

Highlights

<u>Financial Results</u>		<u>Million TL</u>	<u>YoY Change</u>
Revenues		28.490	3%
	Export Revenues	20.077	-17%
	Domestic Revenues	8.414	148%
Operating Profit		2.762	75%
EBITDA		3.436	61%
EBITDA excluding other income/expense		2.961	25%
Profit Before Tax		2.308	79%
Net Income		2.268	69%
<u>Volumes</u>		<u>Units</u>	<u>YoY Change</u>
Total Wholesale Volume		218.540	-21%
	Export Volume	157.641	-37%
	Domestic Wholesale Volume	60.899	117%
Domestic Retail Volume		58.758	114%
Market Share		11,6%	2 pps
Production		205.294	-25%
Capacity Utilization Rate		60%	-20 pps

9M20 financial results published in this earnings announcement have been prepared according to the International Financial Reporting Standards (IFRS).

Summary Income Statement, Million TL	30.9.2020	30.9.2019	% Change
Revenues	28.490	27.707	3%
Export	20.077	24.312	-17%
Domestic	8.414	3.394	148%
Gross Profit	3.399	2.865	19%
Operating Profit	2.762	1.575	75%
Financial Income/(Expense)	-456	-282	62%
Profit Before Tax	2.308	1.292	79%
Net Income	2.268	1.343	69%
Other Financial Data			
Depreciation and Amortization	674	562	20%
EBITDA	3.436	2.137	61%
EBITDA excluding other income/expense	2.961	2.374	25%
Capital Expenditures	-584	-789	-26%

Revenues

Turkish auto industry grew 76% YoY in 9M20 to 504,786 units. PC sales continued their strong trend despite the Special Consumption Tax increase effective as of August-end. Sales grew across all segments YoY: PC 70%, LCV 126%, MCV 71% and Heavy Trucks 122%. PC industry share was 77.0% (9M19: 79.8%). LCV industry share grew to 12.1% (9M19: 9.5%). Ford Otosan maintained its CV leadership with a record 37.3% market share while ranking #3 in the total industry with 11.6% share (9M19: 9.6%).

European van market continued to display a V-Shape recovery driven by e-commerce and delivery business. Market strength coupled with Ford's strong performance reflected positively on Ford Otosan's volumes. July and September volumes continued to grow over Q2 while the August numbers were temporarily slow as a reflection of the scheduled summer downtime.

Domestic Revenues were TL 8,414 million in 9M20, up 148% (367% YoY in 3Q20) as a result of 117% YoY (346% YoY in 3Q20) growth in volumes, product mix and ongoing pricing discipline.

Export Revenues were TL 20,077 million (TL 8,538 million in 3Q20). Despite 37% (-24% YoY in 3Q20) decline in volumes, YoY decrease in revenues was limited to 17% due to exchange impact, product mix and our cost plus export structure. Export Revenues grew 3% in 3Q20.

Total Revenues were up 3% YoY (44% YoY in 3Q20) to TL 28,490 million despite 21% (+9% YoY in 3Q20) volume decline. Share of exports in total revenues was 70% in 9M20 (9M19: 88%).

Profitability

Profitability was strong in 9M20 due to i) robust domestic volumes, ii) higher contribution of domestic market, iii) pricing discipline, iv) additional cost reduction measures and OpEx control against Covid-19 impact v) cost-plus export contracts and vi) exchange impact (average EUR/TL +10% in 1Q20, +15% in 2Q20, +34% in 3Q20 YoY). Please refer to Page 5 Graph 1 for details.

Gross Profit rose 19% YoY (74% YoY in 3Q20) to TL 3,399 million due to higher share of domestic sales (up from 10% in 9M19 to 28% in 9M20). Increased focus on cost reduction actions, additional stringent measures and pricing discipline supported this performance.

TL 20 million Net FX Loss from Operating Activities in 9M19 turned positive in 9M20, resulting in TL 464 million Net FX Gain. As a result, TL 237 million Net Other Expense in 9M19 became TL 474 million Net Other Income in 9M20. (Please refer to Page 5 Table 1 for the details. The fx movement had a significant contribution to the 75% (315% YoY in 3Q20) increase in Operating Profit in 9M20 to TL 2,762 million. Operating Profit excluding currency impact grew 26% YoY (99% YoY in 3Q20) to TL 2,287 million. EBITDA grew 61% YoY (208% YoY in 3Q20) to TL 3,436 million. EBITDA excluding the currency impact was up 25% YoY (78% YoY in 3Q20) to TL 2,961 million. EBITDA per vehicle was EUR 1,789 in 9M20. Please refer to Page 5 Table 2 for details.

Net Financial Expenses increased 62% YoY driven by 80% higher Net FX Loss, mainly explained by prior fx losses from Cash Flow Hedge Reserve and currency movements. Please refer to Page 5 Table 3 for details. Profit Before Tax increased 79% YoY (242% YoY in 3Q20) to TL 2,308 million. Net Income was TL 2,268 million, up 69% in 9M20 (199% YoY in 3Q20).

Margins: Gross 11.9% (+1.6 pps YoY); EBITDA 12.1% (+4.3 pps YoY); EBITDA excluding other income 10.4% (+1.8 pps YoY); Operating 9.7% (+4.0 pps YoY); and Net 8.0% (+3.1 pps YoY).

Sales Volume by Model, units	30.9.2020	30.9.2019	% Change
Domestic Sales	60.899	28.039	117%
Passenger Car	14.168	6.504	118%
Transit Courier	21.628	9.505	128%
Transit Connect	371	161	130%
Light Commercial Vehicle	21.999	9.666	128%
Transit	16.719	7.493	123%
Transit Custom	4.113	2.260	82%
Ranger	757	466	62%
Medium Commercial Vehicle	21.589	10.219	111%
Truck	3.143	1.650	90%
Export Sales	157.641	248.321	-37%
Transit Custom	86.745	127.326	-32%
Transit	54.940	89.404	-39%
Transit Courier	14.438	29.975	-52%
Truck	1.515	1.578	-4%
Other	3	38	-92%
Total Wholesale Volume	218.540	276.360	-21%

Total Domestic Automotive Industry	504.786	286.420	76%
Ford Otosan Retail Sales	58.758	27.460	114%
Ford Otosan Market Share	11,6%	9,6%	2 pps

Summary Balance Sheet, Million TL	30.9.2020	31.12.2019	% Change
Current Assets	16.337	10.157	61%
Current Liabilities	12.528	8.645	45%
Property, Plant and Equipment - Net	4.244	4.437	-4%
Total Assets	22.733	16.406	39%
Total Liabilities	17.960	11.741	53%
Shareholders' Equity	4.773	4.665	2%

Financial Ratios	30.9.2020	31.12.2019
Current Ratio	1,30	1,17
Liquidity Ratio	1,05	0,87
Net Debt / Tangible Equity	0,81	0,78
Net Debt / EBITDA	0,70	0,94
Current Assets / Total Assets	0,72	0,62
Current Liabilities / Total Liabilities	0,70	0,74
Total Liabilities / Total Liabilities and Equity	0,79	0,72
Return on Equity	63,3%	42,0%
	30.9.2020	30.9.2019
Gross Margin	11,9%	10,3%
EBITDA Margin	12,1%	7,7%
EBITDA Margin excluding other income/expense	10,4%	8,6%
Operating Margin	9,7%	5,7%
Net Income Margin	8,0%	4,8%

Summary Cash Flow Statement, Million TL	30.9.2020	30.9.2019	% Change
Beginning Balance of Cash & Equivalents	3.200	1.391	130%
Net Cash Generated from Operating Activities	3.901	1.165	235%
Net Cash Used in Investing Activities	-554	-787	-30%
Net Cash Used in Financing Activities	250	-5	-4694%
End of Period Balance of Cash & Equivalents	6.797	1.763	285%

2020 Guidance	
Total Industry Volume	750 K - 800 K
Ford Otosan:	
Retail Sales Volume	95 K - 105 K
Export Volume	250 K - 260 K
Wholesale Volume	345 K - 365 K
Production Volume	320 K - 330 K
Capex (fixed assets)	€100 -120 million

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Exhibit

Graph 1: EUR/TL volatility in 9M20 vs 9M19

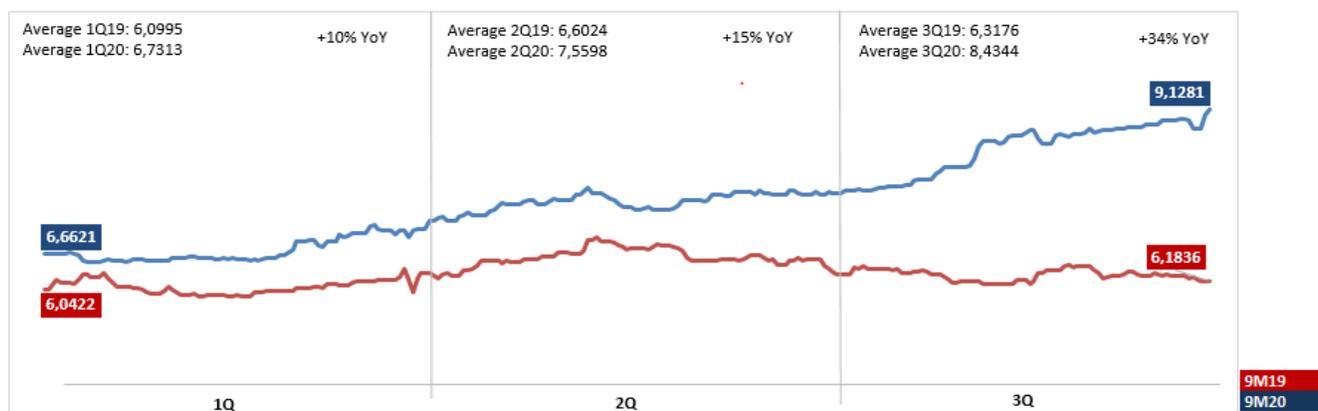


Table 1: FX Impact on Operating Profit due to significant depreciation in TL in 3Q20

Million TL	9M20	9M19	3Q20	3Q19
Net fx gains/losses related to trade receivables and payables	464	-20	273	-173
Net financial expenses from operating activities	-50	-258	-3	-84
Net other	60	41	23	12
Net other income	474	-237	293	-245

Table 2: Growing EBITDA per Vehicle

EUR	9M	3Q
2020	1.789	1.778
2019	1.355	1.452

Table 3: FX Impact on Profit Before Tax

Million TL	9M20	9M19	3Q20	3Q19
Net interest income/expense	65	22	47	2
Net other financial income/expense	-18	-25	-4	-7
Net fx gains/losses	-502	-279	-125	59
Net financial gains/losses	-456	-282	-82	54