



2020 Financial Results Meeting

11 February 2021

Agenda

- **2020 Evaluation**
- **Export Performance**
- **Since We Last Met**
- **Financial Results**
- **Q & A**

2020 Evaluation

2020 Highlights

Record high market shares in Turkey

Total CV: 39.1%

LCV: 33.2%

MCV: 49.6%

Truck: 31.7%

Record quarterly production in 4Q

108% CUR in 4Q

Record FY CV market share in Europe

14.6%

Growing EBITDA and PBT per vehicle

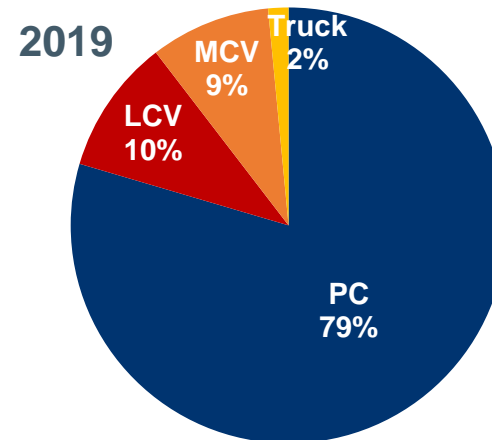
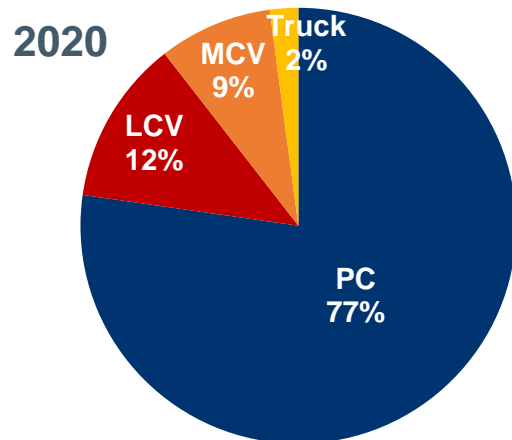
€1,857 and €1,444

Strong relative share price performance

Outperformed BIST100 by 62 pps

CV Industry Share Rose YoY

Segments	2020	2019	Δ
Passenger Cars	610.109	387.256	58%
Light Commercial	96.249	48.629	98%
Medium Commercial	66.430	43.175	54%
Truck	16.749	7.547	122%
Total*	791.397	487.671	62%



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

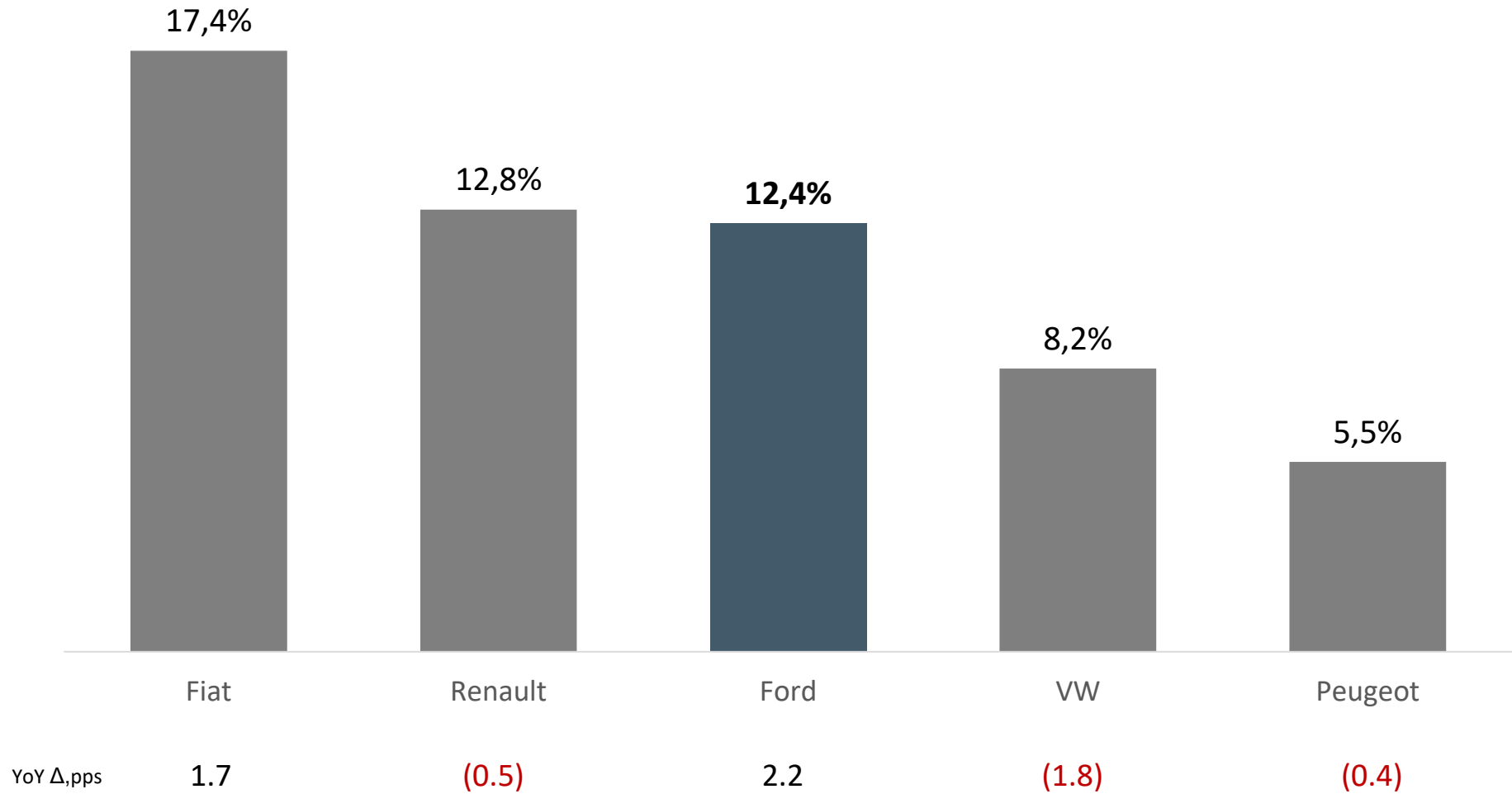
Domestic Market Position

2020
Domestic Sales

Segments	Industry	Ford Otosan	% Share	Rank
Commercial Vehicles	179,428	70,207	39.1%	1
Light Commercial	96,249	31,935	33.2%	2
Medium Commercial	66,430	32,956	49.6%	1
Truck	16,749	5,316	31.7%	2
Passenger Cars	610,109	27,596	4.5%	7
Total	791,397*	97,803	12.4%	3

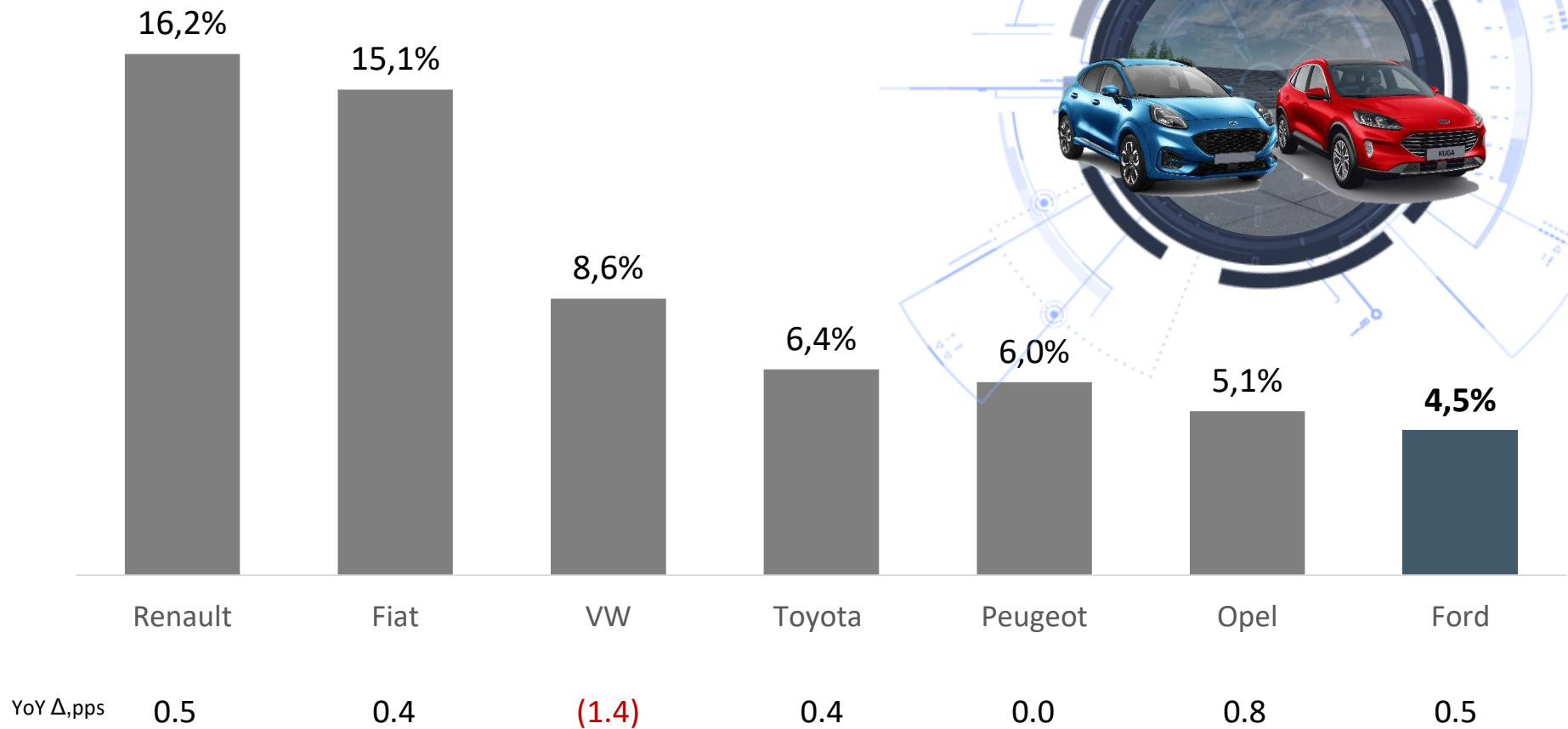
* Total industry volumes include PC, LCV, MCV, HCV and Truck sales.

Total Industry Market Shares, 2020



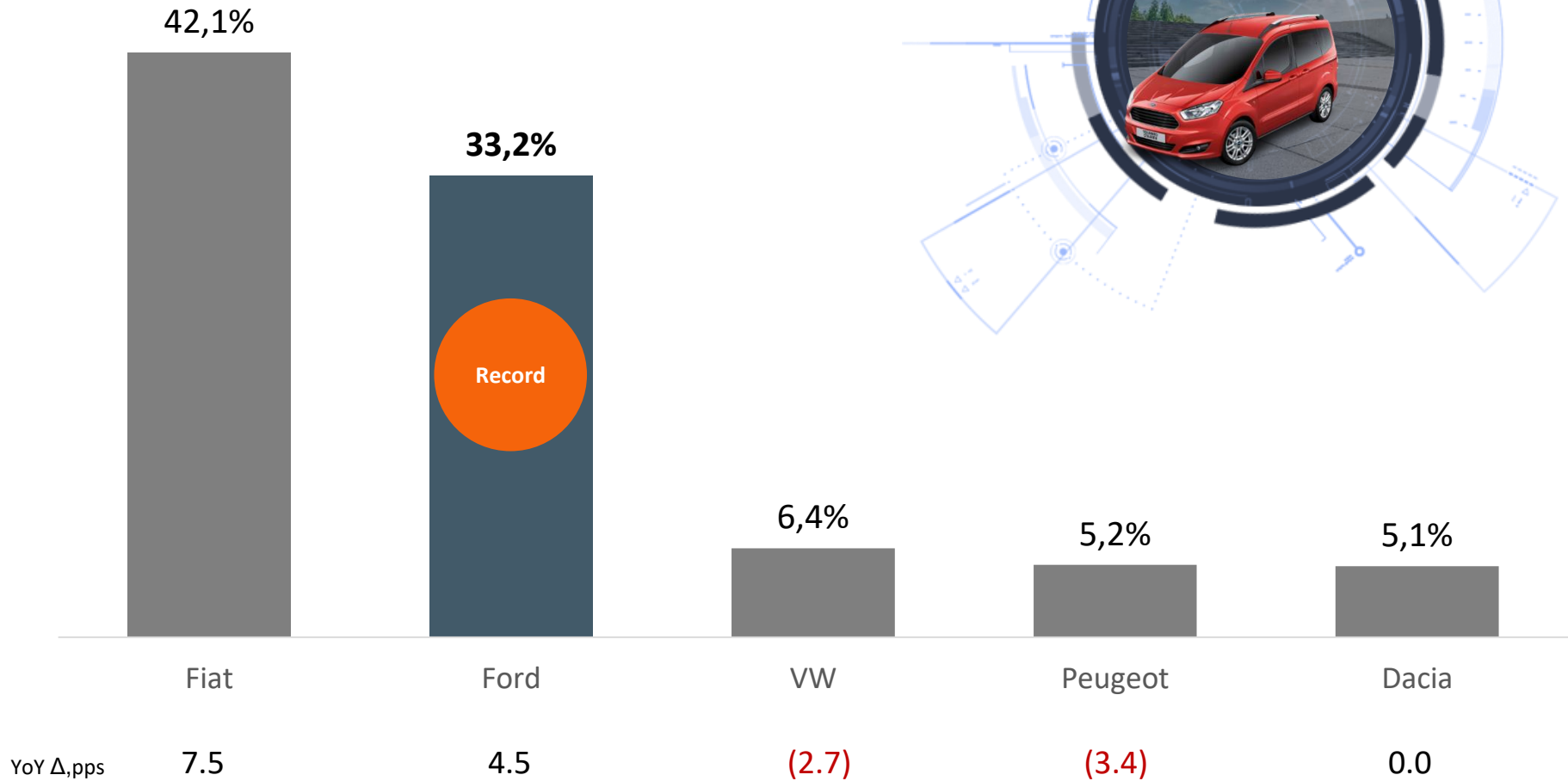
PC Market Shares, 2020

Strategy: Profitability over market share



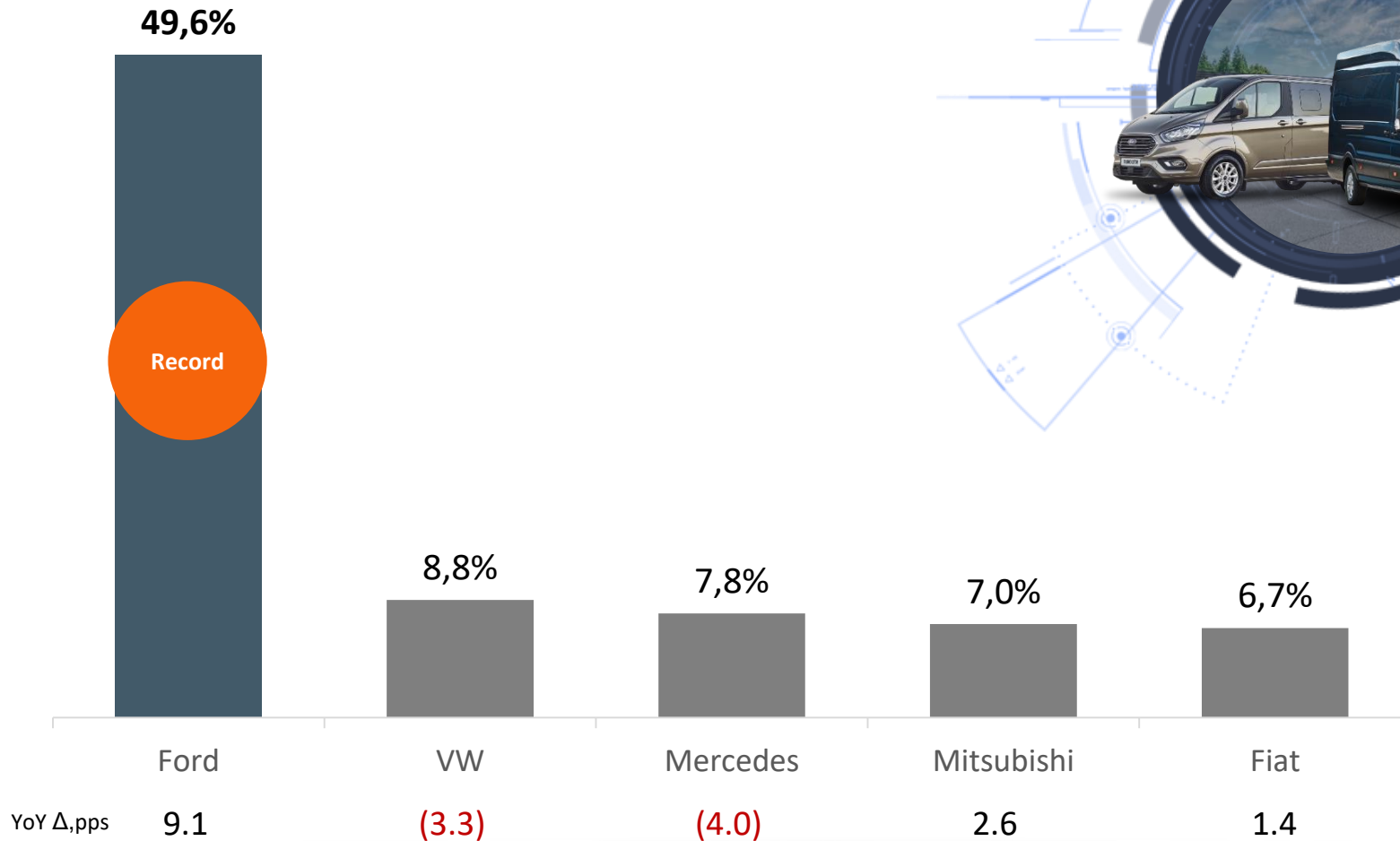
LCV Market Shares, 2020

Strategy: Profitable growth



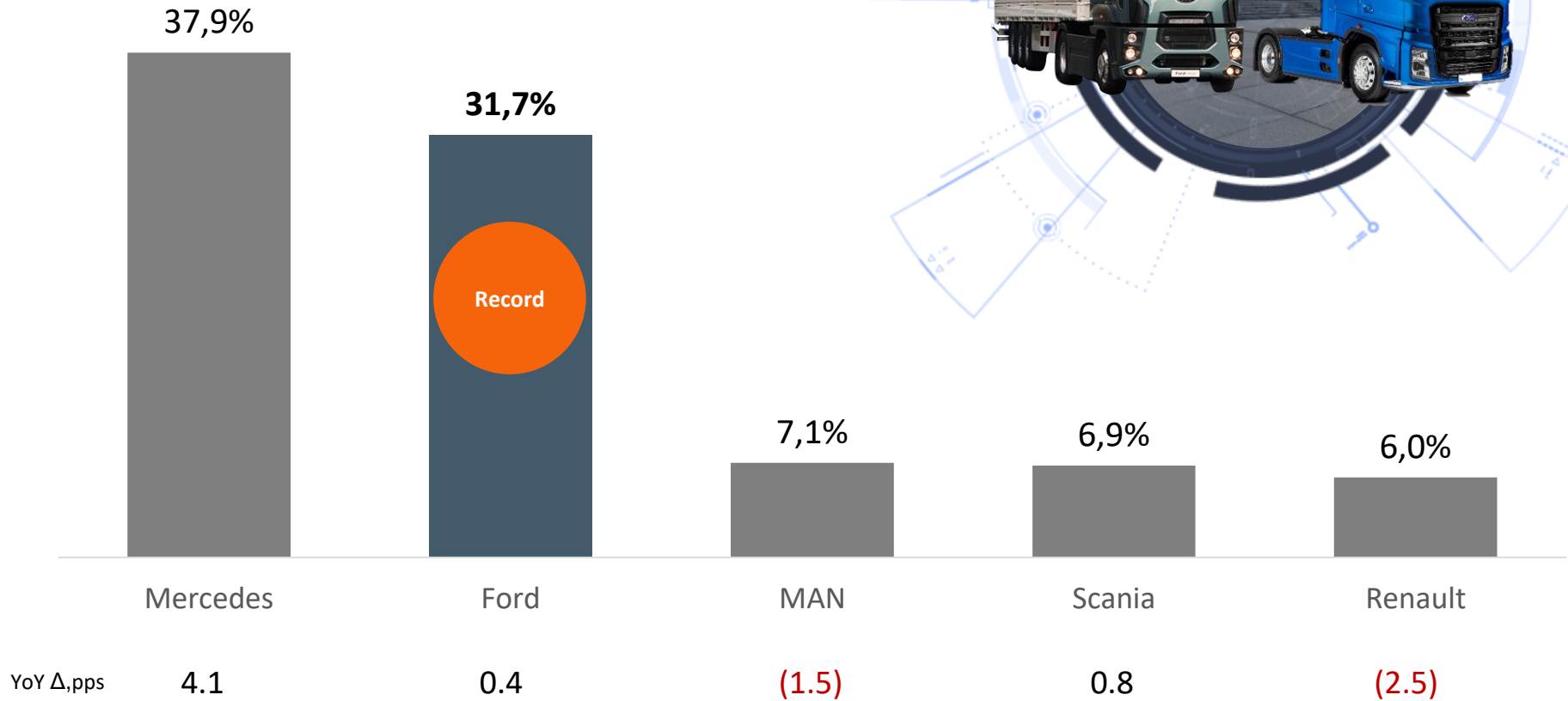
MCV Market Shares, 2020

Strategy: Profitable growth



Truck Market Shares, 2020

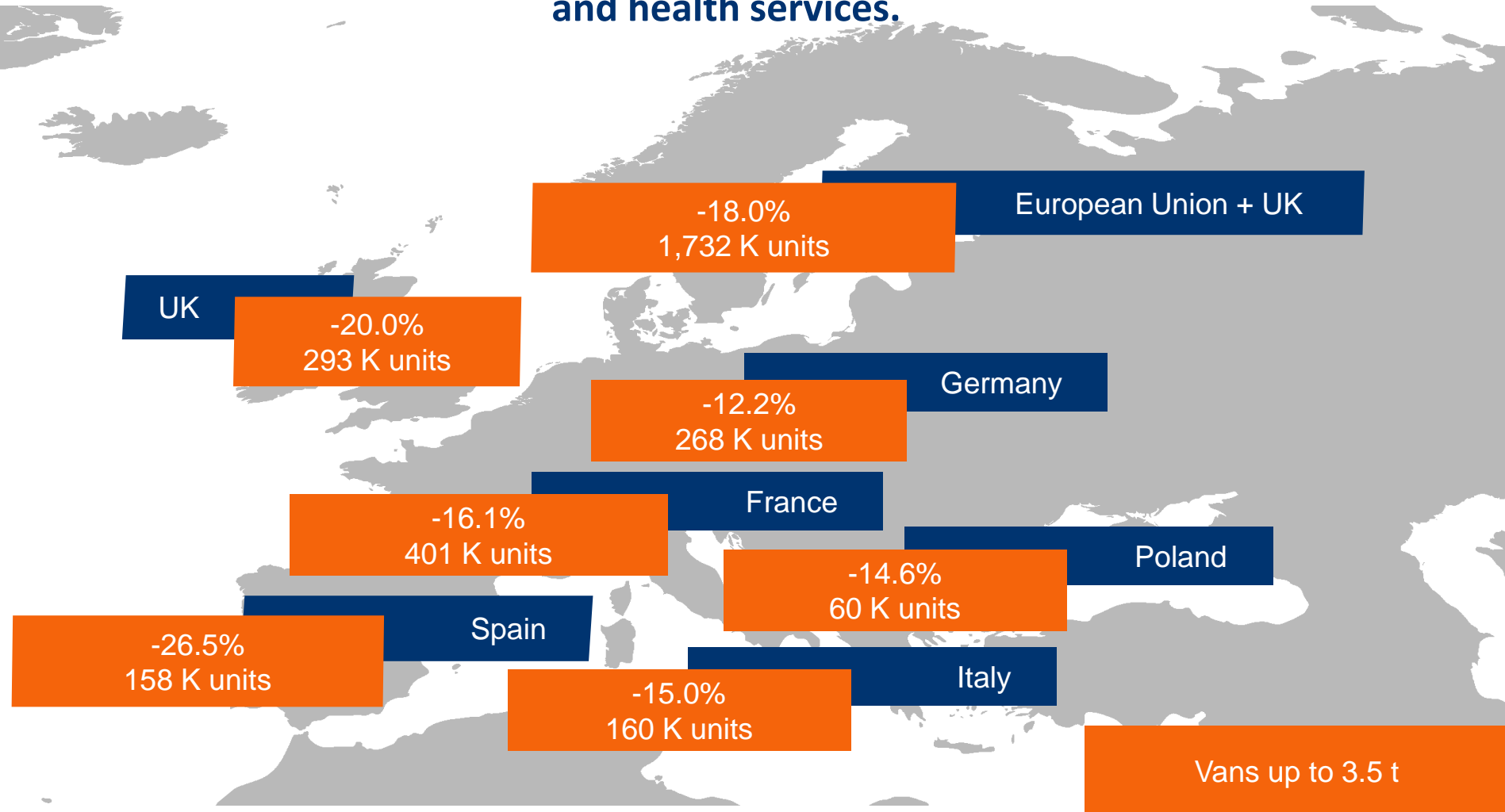
Strategy: Profitable growth



Export Performance

EU Van Registrations Declined 18% in 2020

Commercial Vehicles remained resilient, serving supermarkets, delivery business and health services.



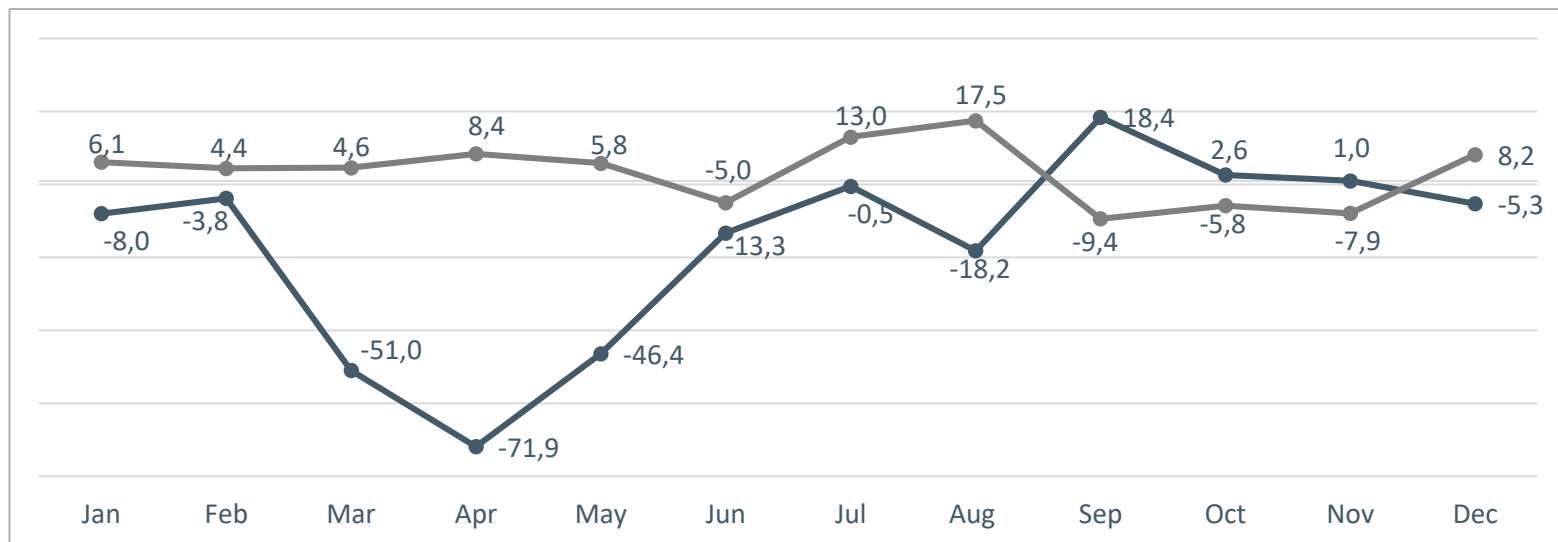
Source: ACEA; 26 European markets + UK

Industry Recovered Post - Peak Pandemic

Van market contraction was 18% vs 25% slowdown in PC market

Vans up to 3.5 tons: Ford Otosan's export segment (2020)

YoY Δ	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	FY
UK	5.9	-2.0	-54.3	-86.2	-74.1	-24.8	7.1	-16.1	26.4	13.3	8.8	-1.0	-20.0
Germany	-3.0	-3.8	-25.3	-46.9	-45.5	-17.7	-6.7	-22.2	20.1	13.5	6.2	2.5	-12.2
Italy	-2.4	-6.2	-71.2	-89.9	-35.2	-5.3	15.1	4.1	18.7	9.2	10.3	-10.4	-15.0
Spain	-20.2	-5.9	-67.2	-91.0	-58.7	-19.8	2.9	-24.4	7.3	-4.0	-8.1	1.6	-26.5
France	-9.2	3.0	-64.8	-83.8	-32.9	7.8	2.0	-2.1	16.7	-4.2	-3.8	-2.3	-16.1
Poland	-18.3	-10.5	-32.7	-55.6	-43.4	-14.1	1.7	-20.9	21.8	-6.6	9.7	4.6	-14.6
Total*	-8.0	-3.8	-51.0	-71.9	-46.4	-13.3	-0.5	-18.2	18,4	2.6	1.0	-5.3	-18.0

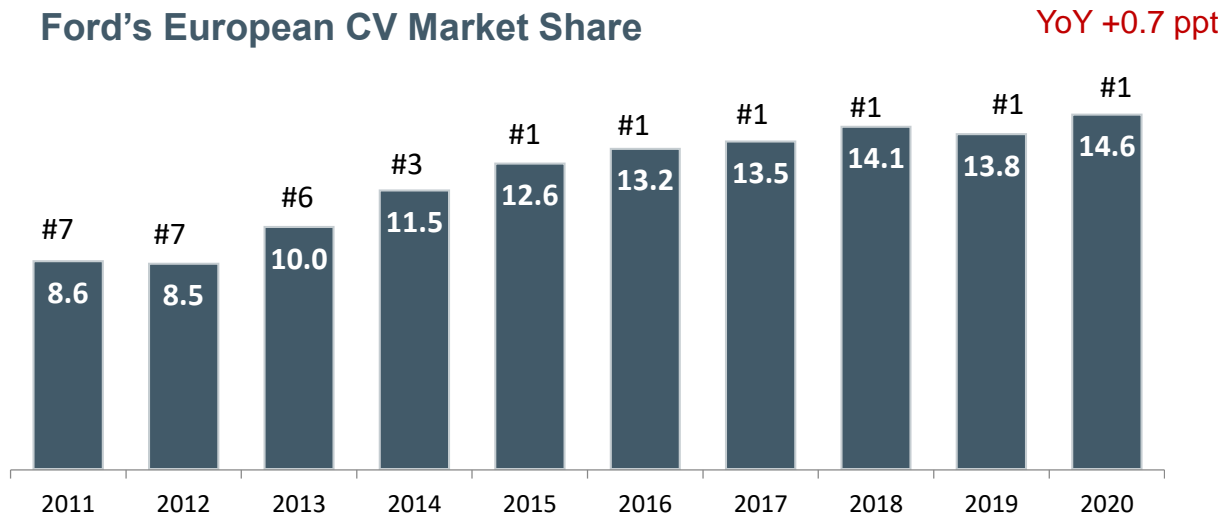


* 26 European markets + UK

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 #1 CV brand for **6th consecutive year across EU 20** and for **56 years in the UK.**

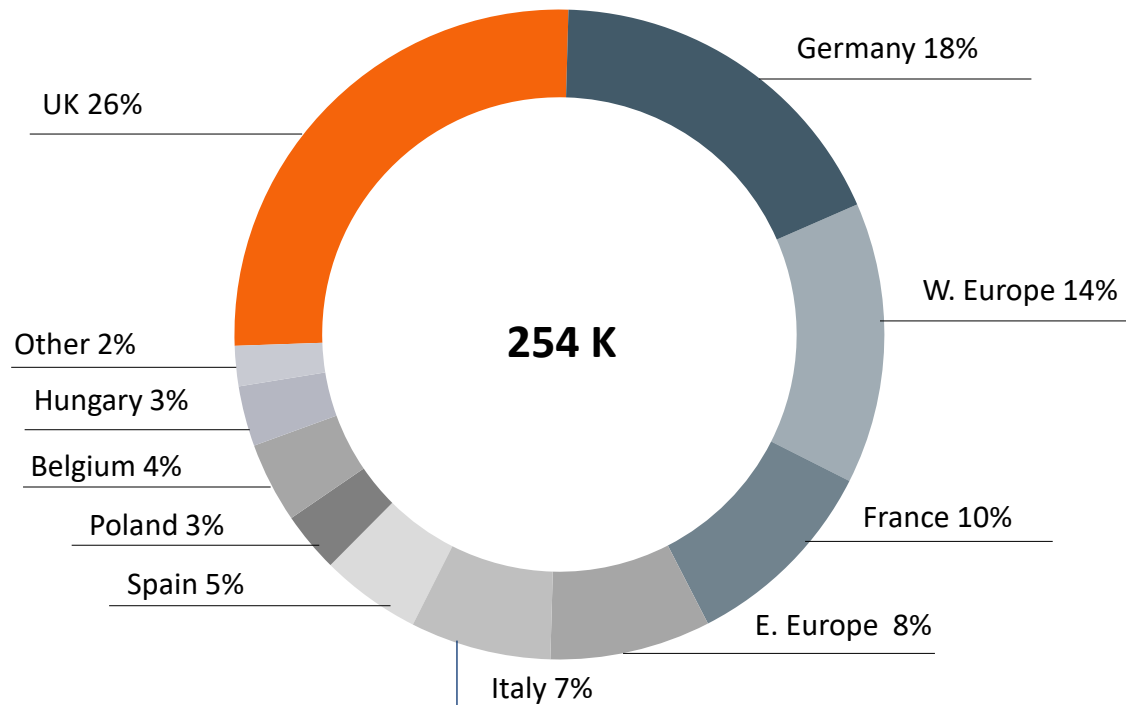
All-time FY
CV market share record

CV leadership in 10 European markets in 2020, **increase of share in most markets.**

Source: Ford of Europe FY 2020 Sales Release, reporting sales for its 20 European traditional markets.
In line with the Ford global standard, the sales reports are published quarterly.

Turkey's Export Champion

Export breakdown (2020, units)



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

85%

of Transit Family vans
sold in Europe



Main Export Markets

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

YoY Δ	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	FY
Poland	31	-29	-52	-72	-72	-54	-2	0	-15	-2	45	17	-29
Italy	-7	17	-34	-63	-44	-53	54	42	33	8	30	9	-11
Spain	-18	-1	-37	-50	-63	-56	-1	0	11	-29	-2	7	-23
Czech Republic	-30	-26	-35	-52	-72	-67	36	-2	-7	-11	13	6	-30
Lithuania	-35	-45	-7	-88	-85	-67	-43	-1	-12	1	91	49	-36
Romania	-42	-44	-50	-71	-76	-41	-13	-30	-9	-31	-28	-4	-41
Hungary	-32	-17	-55	-77	-81	-70	45	-18	-1	-3	30	-13	-38
Portugal	12	-15	-18	-75	-48	-38	9	-23	138	3	-21	-58	-11
Bulgaria	-17	-41	-65	-79	-82	-51	5	-22	28	-7	31	-21	-36
Slovakia	-1	-44	-64	-76	-73	-72	40	-7	-14	-38	9	-38	-44
Russia	18	-4	-17	-33	-11	-18	-1	-11	21	-7	0	-8	-7



Source: ACEA and NAPI .

Strong International Performance

Romania



12.5% market share

Ukraine



10% market share

Hungary



4% market share increase

Portugal



2.5% market share in 1st year

UAE



Ranked 3rd in the market

Kuwait



15% market share increase

Market share gains in all regions: Eastern Europe, Western Europe, Russia & Belarus, Eurasia, Middle East and Africa

Since We Last Met

Leading the Charge: E-Transit is Arriving Spring 2022

Ford Otosan will manufacture E-Transit, Ford's first all-electric commercial van.



E-Transit Powers the Future of Business with Next-Level Software, Services and Capability

Performance and charging

- 67 kWh usable battery capacity
- Targeted driving range of up to 350 km (WLTP)
- DC fast charge capable up to 115 kW -> 15–80% in 34 minutes
- 11.3 kW onboard charger – 100% charge in 8.2 hours

Ownership and servicing

- Best in class one-year/unlimited mileage service intervals
- Estimated 40% reduction in service cost of ownership
- 8-year/160,000 km warranty on battery and high-voltage electric components

Loading and versatility

- 25 model variants to meet customer needs
- Maximum payload — 1,616 kg (van), 1,967 kg (chassis cab)
- No compromise to loadspace, with volumes of up to 15.1 m³

Watch 



<https://media.ford.com/content/fordmedia/feu/en/news/2020/11/12/All-Electric-Ford-E-Transit.html>

Ford Otosan: A Key Player in Ford's Electrification Plans

Kocaeli Plants: Turkey's 1st and only integrated automotive manufacturing plant

- Ford Otosan will build Turkey's first Battery Assembly Plant
- Will become **operational by 2022 in Kocaeli.**
- Total capacity: **130,000 units**
- Ford Otosan will go beyond assembly and develop hardware and software tests leveraging its own engineering capabilities.



New Generation Commercial Vehicle Investments

Biggest Investment in the Turkish Automotive Sector

- Ford Otosan received an investment incentive for its New Generation Commercial Vehicle Projects.
- Feasibility studies and contract processes for the projects are ongoing,
- **6-year investment period: 2020-2026**
- **20,5 billion TL (~2,2 bn EUR)**
- **3,000 additional employment**
- 210,000 units additional capacity: From **440,000 to 650,000 units**
- **130,000 units battery assembly plant**

Transit and Custom Awarded by Euro NCAP for Active Safety Systems



Ford's advanced active safety technology helps customers to avoid accidents and minimize the expense and downtime of crash repairs

Commitment To Zero-Emission Road Freight Transport



Ford Trucks signed the Transition To Zero-Emission Road Freight Transport statement, committing to Carbon-neutrality by 2050, implying that by 2040 all new trucks sold must be fossil free.



European
Automobile
Manufacturers
Association



POTSDAM INSTITUTE FOR
CLIMATE IMPACT RESEARCH

<https://www.acea.be/uploads/publications/acea-pik-joint-statement-the-transition-to-zero-emission-road-freight-trans.pdf>

Ford Otosan Included in Bloomberg Gender-Equality Index

Ford Otosan is the only non-bank index member company from Turkey

- Voluntary disclosure of gender-related metrics.
- The GEI framework aims to capture social data across 74 metrics, each allocated to one of five pillars:
 - 1) Female leadership & talent pipeline,
 - 2) Equal pay & gender pay parity,
 - 3) Inclusive culture,
 - 4) Sexual harassment policies, and
 - 5) Pro-women brand.



The GEI brings transparency to gender-related practices and policies at publicly-listed companies, expanding the breadth and disclosure of environmental, social, governance (ESG) data available to investors.



Reports Solid Results

Ford is on a mission to do it more sustainably, becoming carbon neutral by 2050.

- Ford reported **solid results in Q4** exceeding consensus and announced **2021 guidance** above expectations.
- 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**.
- **In Europe**, all three business focus areas – **commercial**, passenger and import – were profitable in the fourth quarter. Ford bolstered the **No. 1 position of its Transit commercial vans**, with net pricing and **share both up**.



“The transformation of Ford is happening and so is our leadership of the EV revolution and development of autonomous driving. We’re now allocating a combined **\$29 billion in capital and tremendous talent** to these two areas, and bringing customers high-volume, connected electric SUVs, commercial vans and pickup trucks.”

Jim Farley, Ford President and CEO

https://s23.q4cdn.com/799033206/files/doc_financials/2020/q4/Ford-4Q2020-Earnings-Press-Release.pdf

2020 Results

2020 Financial Results

TL 49,451 million

Revenues, +26% YoY

- 7% decline in total volumes
- 24% decrease in export units
- 107% increase in domestic units

TL 34,626 million

Export Revenues, +4% YoY

- 24% decrease in volumes
- The impact of lower volumes on export revenues was limited due to currency impact, product mix and cost plus export structure.

TL 14,825 million

Domestic Revenues, +154% YoY

- 107% volume growth
- Ongoing pricing discipline

TL 5,722 million

EBITDA, +79% YoY

- Robust domestic volumes
- Higher contribution of domestic market
- Pricing discipline
- Additional cost reduction measures and OpEx control against Covid-19 impact
- Cost-plus export contracts
- Exchange impact (average EUR/TL 10% in 1Q20, 15% in 2Q20, 34% in 3Q20, 46% in 4Q20 YoY)

TL 5,283 million

EBITDA excl. Currency impact, +58% YoY

TL 4,108 million

Profit Before Tax, +111% YoY

TL 4,195 million

Net Income, +114% YoY

- Higher than PBT due to Tax Income Resulting from Deferred Tax Asset in 2020.

Volume & Revenue Analysis

	2020/2019		4Q20/4Q19	
	Volume	Revenue	Volume	Revenue
Total	-7%	26%	27%	82%
Robust domestic volumes, higher contribution of domestic market and pricing discipline supported this performance.				
Export	-24%	4%	12%	61%
The impact of lower volumes on export revenues was limited due to currency impact, product mix and cost plus export structure.				
Domestic	107%	154%	92%	163%
Domestic revenues were up with volume growth and ongoing pricing discipline.				

Sales Volume by Model

	2020	2019	YoY Δ	4Q20	4Q19	YoY Δ
Total Domestic	100.151	48.464	107%	39.252	20.425	92%
PC	25.703	11.460	124%	11.535	4.956	133%
LCV	35.978	16.976	112%	13.979	7.310	91%
Transit Courier	35.445	16.768	111%	13.817	7.263	90%
Transit Connect	533	208	156%	162	47	245%
MCV	33.155	17.187	93%	11.566	6.968	66%
Transit	24.807	12.972	91%	8.088	5.479	48%
Transit Custom	5.820	3.394	71%	1.707	1.134	51%
Ranger	2.528	821	208%	1.771	355	399%
Truck	5.315	2.841	87%	2.172	1.191	82%
Total Export	254.146	334.455	-24%	96.505	86.134	12%
Transit Custom	141.378	175.985	-20%	54.633	48.659	12%
Transit	88.687	116.805	-24%	33.747	27.401	23%
Transit Courier	21.568	38.941	-45%	7.130	8.966	-20%
Truck	2.510	2.671	-6%	995	1.093	-9%
Other	3	53	-94%	-	15	-
Total Wholesale	354.297	382.919	-7%	135.757	106.559	27%

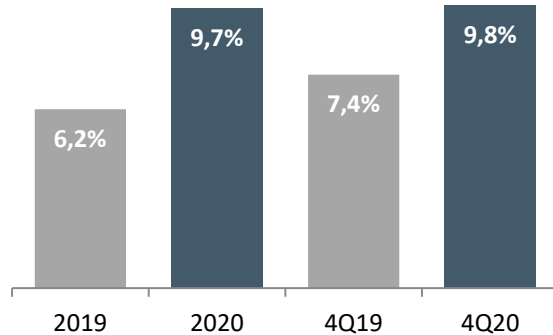
Main Financial Indicators

Million TL	2020	2019	YoY Δ	4Q20	4Q19	YoY Δ
Total Revenues	49.451	39.209	26%	20.961	11.502	82%
Export	34.626	33.375	4%	14.550	9.063	61%
Domestic	14.825	5.834	154%	6.412	2.439	163%
Gross Profit	6.187	4.015	54%	2.787	1.151	142%
Operating Profit	4.806	2.422	98%	2.044	847	141%
EBITDA	5.722	3.198	79%	2.287	1.061	116%
EBITDA excluding other income/expense	5.283	3.350	58%	2.322	975	138%
Profit Before Tax	4.108	1.950	111%	1.800	658	173%
Net Income	4.195	1.959	114%	1.927	617	212%
Other Financial Data						
Depreciation & Amortization*	917	776	18%	243	214	13%
Financial Income / (Expense)	-699	-471	48%	-243	-189	29%

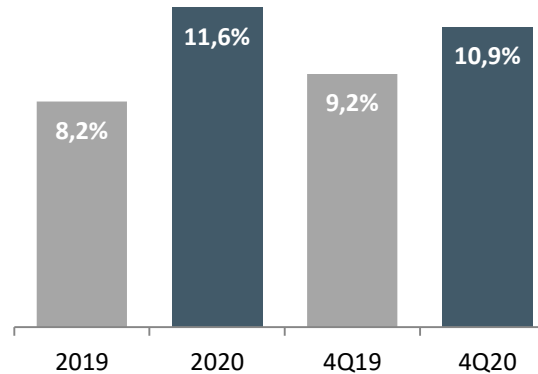
*2020 numbers include TL 42 million (2019: TL 44 million) impact from IFRS16 due to classification from manufacturing overhead and operating expenses to depreciation and amortization. Please refer to footnotes 2,10,11,33 of the financial statements for further details.

2020 Margins

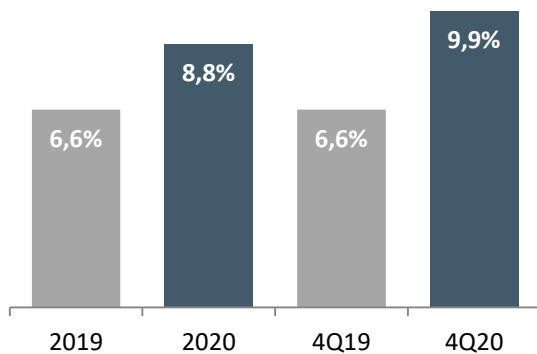
Operating Margin



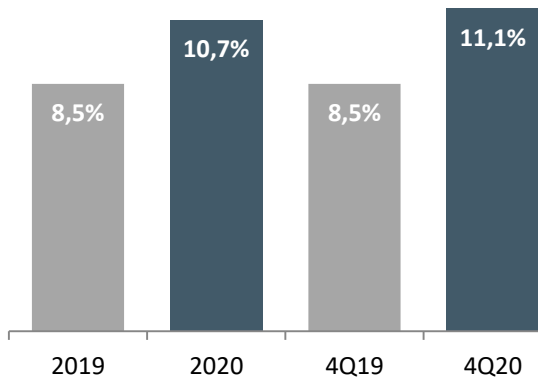
EBITDA Margin



Operating Margin (excl. Other items)



EBITDA Margin (excl. Other items)



Growing EBITDA per Vehicle (EUR)

	FY	4Q
2020	1,857	1,822
2019	1,376	1,427
2018	1,266	1,252

Drivers:

- + Robust domestic volumes
- + Higher contribution of domestic market
- + Pricing discipline
- + Additional cost reduction measures and OpEx control against Covid-19 impact
- + Cost-plus export contracts
- + Exchange impact

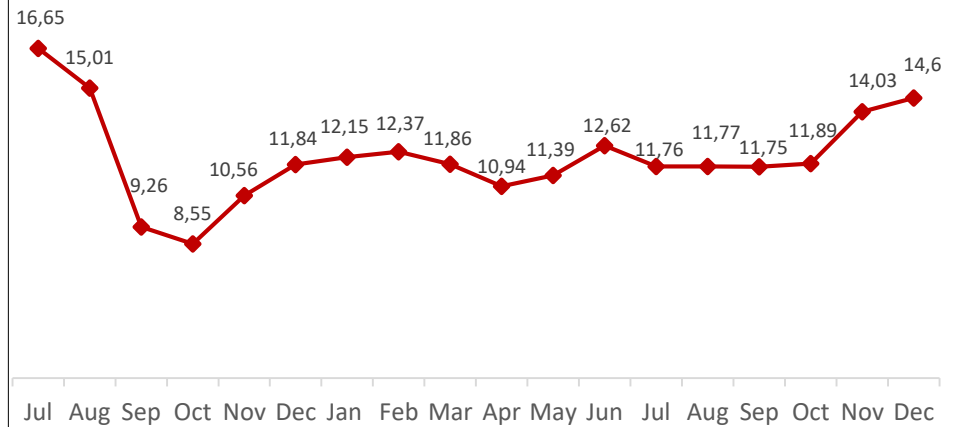
Challenges:

- Contracting export volumes
- TL volatility

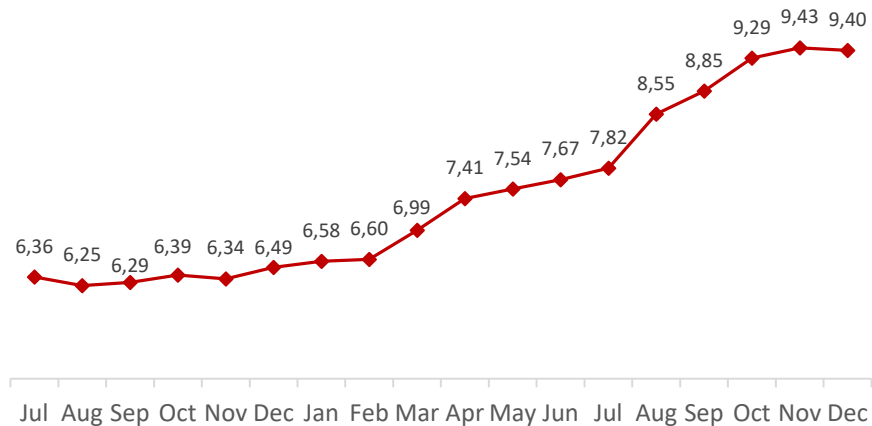
Cost Dynamics

YoY change	2020/2019	4Q20/4Q19
Production Volume	-11%	28%
Raw Material Costs	17%	80%
€ / TL Average	26%	46%

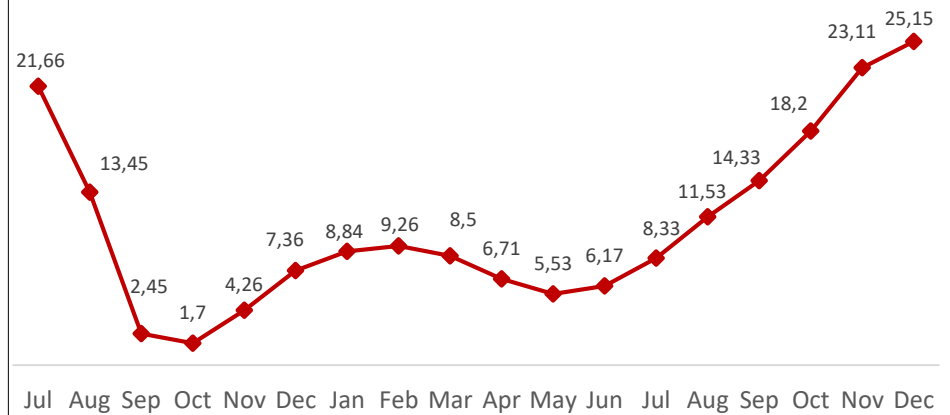
CPI Inflation. %



EUR/TL Rate, Average



PPI Inflation. %



Source: Ford Otosan, CBT, Turkstat

Debt Profile & Financial Ratios

Cash Position (TL mn)	31.12.2020	31.12.2019
Cash & Cash Equivalents	8.124	3.203
Total Financial Debt	-8.081	-6.208
Net Financial Debt	43	-3.005
Financial Ratios	31.12.2020	31.12.2019
Current ratio	1,41	1,17
Liquidity ratio	1,13	0,87
Net Debt / Tangible Net Worth	-0,01	0,78
Net Debt / EBITDA*	-0,01	0,94
Current Assets / Total Assets	0,72	0,62
Current Liabilities / Total Liabilities	0,72	0,74
Total Liabilities / Total Liabilities and Equity	0,71	0,72
Return on Equity	59,6%	42,0%
Margins	31.12.2020	31.12.2019
Gross Margin	12,5%	10,2%
EBITDA Margin	11,6%	8,2%
EBITDA Margin (excl.other items)	10,7%	8,5%
Operating Margin	9,7%	6,2%
Net Margin	8,5%	5,0%

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

2021 Guidance

	2020A	2021F
Turkish Industry Volume	791 K	750 K – 800 K
Ford Otosan Retail Sales Volume	98 K	90 K – 100 K
Exports	254 K	325 K – 335 K
Wholesale Volume	355 K	415 K – 435 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.
- This is the first guidance issued for 2021 as part of FY 2020 results in February.

Q & A

