-runners.

The lighthouses are the factories that have taken **Fourth Industrial Revolution technology** from pilots to integration at scale, thus realizing significant financial and operational benefits.

FORD OTOSAN in Kocaeli, Turkey

This site leverages digital manufacturing and advanced automation to move beyond lean, increasing its output by 6% and employee engagement by 45% without additional capital expenditure investment.

Digital tool and die

↓ 47% Die manufacturing time

Real-time digital performance-management system for production and maintenance

↑ 6% Production output and employee engagement

Robot data analytics

↓ 9% Per-year robot failures

Real-time digital energy management

↓ NA Electric consumption

Predictive maintenance

\$100K Cost savings

International Expansion on Track

Ford

TRUCKS



Countries

	2011-2018	2019	2024
Europe*	13	19	34
Africa	8	8	24
Middle East	9	9	13
Russia & Eurasia	6	7	10
Total	36	43	81

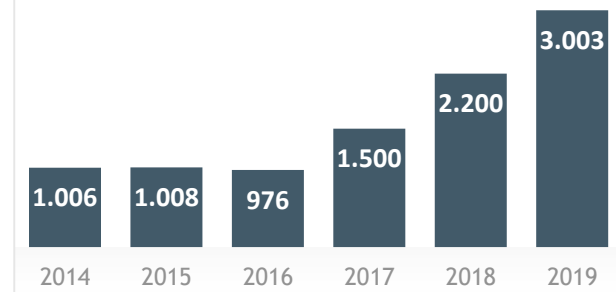


Sales & Service

	2011-2018	2019	2024
Europe*	98	171	254
Africa	14	17	35
Middle East	13	14	21
Russia & Eurasia	33	42	50
Total	158	244	360

*including Turkey

International Sales (Units)



Export Champion



Turkish Automotive Industry

9 consecutive years



Turkey's overall

5 consecutive years

27%

Our share in total
Turkish auto exports

79%

Our share in total
Turkish CV exports

Ford Otosan Strengthens Position in CV Segment

2019
Domestic Sales

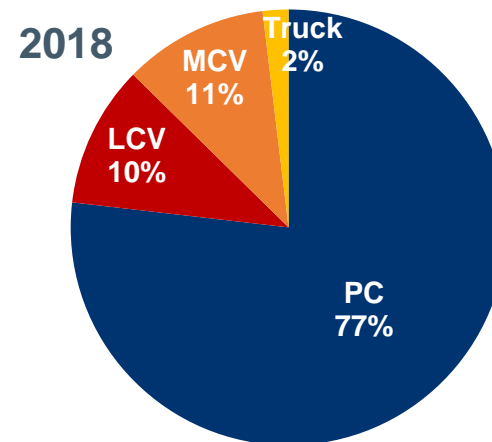
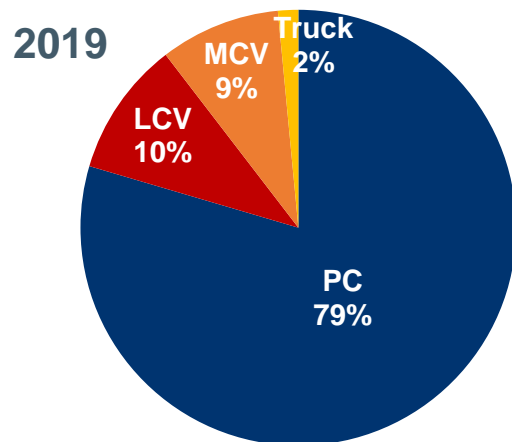
Segments	Industry	Ford Otosan	% Share	Ranking
Commercial Vehicles	99,351	33,771	34.0%	1
Light Commercial	48,629	13,928	28.6%	2
Medium Commercial	43,175	17,477	40.5%	1
Truck	7,547	2,366	31.4%	2
Passenger Cars	387,256	15,702	4.1%	12
Total	487,671*	49,473	10.1%	3

Ford's 4th
largest share
in Europe

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

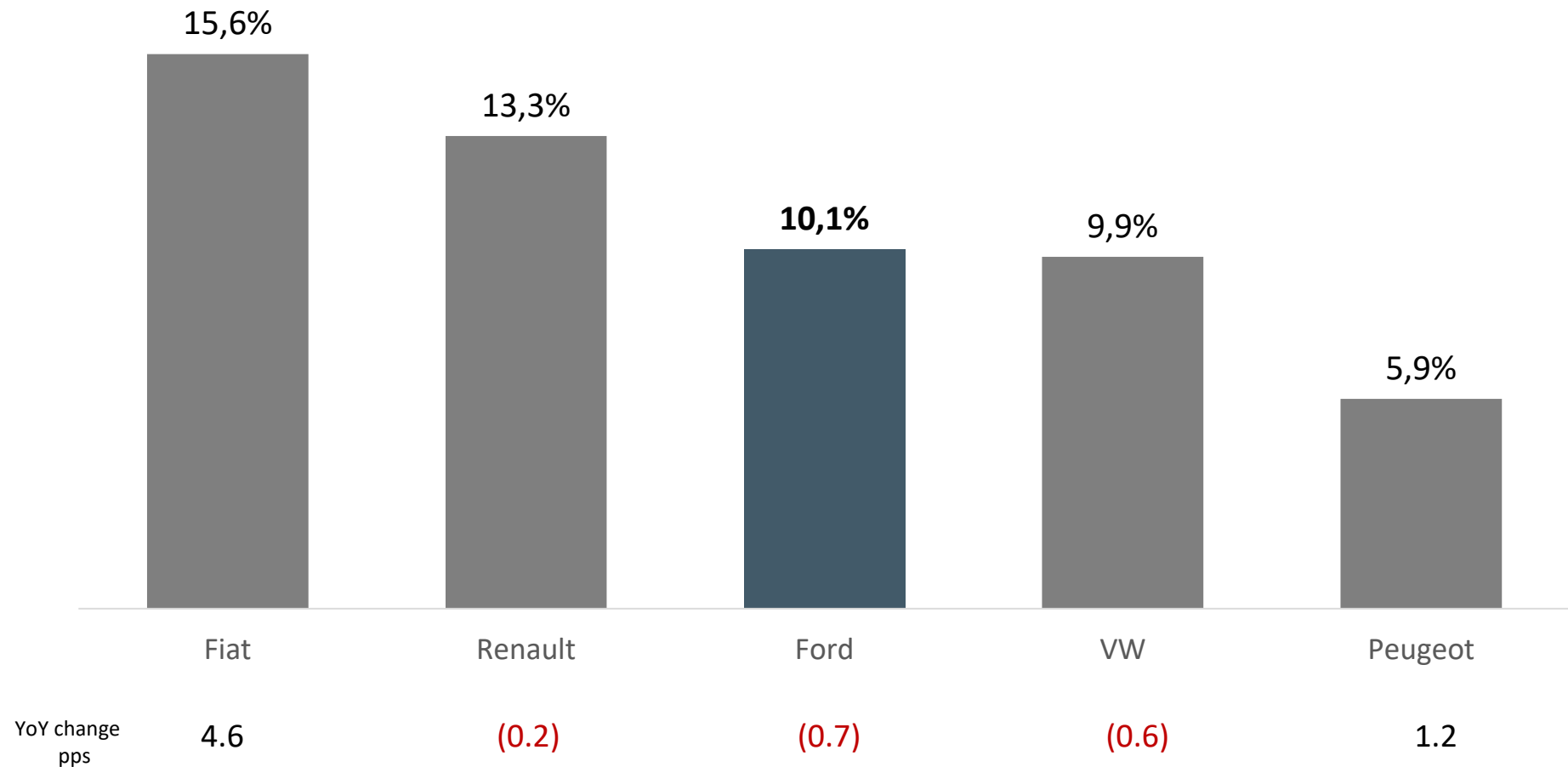
PC Industry Share Rose YoY

Segments	2019	2018	% Change
Passenger Cars	387.256	486.321	-20%
Light Commercial	48.629	66.448	-27%
Medium Commercial	43.175	68.168	-37%
Truck	7.547	11.984	-37%
Total*	487.671	634.540	-23%



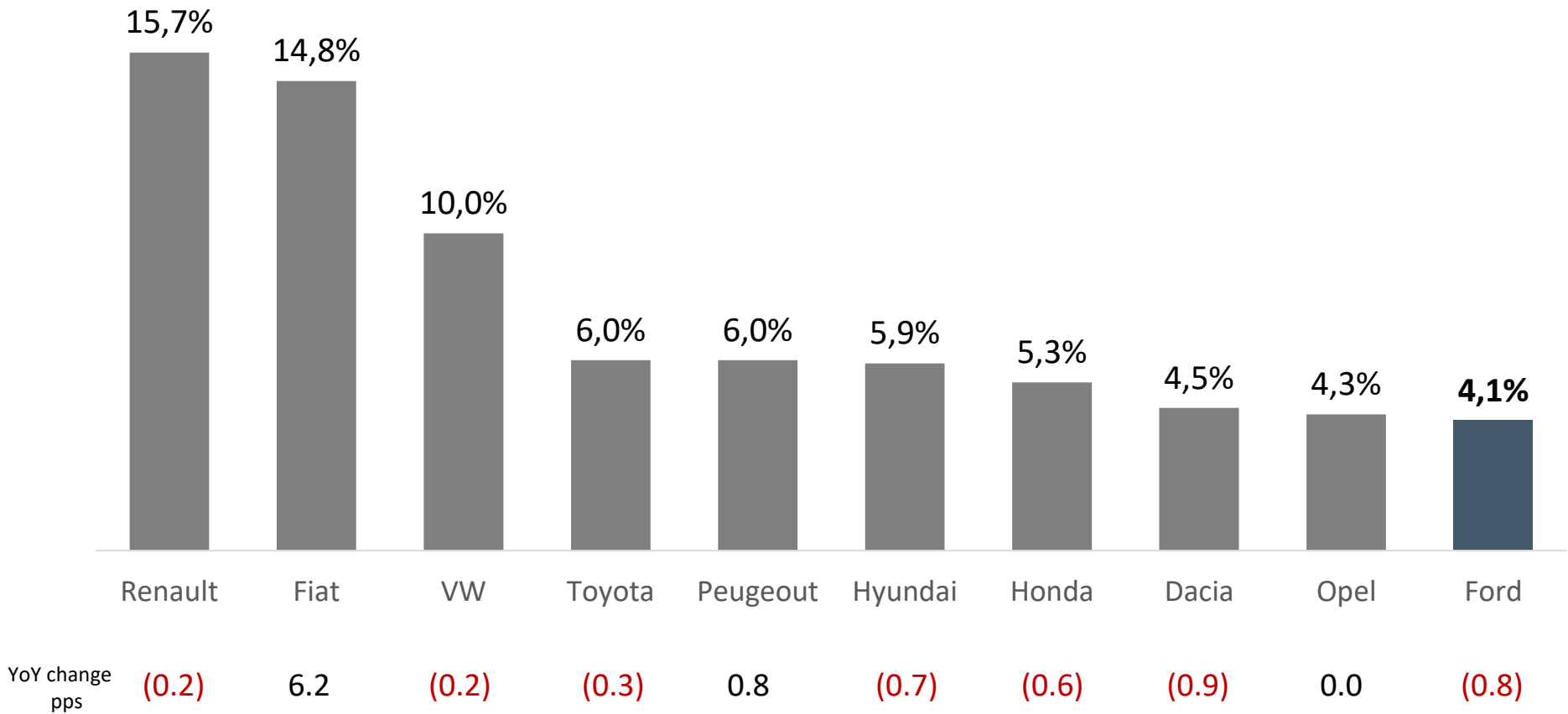
* Total industry volumes include PC, LCV, MCV, HCV and Truck sales.

Total Industry Market Shares, 2019



PC Market Shares, 2019

Strategy: Profitability over market share



LCV Market Shares, 2019

Strategy: Profitable growth

34,6%

28,6%

9,1%

8,6%

5,7%

Fiat

Ford

VW

Peugeot

Renault

YoY change
pps

(2.5)

1.6

(1.4)

2.8

(2.0)



MCV Market Shares, 2019

Strategy: Profitable growth

Higher market share than the
next 5 brands combined

40,5%

12,2%

11,8%

5,3%

4,4%

Ford

VW

Mercedes

Fiat

Mitsubishi

YoY change
pps

5.7

(2.6)

0.0

(0.2)

(1.0)



Truck Market Shares, 2019

Highest market share on record

Strategy: Profitable growth

33,9%

31,4%

Record

8,6%

8,6%

6,2%

Mercedes

Ford

MAN

Renault

Scania

YoY change
pps

0.2

2.9

(2.6)

2.9

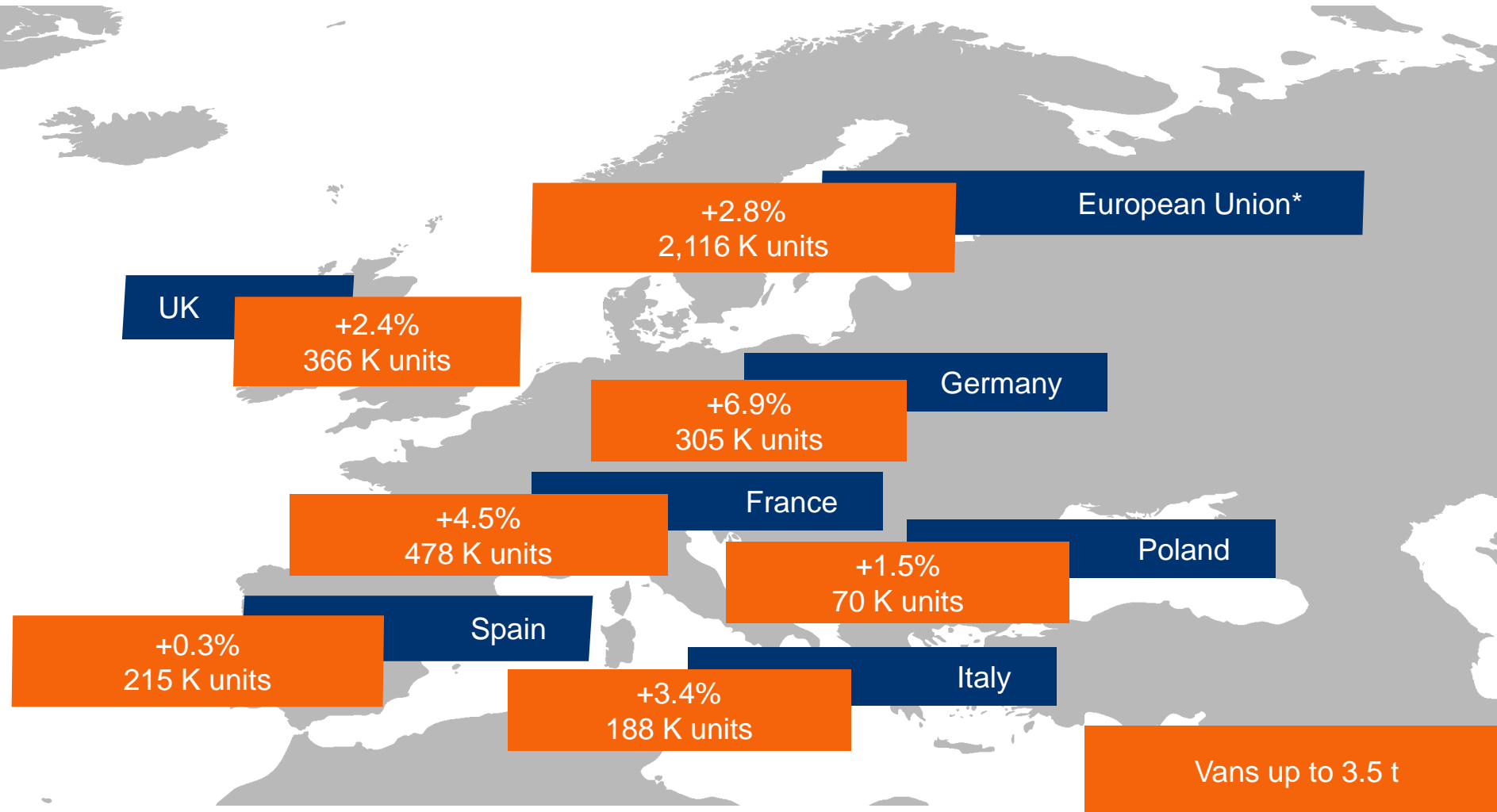
(3.6)



European Industry & Ford

EU Van Registrations Grew 2.8% in 2019

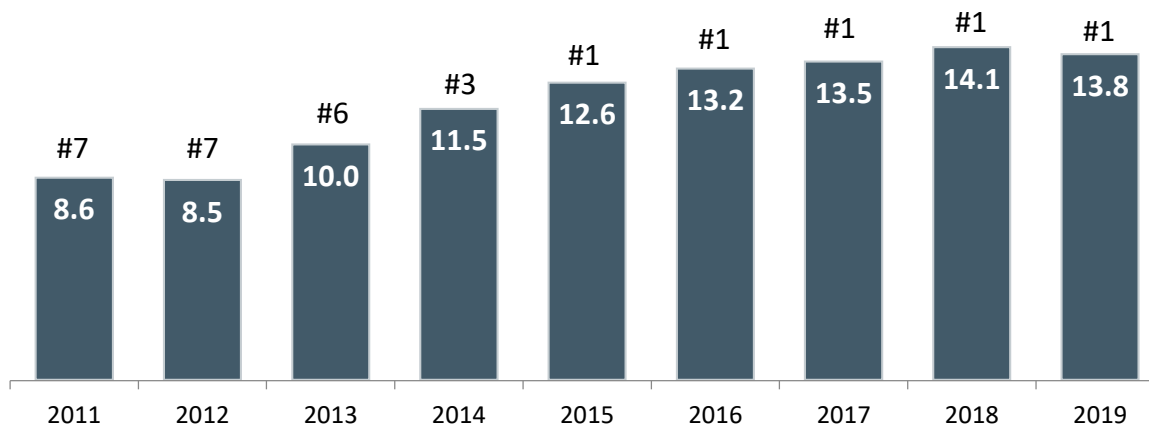
Industry growth supported mainly by e-commerce



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

Ford is Europe's Top-Selling CV Brand

Ford's European CV Market Share



**Best year for Ford CV
sales in 25 years**

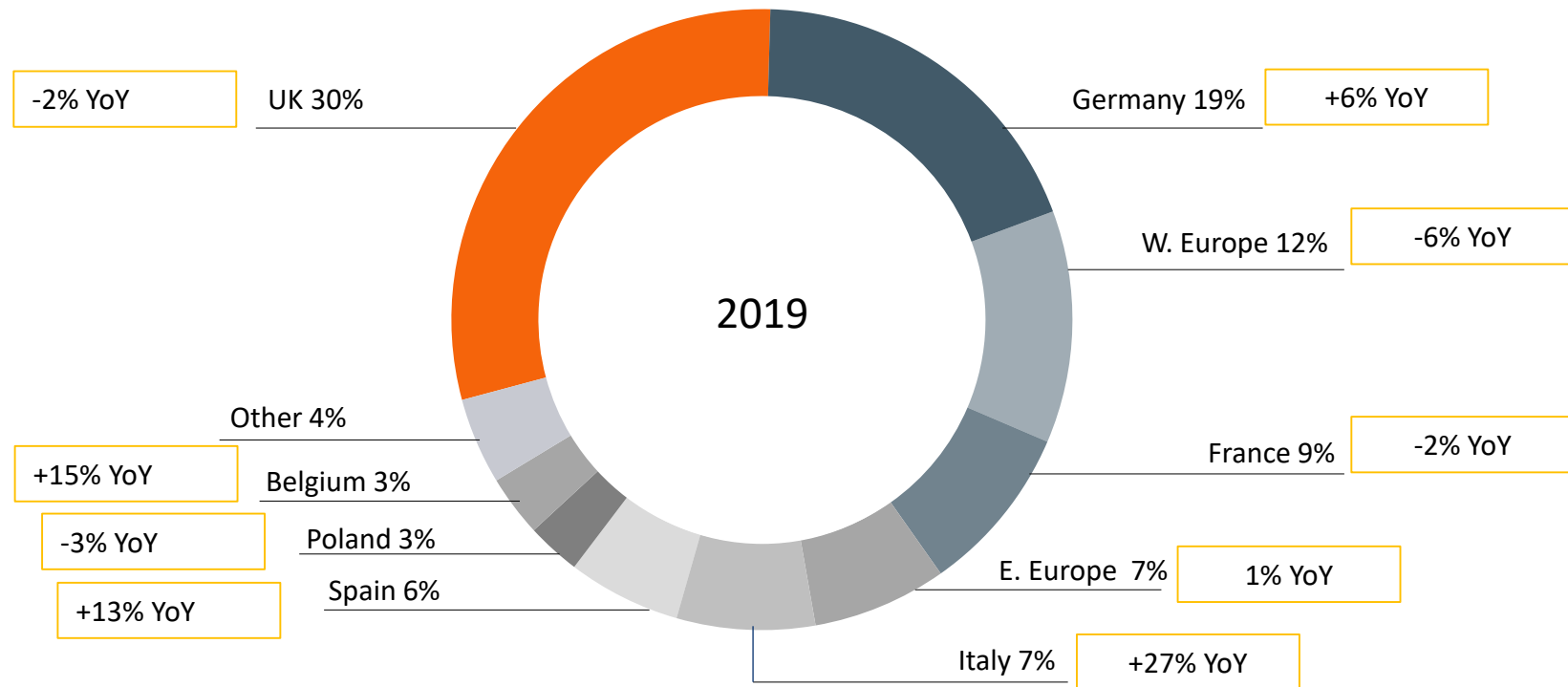
**5th year as Europe's
No.1 commercial
vehicle brand**

Ford's commercial vehicle business gaining momentum in major markets

Source: Ford of Europe 2019 Sales Release, reporting sales for its 20 European traditional markets.
In line with the new Ford global standard, the sales reports are published quarterly.

Turkey's Export Champion

Export breakdown (units)



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

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

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

83%

of Transit Family vans
sold in Europe

2019 Results

2019 Financial Results

TL 39,209 million

Revenues, +18% YoY

- Robust export performance

TL 3,198 million

EBITDA, +12% YoY

- Strong OpEx control
- Ongoing cost reduction actions
- Domestic market recovery in 4Q19

TL 3,350 million

EBITDA excl. FX impact, +18% YoY

TL 33,375 million

Export Revenues, +22% YoY

- Volume growth
- Mix effect
- Currency impact

TL 1,950 million

Profit Before Tax, +11% YoY

- 10% lower Net Financial Expenses YoY driven by lower Net FX Loss, mainly explained by lower devaluation than 2018.

TL 5,834 million

Domestic Revenues, -3% YoY

- 26% volume decline due to market contraction and profitability focus
- Pricing discipline and focus on high margin products limited further decline

TL 1,959 million

Net Income, +16% YoY

- Higher than PBT due to Tax Income Resulting from Deferred Tax Asset in 2019

Volume & Revenue Analysis

	2019/2018		4Q19/4Q18	
	Volume	Revenue	Volume	Revenue
Total	-3%	18%	3%	14%
Robust export performance limited the impact of FY domestic market contraction				
Export	2%	22%	-5%	6%
Industry growth, ongoing strong demand for our products, positive sales mix 4Q contraction due to a supplier issue causing temporary delays in Transit production schedule in 4Q19				
Domestic	-26%	-3%	54%	60%
Pricing discipline and positive sales mix limited revenue decline The domestic market recovery in 4Q had a positive contribution				

Sales Volume by Model

	2019	2018	YoY%	4Q19	4Q18	YoY%
Total Domestic	48.464	65.768	-26%	20.425	13.296	54%
PC	11.460	18.987	-40%	4.956	3.777	31%
LCV	16.976	20.719	-18%	7.310	3.638	101%
Transit Courier	16.768	19.659	-15%	7.263	3.300	120%
Transit Connect	208	1.060	-80%	47	338	-86%
MCV	17.187	22.536	-24%	6.968	5.237	33%
Transit	12.972	16.350	-21%	5.479	3.998	37%
Transit Custom	3.394	4.690	-28%	1.134	872	30%
Ranger	821	1.496	-45%	355	367	-3%
Truck	2.841	3.526	-19%	1.191	644	85%
Total Export	334.455	328.892	2%	86.134	90.434	-5%
Transit Custom	175.985	168.174	5%	48.659	48.465	0%
Transit	116.805	120.154	-3%	27.401	32.208	-15%
Transit Courier	38.941	38.553	1%	8.966	9.076	-1%
Truck	2.671	1.817	47%	1.093	660	66%
Other	53	194	-73%	15	25	-40%
Total Wholesale	382.919	394.660	-3%	106.559	103.730	3%

Record

Due to a supplier issue causing temporary delays in Transit production schedule

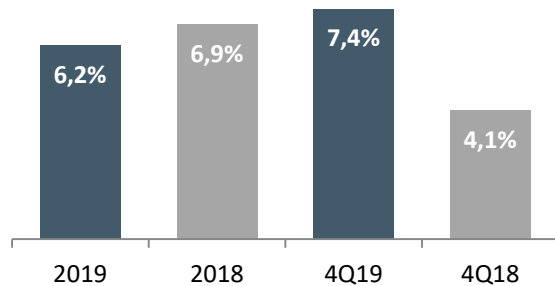
Main Financial Indicators

Million TL	2019	2018	YoY %	4Q19	4Q18	YoY %
Total Revenues	39.209	33.292	18%	11.502	10.048	14%
Export	33.375	27.303	22%	9.063	8.524	6%
Domestic	5.834	5.989	-3%	2.439	1.524	60%
Gross Profit	4.015	3.459	16%	1.151	958	20%
Operating Profit	2.422	2.285	6%	847	417	103%
EBITDA	3.198	2.854	12%	1.061	568	87%
EBITDA excluding other income/expense	3.350	2.840	18%	975	818	19%
Profit Before Tax	1.950	1.761	11%	658	331	99%
Net Income	1.959	1.683	16%	617	411	50%
Other Financial Data						
Depreciation & Amortization*	776	569	36%	214	151	41%
Financial Income / (Expense)	-471	-520	-10%	-189	-85	122%

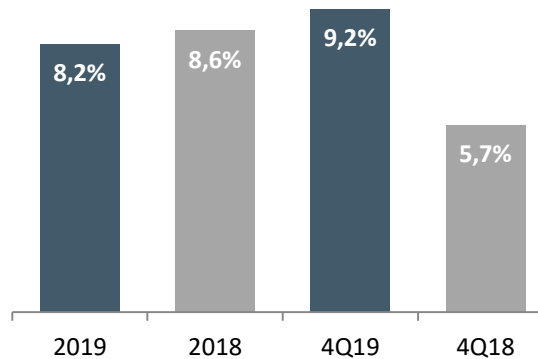
*2019 numbers include TL 44 million impact from IFRS16 due to classification from manufacturing overhead and operating expenses to depreciation and amortization. Please refer to footnotes 2,10,11,33 of the financial statements for further details.

2019 Margins

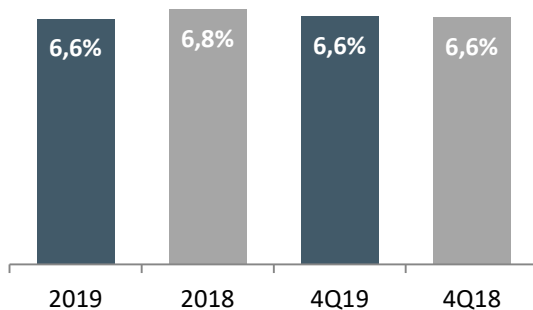
Operating Margin



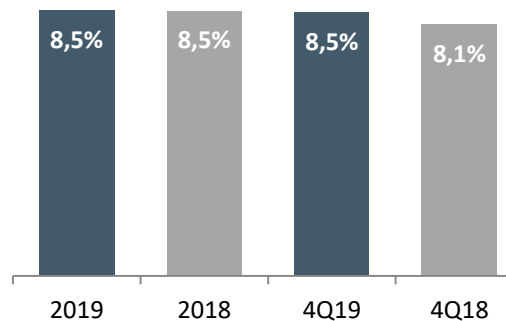
EBITDA Margin



Operating Margin (excl. Other items)



EBITDA Margin (excl. Other items)



Growing EBITDA per Vehicle (EUR)

	FY	4Q
2019	1.376	1.427
2018	1.266	1.252
2017	1.175	1.047

EBITDA per vehicle grew for the **3rd consecutive year**

Drivers:

- + Rising export demand
- + Cost reduction actions
- + Strong OpEx control
- + Pricing discipline
- + Salex mix
- + Domestic market recovery in 4Q19

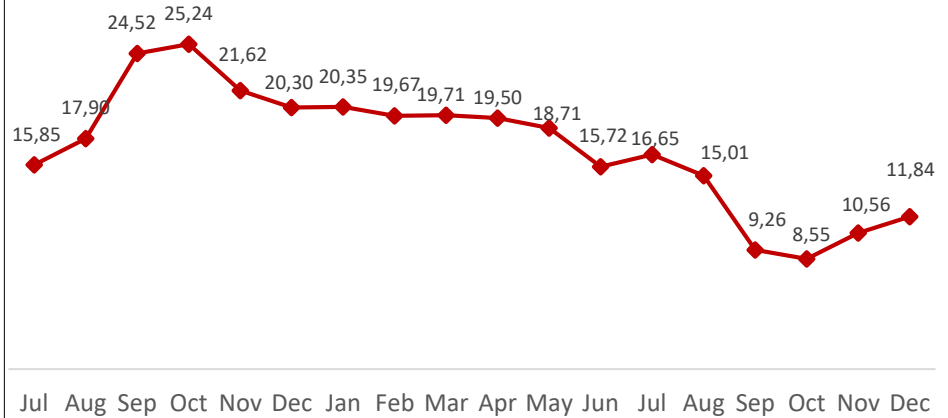
Challenges:

- Considerable cost pressure resulting from weaker €/TL (+12% YoY) and high inflation (lag effect)
- Contracting FY volumes and profitability in the domestic market

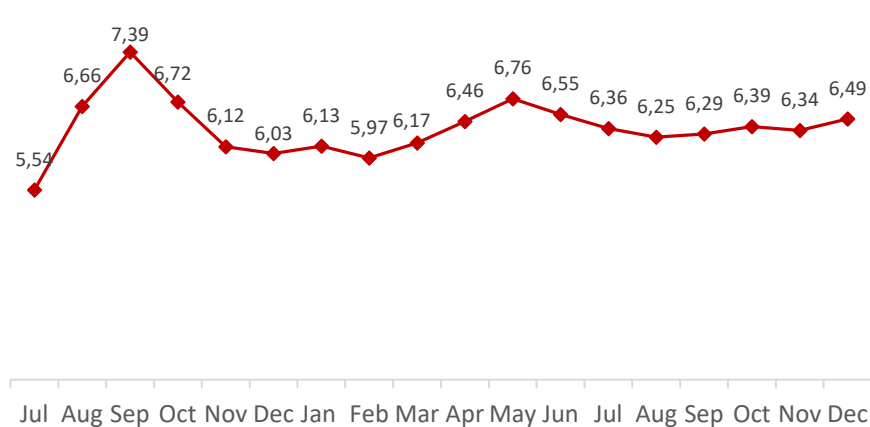
Ongoing Cost Pressure

YoY change	2019/2018	4Q19/4Q18
Production Volume	-1%	0%
Raw Material Costs	18%	9%
€ / TL Average	12%	2%

CPI Inflation. %

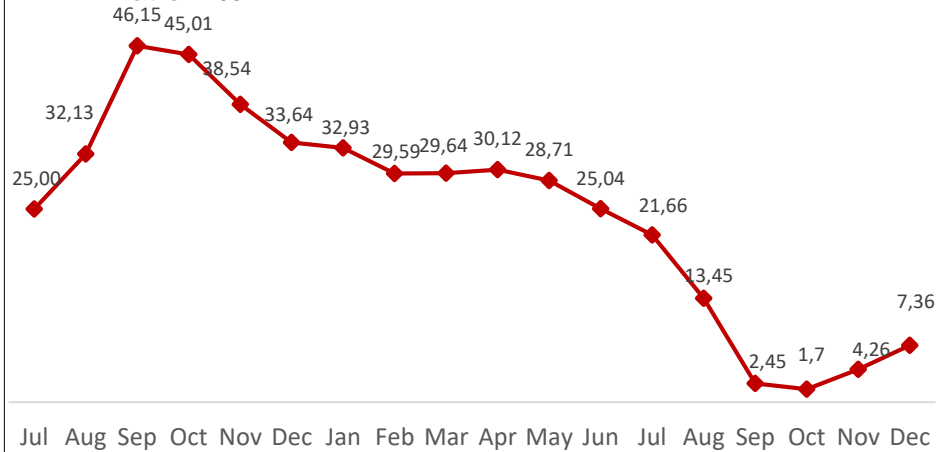


EUR/TL Rate, Average



Source: Ford Otosan, CBT, Turkstat

PPI Inflation. %



Debt Profile & Financial Ratios

Cash Position (TL mn)	31.12.2019	31.12.2018
Cash & Cash Equivalents	3.203	1.393
Total Financial Debt	-6.208	-4.483
Net Financial Debt	-3.005	-3.090
Financial Ratios	31.12.2019	31.12.2018
Current ratio	1,17	1,02
Liquidity ratio	0,87	0,64
Net Debt / Tangible Net Worth	0,78	1,01
Net Debt / EBITDA*	0,94	1,08
Current Assets / Total Assets	0,62	0,56
Current Liabilities / Total Liabilities	0,74	0,78
Total Liabilities / Total Liabilities and Equity	0,72	0,70
Return on Equity	42,0%	43,2%
Margins	31.12.2019	31.12.2018
Gross Margin	10,2%	10,4%
EBITDA Margin	8,2%	8,6%
EBITDA Margin (excl.other items)	8,5%	8,5%
Operating Margin	6,2%	6,9%
Net Margin	5,0%	5,1%

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

2020 Guidance

	2019A	2020F
Turkish Industry Volume	488 K	580 K – 630 K
Ford Otosan Retail Sales Volume	49 K	60 K – 70 K
Exports	334 K	330 K – 340 K*
Wholesale Volume	383 K	390 K – 410 K
Production Volume	369 K	370 K – 380 K
Capex (fixed assets)	€ 142 mn	€180 – 200 mn

* Includes the impact of Courier derivative deletion to comply with emission requirements

Ford Otosan provides guidance 4 times a year as part of quarterly financial statements.
This is the first guidance issued for 2020 as part of FY 2019 results in February.

Q & A

