



**9M15**

# **Financial Results**

3 November 2015





# Industry & Sales





# Industry Volumes

**9M15  
Domestic Market**

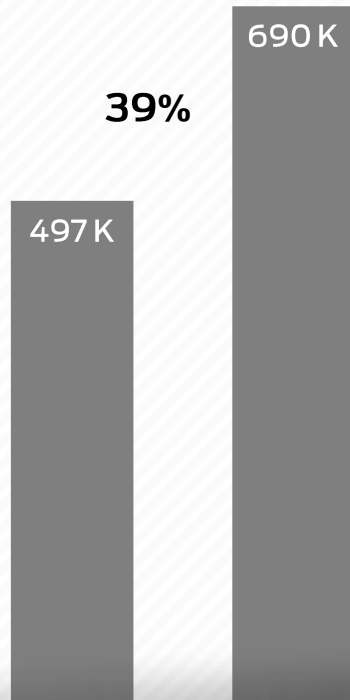
Segments	Industry	Ford Otosan	Market Share, %	Ranking
Commercial Vehicles	188,624	53,087	28.1	#1
Light Commercial	86,708	22,672	26.1	#2
Medium Commercial	75,375	24,516	32.5	#1
Truck	23,556	5,899	25.0	#2
Passenger Cars	500,905	34,314	6.9	#4
<b>Total</b>	<b>689,529</b>	<b>87,401</b>	<b>12.7</b>	<b>#2</b>

# Ford: Fastest growing brand YoY in 9M15

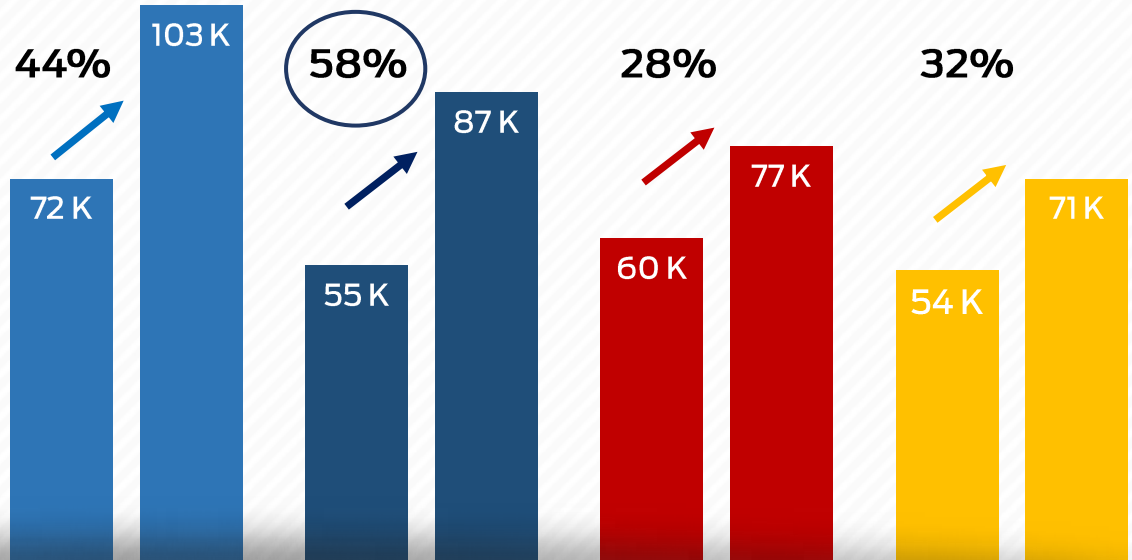
Higher growth  
than the industry

Fastest growth  
among peers

## Industry



## Top Players



RENAULT



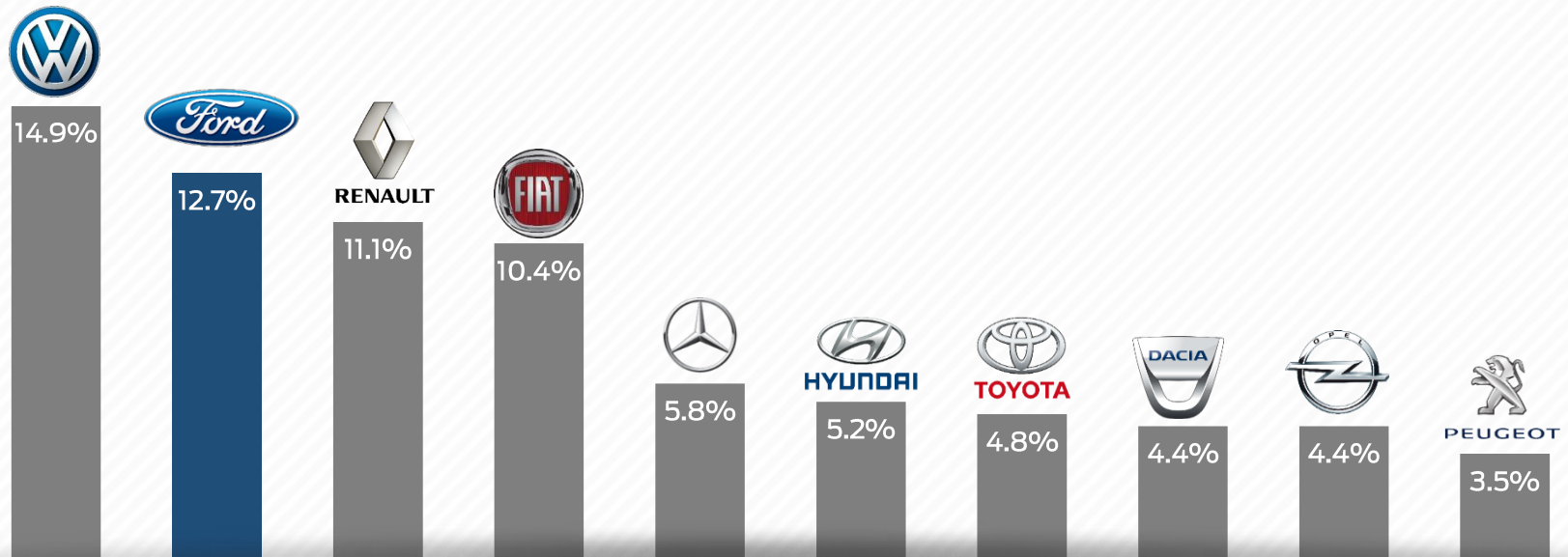
# New products continue to drive growth

## Ford Otosan Domestic Sales

Segments	9M15 Units	9M15 Share, %	9M14 Share, %	Change, pts
Commercial Vehicles	53,087	28.1	23.6	4.5
Light Commercial	22,672	26.1	20.9	5.2
Medium Commercial	24,516	32.5	29.1	3.4
Truck	5,899	25.0	20.6	4.4
Passenger Cars	34,314	6.9	6.7	0.2
<b>Total</b>	<b>87,401</b>	<b>12.7</b>	<b>11.2</b>	<b>1.5</b>



# Total Industry, January - September



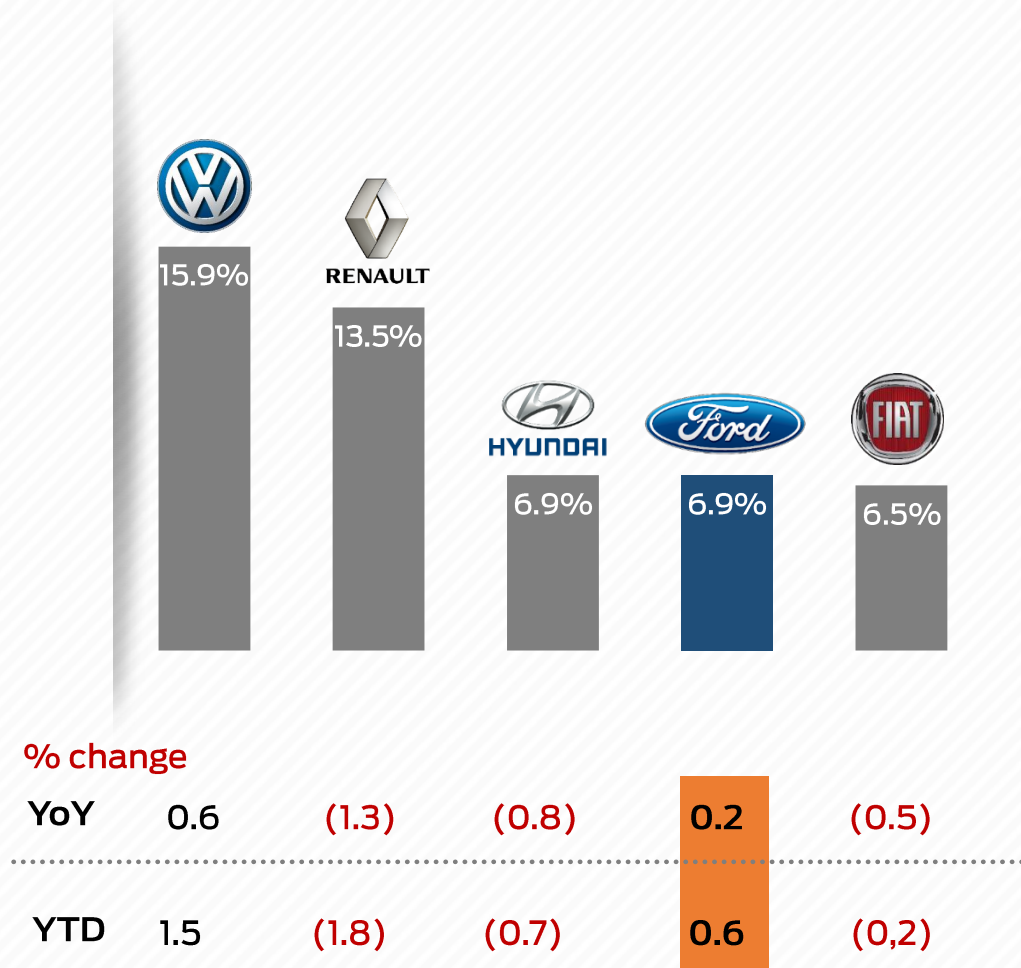
## % change

YoY	0.5	1.5	(0.9)	(0.5)	(0.7)	(0.7)	0.6	0.3	(0.4)	0.5
YTD	1.4	1.0	(1.2)	(0.7)	(0.4)	(0.6)	0.3	0.1	(0.5)	0.5

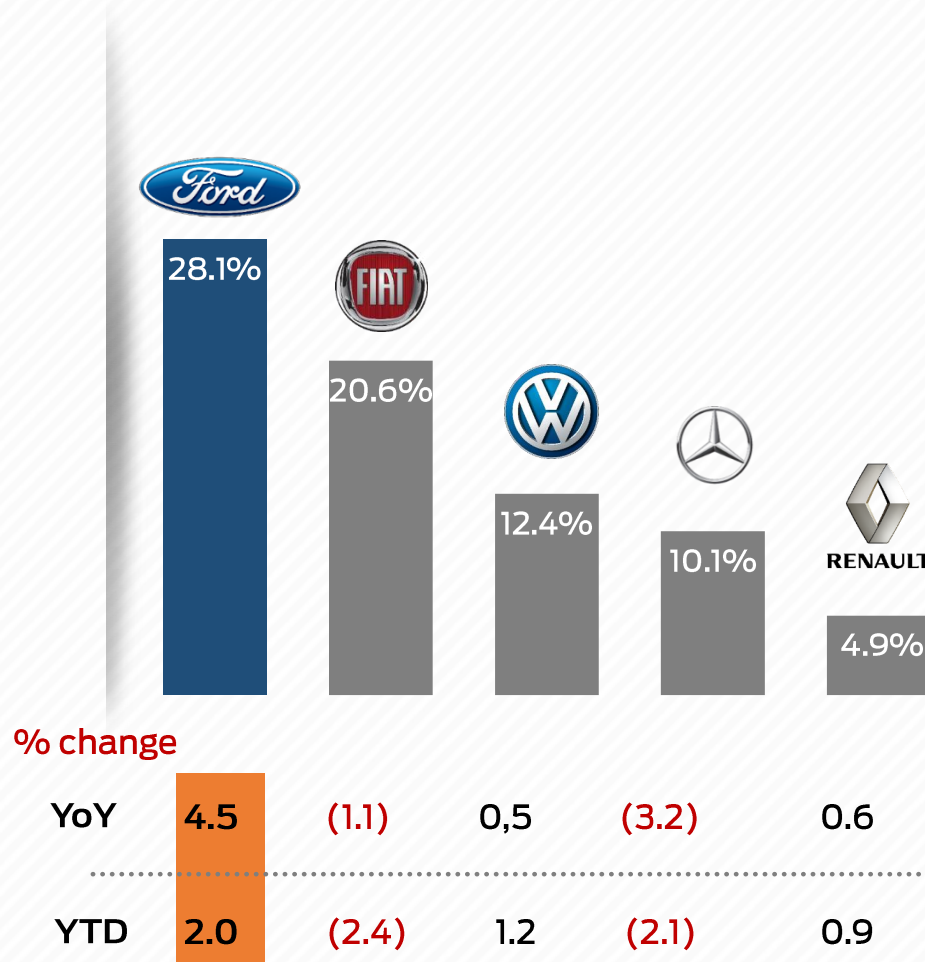
Source: ODD



# Top 5 brands - PC



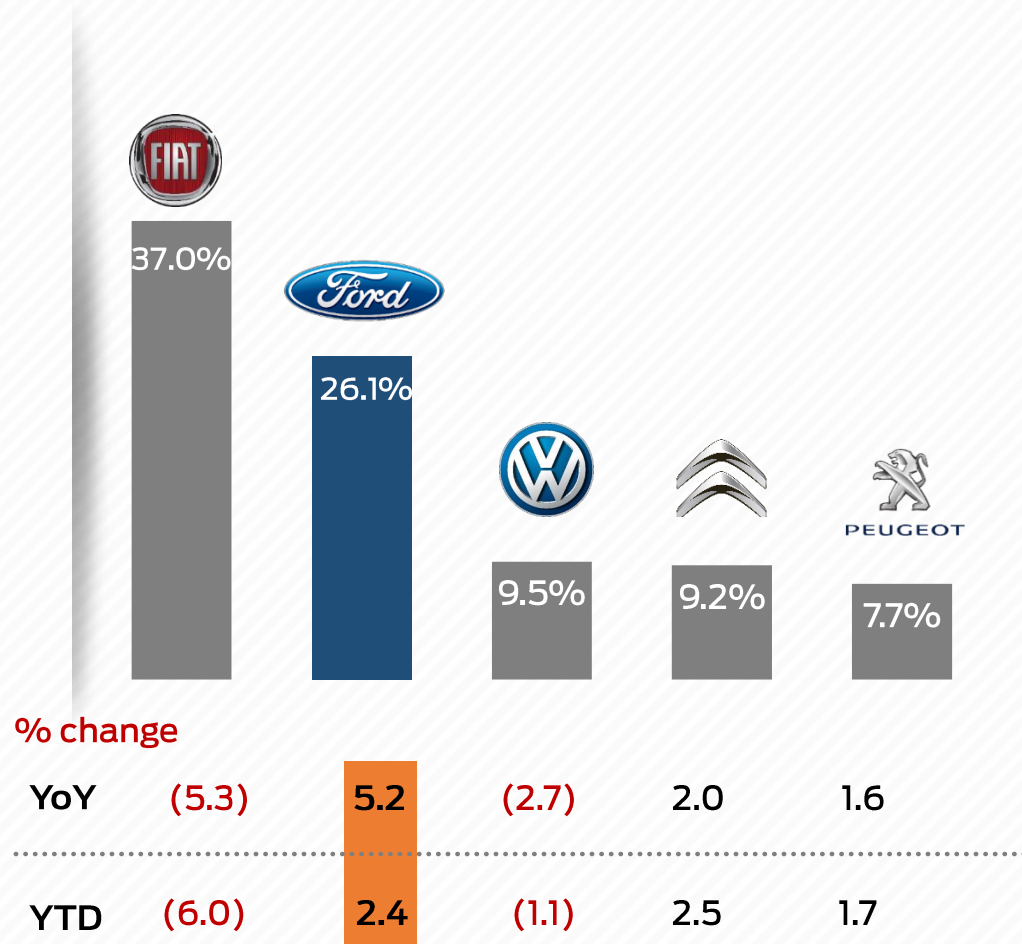
# Top 5 brands – CV (incl. HCV\*)



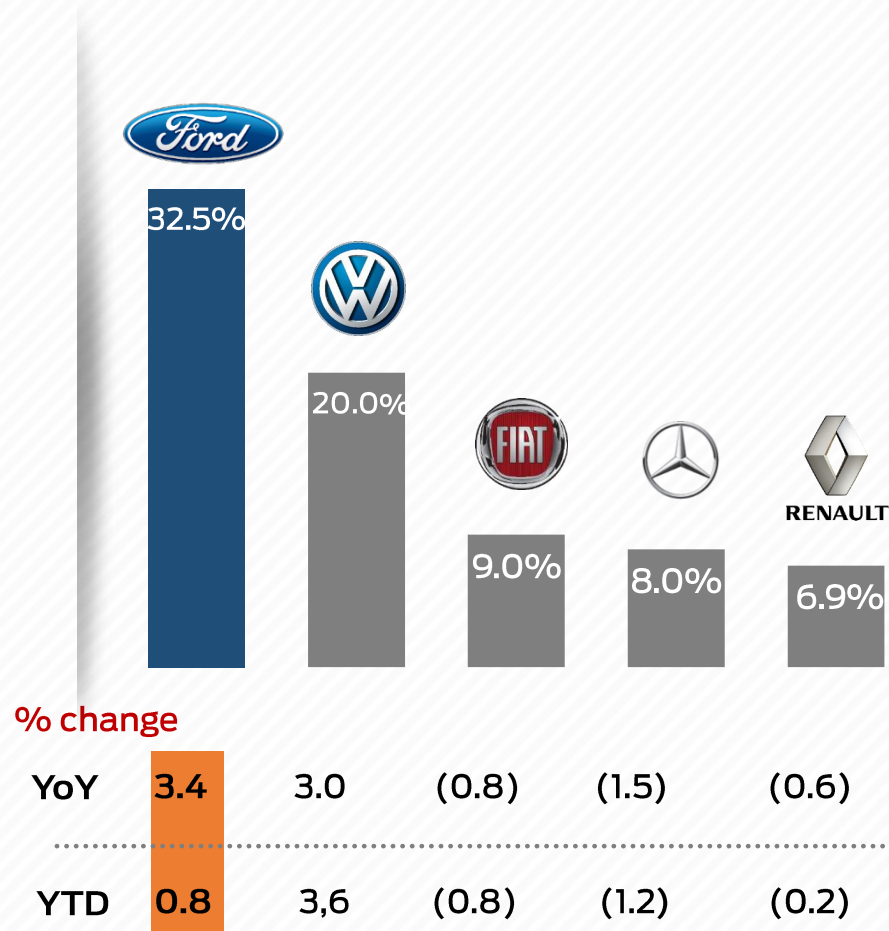
\*HCV: Covers all heavy commercial vehicles excluding buses and midibuses.



# Top 5 brands - LCV



# Top 5 brands - MCV



# Turkey – Fastest growing market in Europe

PC

10,413,765 units **9%**

500,905 units **37%**

CV

1,253,009 units **11%**

162,083 units **52%**

Truck

188,281 units **21%**

23,556 units **14%**

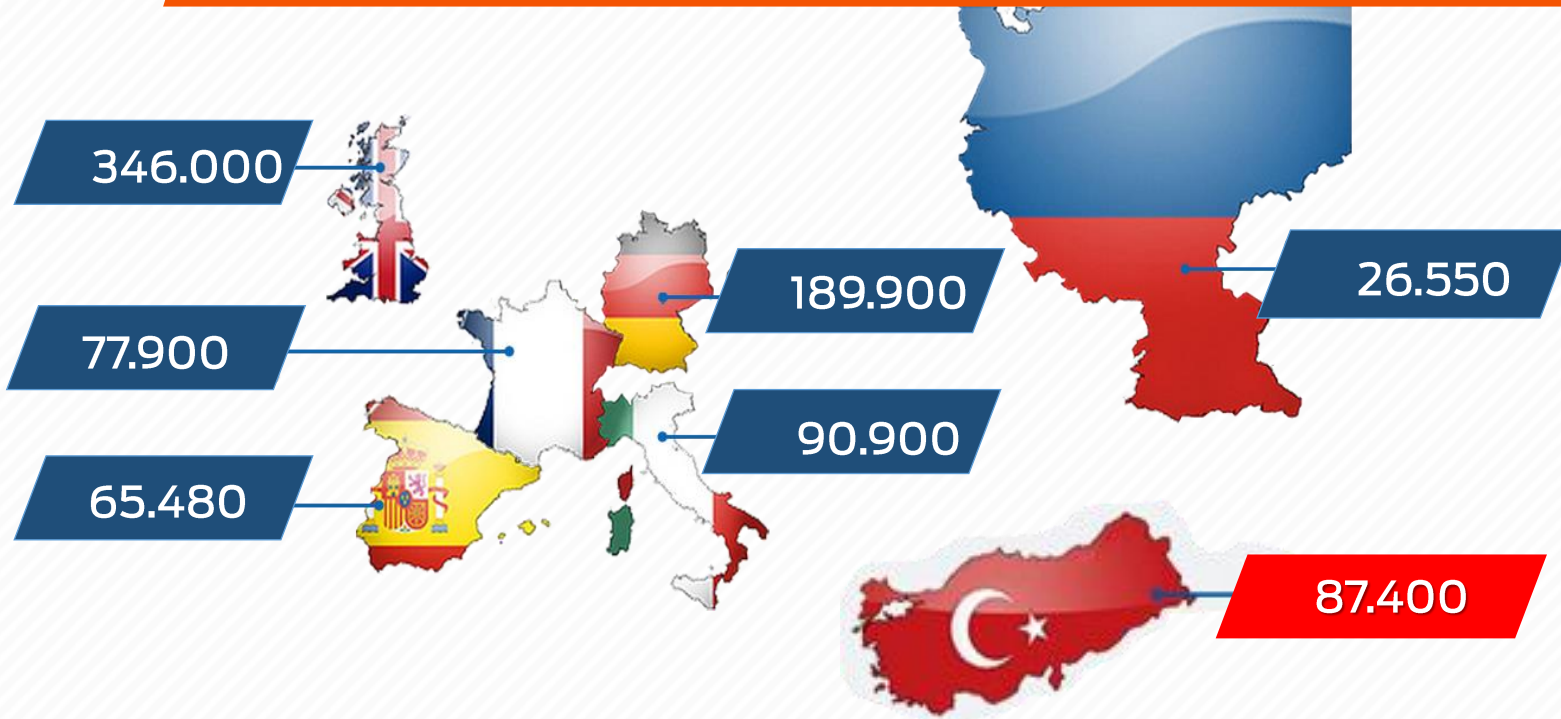


Source: ACEA, ODD



# Strong position within Ford of Europe

Turkey is Ford's 4<sup>th</sup> biggest market in Europe



Ford Otosan has the 2<sup>nd</sup> best market share in FoE (12.7%)

Total industry, 9M15 unit sales

# Vans grew for 25 consecutive months

**January-September  
2015**

**European Union**

**+11.2%**  
**1.253 K units**

**UK**

**+17.4%**  
**284 K units**

**Germany**

**+2.4%**  
**168 K units**

**France**

**+0.9%**  
**272 K units**

**Spain**

**+37.0%**  
**112 K units**

**Italy**

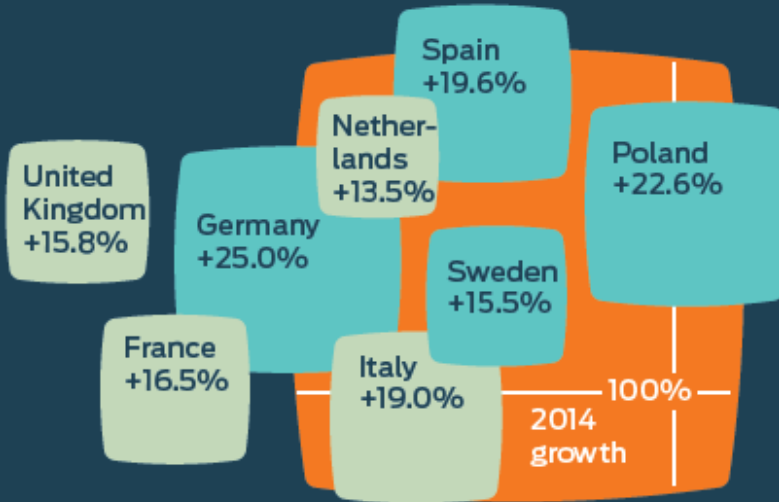
**+8.5%**  
**92 K units**

**Turkey**

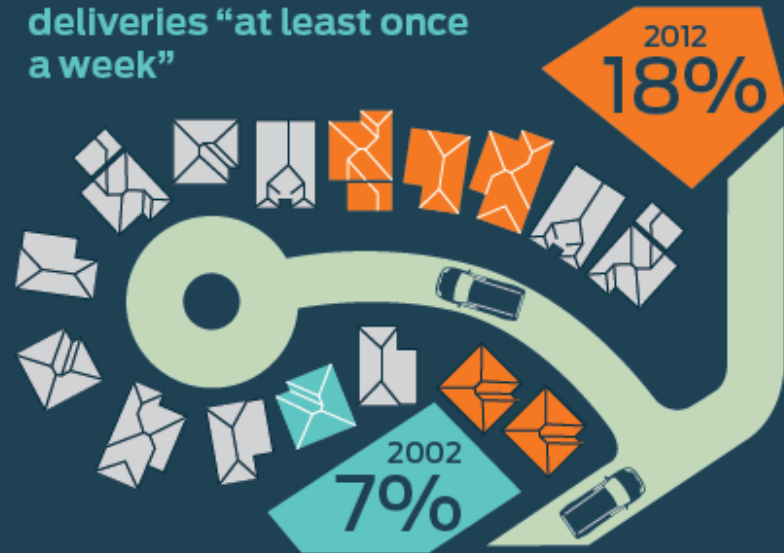
**+46%**  
**186 K units**

# What's behind rising van usage?

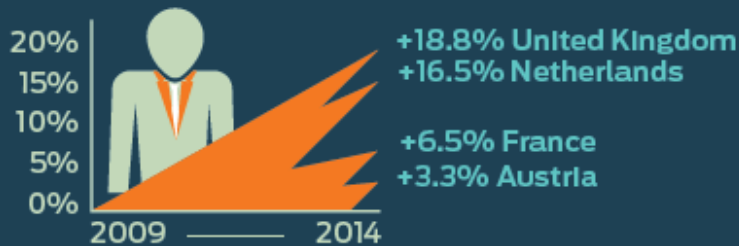
## Popularity of online shopping:



## UK households receiving deliveries "at least once a week"

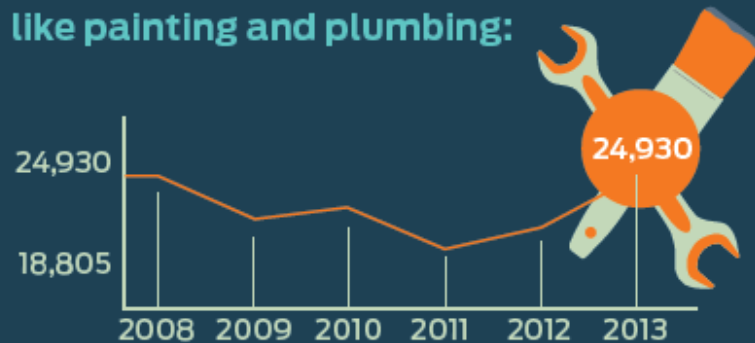


## Rise in entrepreneurship after financial crisis:



Change in the level of self-employment, 2009-2014

## Growth in small businesses like painting and plumbing:

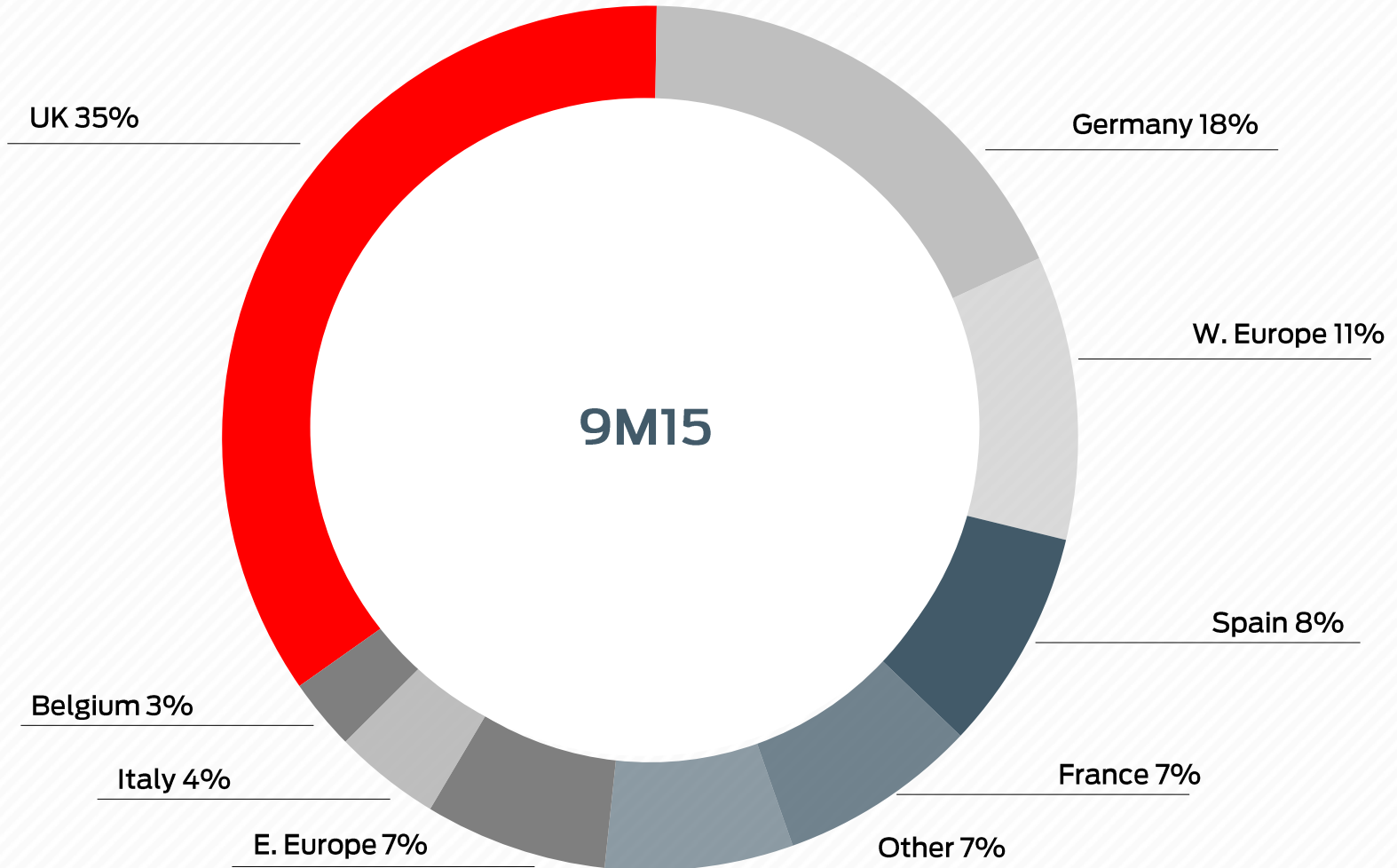


Number of new businesses in specialised construction (UK)



# Ford Otosan: Best proxy to European CVs

Export breakdown by units



# Ford claims No. 1 Spot in European CVs

#1

Ford was Europe's No. 1 commercial vehicle brand in September and year-to-date

26%

Ford's commercial vehicle sales increase year-to-date

12.8%

Ford's 9M15 market share, highest in almost two decades.

73%

Ford Otosan's share in Ford's CV sales in 9M15

# Ford Reports Record 3Q Pre-Tax Profit; Net Income Up 129%

	Pre-Tax Results	Net Income	Revenue	Wholesales	Automotive Operating Margin	Automotive Operating-Related Cash Flow
3Q 2015	<b>\$2.7B</b>	<b>\$1.9B</b>	<b>\$38.1B</b>	<b>1,596K</b>	<b>6.5%</b>	<b>\$2.8B</b>
B/(W) 3Q 2014	<b>\$1.5B</b>	<b>\$1.1B</b>	<b>\$3.2B</b>	<b>103K</b>	<b>4 ppts</b>	<b>\$3.5B</b>



"The Ford team delivered an outstanding quarter – with record third quarter profit, best quarter ever for North America, higher wholesales, higher revenue, higher market share and improved margin. We are delivering a breakthrough year."

*Mark Fields, Ford President and CEO*



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## Europe

- All metrics for the for the third quarter were better than a year ago
- Market share was up three-tenths of a percentage point
- Ford was Europe's best-selling commercial vehicle brand reflecting the strength of the renewed Transit line-up and Ranger.
- Ford continues to expect pre-tax loss for 2015 to improve compared with 2014 as the company continues towards a return to profitability in the region

	Wholesales	Revenue	Operating Margin	Pre-Tax Results
3Q 2015	<b>375K</b>	<b>\$7.0B</b>	<b>(2.6)%</b>	<b>\$(182)M</b>
B/(W) 3Q 2014	54K	\$0.1B	3.8 ppts	\$257M





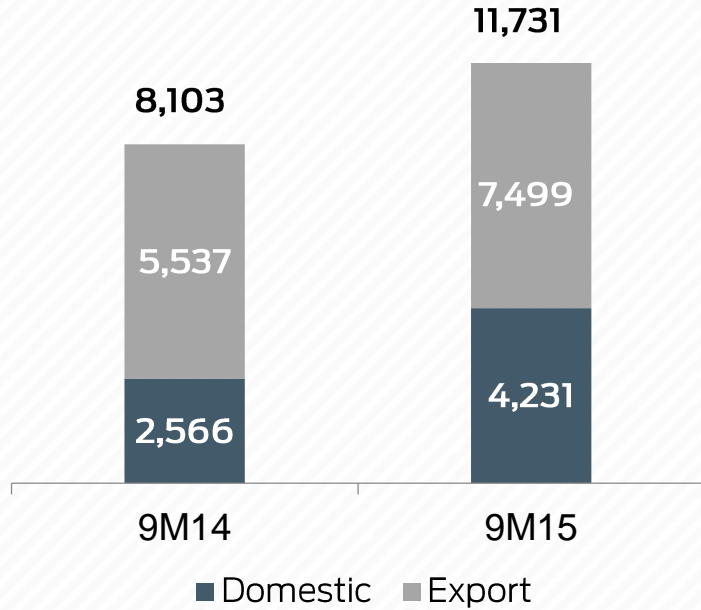
# Financial Results



# Main Financial Indicators

Million TL	9M15	9M14	YoY %	3Q15	3Q14	YoY %	2Q15	QoQ %
Total Revenues	11.731	8.103	45%	4.205	2.889	46%	3.962	6%
Export	7.499	5.537	35%	2.796	1.755	59%	2.379	18%
Domestic	4.231	2.566	65%	1.409	1.134	24%	1.583	-11%
Gross Profit	1.306	787	66%	467	312	50%	452	3%
Operating Profit	749	362	107%	284	152	87%	250	14%
EBITDA	1.046	578	81%	388	236	64%	347	12%
Profit Before Tax	583	250	133%	189	107	77%	206	-8%
Net Income	557	476	17%	151	122	24%	174	-13%
<b>Other Financial Data</b>								
Depreciation & Amortization	297	216	37%	105	83	27%	97	8%
Financial Income / (Expense)	-166	-107	55%	-94	-41	129%	-44	112%
Capex	-326	-662	-51%	-137	-192	-29%	-95	44%

# Revenues (Million TL)



## 45%

YoY growth in  
total revenues

rising volumes  
higher vehicle prices

## 35%

YoY growth in  
export revenues

strong markets  
higher demand for new products  
low base year

## 65%

YoY growth in  
domestic revenues

strong industry  
rising volumes  
higher vehicle prices



# Sales Volume by Model

	9M15	9M14	YoY %	3Q15	3Q14	YoY %	2Q15	QoQ %
<b>Domestic</b>	<b>91.249</b>	<b>54.770</b>	<b>67%</b>	<b>30.875</b>	<b>25.145</b>	<b>23%</b>	<b>34.138</b>	<b>-10%</b>
PC	33.935	22.527	51%	10.978	10.323	6%	14.151	-22%
Transit Courier	23.915	10.309	132%	7.775	6.699	16%	8.879	-12%
Transit Connect	2.093	2.747	-24%	734	58	1166%	970	-24%
Total LCV	26.008	13.056	99%	8.509	6.757	26%	9.849	-14%
Transit	20.074	11.996	67%	7.542	5.187	45%	6.169	22%
Transit Custom	4.595	2.723	69%	1.775	1.244	43%	1.536	16%
Ranger	741	197	276%	635	67	848%	104	511%
Total MCV	25.410	14.916	70%	9.952	6.498	53%	7.809	27%
Cargo	5.896	4.271	38%	1.436	1.567	-8%	2.329	-38%
<b>Exports</b>	<b>180.135</b>	<b>137.920</b>	<b>31%</b>	<b>64.308</b>	<b>44.131</b>	<b>46%</b>	<b>56.192</b>	<b>14%</b>
Transit Custom	88.234	77.355	14%	33.440	24.607	36%	25.886	29%
Transit	68.966	45.247	52%	21.614	14.110	53%	23.570	-8%
Transit Courier	22.221	14.500	53%	8.991	5.171	74%	6.512	38%
Cargo	410	601	-32%	149	165	-10%	125	19%
Other	304	217	40%	114	78	46%	99	15%
<b>Total Wholesale Volume</b>	<b>271.384</b>	<b>192.690</b>	<b>41%</b>	<b>95.183</b>	<b>69.276</b>	<b>37%</b>	<b>90.330</b>	<b>5%</b>

## 67%

YoY growth in domestic sales

Strong market  
Higher demand for new products  
Low base year

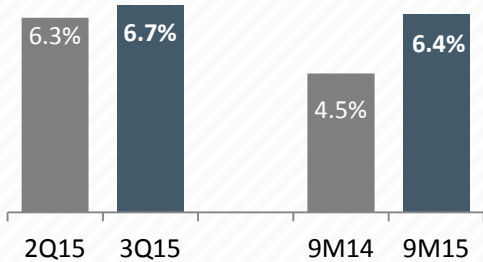
## 31%

YoY growth in exports

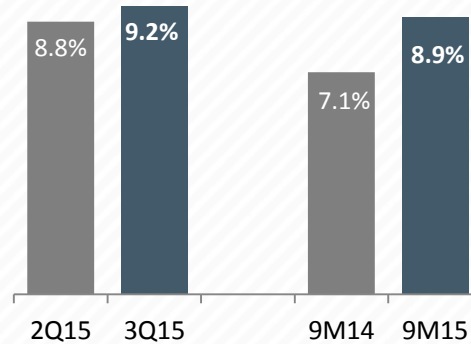
Ongoing growth in European CV market  
Ford's market share focused strategy  
Higher demand for new products  
Low base year

# Margins in 3Q and 9M15

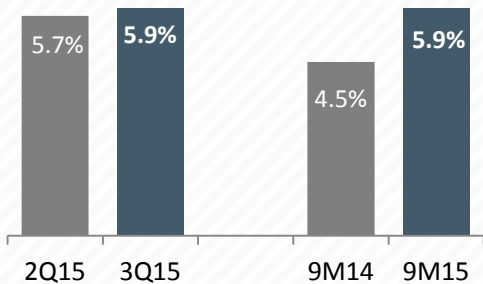
Operating Margin



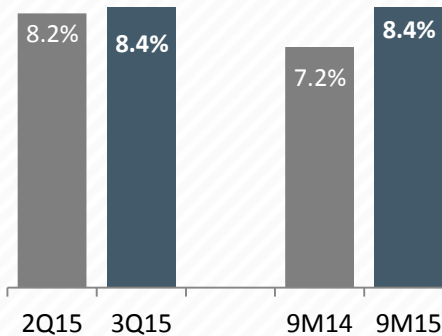
EBITDA Margin



Operating Margin (excl. Other items)



EBITDA Margin (excl. Other items)



## Drivers of rising profitability

- Higher domestic & export volumes
- Favorable sales mix
- Focus on pricing
- Higher CUR
- Cost reduction actions

# Debt Profile & Financial Ratios

<b>Cash Position (TL mn)</b>	<b>30.09.2015</b>	<b>31.12.2014</b>
Cash & Cash Equivalents	726	577
Total Financial Debt	(2,930)	(2,350)
Net financial debt	(2,204)	(1,773)
<b>Financial Ratios</b>	<b>30.09.2015</b>	<b>31.12.2014</b>
Current ratio	1.14	1.00
Liquidity ratio	0.75	0.74
Net Financial Debt / Tangible Net Worth	0.95	0.79
Current Assets / Total Assets	0.48	0.41
Current Liabilities / Total Liabilities	0.64	0.66
Total Liabilities / Total Liabilities and Equity	0.66	0.62
Return on Equity	26.1%	21.6%
<b>Margins</b>	<b>30.09.2015</b>	<b>30.09.2014</b>
Gross Margin	11.1%	9.7%
EBITDA Margin	8.9%	7.1%
EBITDA Margin excl. Other items	8.4%	7.2%
Operating Margin	6.4%	4.5%
Net Income Margin	4.7%	5.9%

# 2015 Guidance

	1Q15	1H15	9M15
Turkish Industry Volume	922 K	988 K	954 K
Ford Otosan Retail Sales Volume	126 K	132 K	120 K
Exports	245 K	262 K	259 K
Wholesale Volume	372 K	394 K	379 K
Production Volume	325 K	344 K	338 K
Capex (fixed assets)	\$230 mn	\$200 mn	\$165 mn

Guidance updated in October 2015. According to the Capital Markets Board, companies are allowed to provide guidance 4 times a year. Our next update will be in 2016 with 2015 full year results.



# THANK YOU

