



## 9M23 Earnings Presentation

26 October 2023

# Agenda

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- **9M23 Evaluation**
- **Domestic Sales Performance**
- **Export Performance**
- **Since We Last Met**
- **Financial Results**



## 9M23 Evaluation

# 9M23 Highlights

Rank #3 in total with 9.7% and #1 in CV with 29.7% share in domestic market

**LCV: 29.7%**

**MCV: 29.9%**

**Truck: 29.1%**

Robust domestic performance in 9M23

**58% rise in volumes and 104% increase in revenues**

Export volume growth supported by the volumes from the Craiova Plant

**Volumes up by 35% and Revenues up by 86%**

Total CUR: 90% - High capacity utilization across all production plants

**Gölcük 81%**

**Eskişehir 104%**

**Craiova 100%**

Strong profitability per vehicle

**EBITDA p.v. € 2,413**

**PBT p.v. € 2,149**

Dividend payment continued during the heavy investment period

**1<sup>st</sup> installment: 5 bn TL (Q1)**

**2<sup>nd</sup> installment: 10.4 bn TL (to be paid in Q4)**

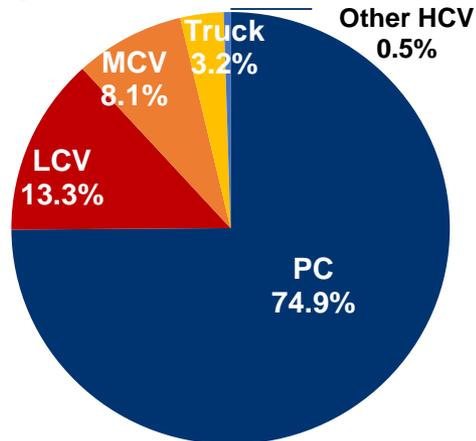


# Domestic Sales Performance

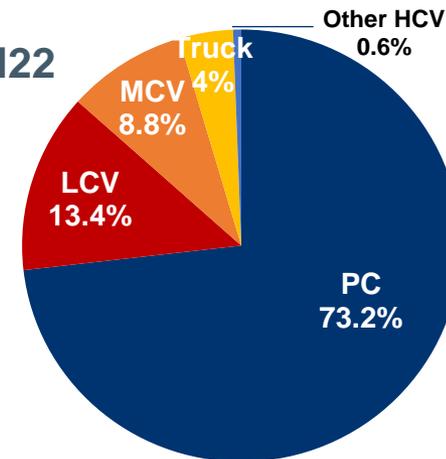
# LCV Segment Remained Solid

Segments	9M23	9M22	Δ
Passenger Cars	666,890	399,224	67%
Light Com. Vehicle	118,557	73,275	62%
Medium Com. Vehicle	72,128	48,031	50%
Truck (>16 t)	28,278	21,696	30%
Other HCV (6-16t)	4,103	3,426	20%
<b>Total*</b>	<b>889,956</b>	<b>545,652</b>	<b>63%</b>

9M23



9M22



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

# Domestic Sales Performance - I

Rank	Brand	9M23	9M22	Market Share % in 9M23	Δ, pps
		Sales	Sales		
<b>Total Industry</b>					
1	Fiat	142,187	96,847	16.0	-1.8
2	Renault	88,762	63,793	10.0	-1.7
3	<b>Ford</b>	<b>86,023</b>	<b>54,320</b>	9.7	-0.3
4	Volkswagen	64,013	44,256	7.2	-0.9
5	Peugeot	58,875	20,873	6.6	2.8
<b>Passenger Cars</b>					
1	Fiat	97,056	64,479	14.6	-1.6
2	Renault	75,621	55,593	11.3	-2.6
3	Volkswagen	51,864	38,552	7.8	-1.9
4	Opel	45,293	19,540	6.8	1.9
5	Peugeot	44,412	14,700	6.7	3.0
12	<b>Ford</b>	<b>21,028</b>	<b>7,747</b>	3.2	1.2



PC strategy: Profitability over market share

# Domestic Sales Performance - II

Rank	Brand	9M23	9M22	Market Share % in 9M23	Δ, pps
		Sales	Sales		
<b>LCV</b>					
1	Fiat	38,595	30,493	32.6	-9.1
2	Ford	35,192	22,100	29.7	-0.5
3	Peugeot	10,600	4,442	8.9	2.9
4	Citroen	9,621	2,860	8.1	4.2
5	Renault	8,627	6,320	7.3	-1.3
<b>MCV</b>					
1	Ford	21,566	18,929	29.9	-9.5
2	Volkswagen	7,005	3,655	9.7	2.1
3	Fiat	6,536	1,875	9.1	5.2
4	Mercedes	5,959	3,260	8.3	1.5
5	Toyota	4,995	5,004	6.9	-3.5
<b>Truck</b>					
1	Mercedes	10,606	8,853	37.5	-3.3
2	Ford	8,237	5,544	29.1	3.6
3	Scania	2,125	1,181	7.5	2.1
4	MAN	1,499	1,856	5.3	-3.3
5	Volvo	1,990	931	7.0	2.7

CV Strategy: Profitable growth

#2

#1

#2

29.7%

Market Share  
in Total CV





# Export Performance

# UK Van Market Grew by 21%YoY in 9M23

UK new van registrations saw an increase of 21%, mainly due to easiness in supply chain, growing fleet renewal and low base impact

	Sep'23	Sep'22	Δ	Sep'23 YTD	Sep'22 YTD	Δ
LCV Registrations	44,760	34,950	28.1%	257,979	213,576	20.8%

## BEST SELLERS LCV <3.5 tonnes

### SEPTEMBER 2023

①	Ford Transit Custom	5,103
②	Ford Transit	3,470

### YEAR-TO-DATE

①	Ford Transit Custom	31,460
②	Ford Transit	21,683

Mike Hawes, SMMT Chief Executive, said,

Vans are irreplaceable workhorses that keep Britain on the move, so a bumper September capping nine months of **growing fleet renewal** is good news for the economy, the environment and society. Decarbonising this sector is fundamental to the wider net zero transition and, as **vans are business critical**.

Source: SMMT - UK



## European Van Market in 1H23

	Jun YTD 23	Jun YTD 22	%
EU + UK	896,307	795,250	12.7%

YoY % Δ	Mar. YTD		Jun. YTD	
	'23	'22	'23	'22
UK	17.0	-23.6	18	-24.6
Germany	9.0	-13.6	15.5	-22.1
Italy	7.0	-5.3	9.2	-11.6
Spain	31.0	-35.7	26.6	-35.4
France	-3.0	-24.2	3.6	-24.4
Poland	0.0	-12.3	-0.1	-18.3
<b>Total YTD</b>	<b>9.5</b>	<b>-21.7</b>	<b>12.7</b>	<b>-24</b>

## European PC Market in 9M23

	Sep 23 YTD	Sep 22 YTD	%
EU+UK	9,392,657	7,999,157	17.4%

YoY % Δ	Mar. YTD		Jun. YTD		Sep. YTD	
	'23	'22	'23	'22	'23	'22
UK	18.4	-1.9	18.4	-11.9	21	-8.2
Germany	6.5	-4.6	12.8	-11.0	-0.1	-7.4
Italy	26.2	-24.4	22.8	-22.7	22.7	-16.3
Spain	44.5	-11.6	24.0	-10.7	2.3	-7.4
France	15.2	-17.3	15.3	-16.3	10.7	-11.8
Poland	20.6	-13.4	12.4	-12.3	9.1	-8.8
<b>Total YTD</b>	<b>18.0</b>	<b>-10.8</b>	<b>18.1</b>	<b>-14</b>	<b>17.4</b>	<b>-10</b>

Ford is Europe's No.1 CV brand for 8 consecutive years and strong demand for Ford Products has continued.

Ford Otosan has also contributed to Ford's performance in PC segment with Puma, Ford's best selling car in Europe.

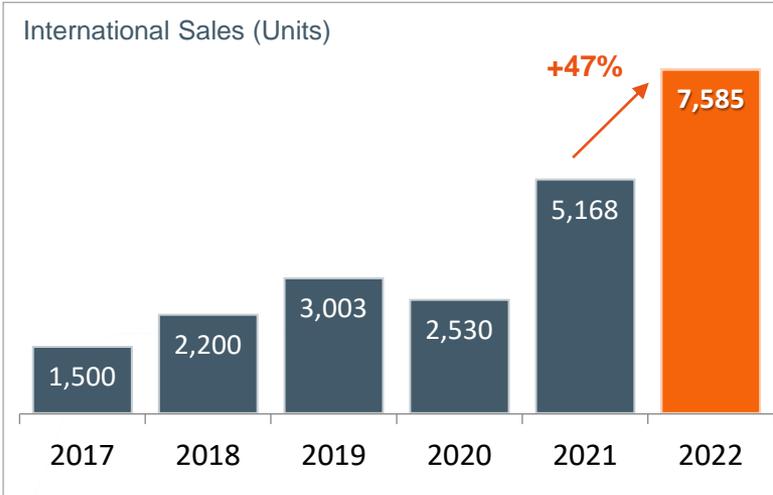
Source: ACEA, 26 European Markets + UK



# Ford Trucks Performance in 9M23

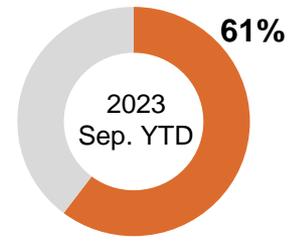
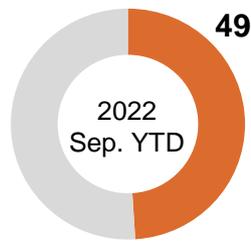
TRUCKS

## All Time High International Sales in 2022, up 47%



Volumes	Sep'22 YTD	Sep'23 YTD	YoYΔ
International Markets Industry*	215,816	231,708	7%
Ford Trucks' International Sales	5,704	5,469	-4%

Share of W. Europe in Ford Trucks International Sales



2024 **50**  
COUNTRIES

NOW **48**  
COUNTRIES

### 2021 → 2022 - 2024 → 2025 - 2026

- Belgium ✓
- Luxembourg ✓
- Germany ✓
- France ✓
- Austria ✓
- Estonia ✓
- Netherlands
- Denmark ✓
- Switzerland
- Sweden
- Finland
- Norway

\*Estimated





Since We Last Met

# New Ford Courier Rolled off the Production Line in Craiova

The perfect combination of efficiency, performance and functionality



- The new Courier range delivers unparalleled efficiency and maximum uptime within its segment.
- With its advanced capabilities and powerful new look, the new Courier range facilitates commercial fleets' business with its practical design.

All Electric Courier, engineered & produced by Ford Otosan, to be launched in 2024



## 9M23 Results

# Financial Highlights in 9M23

**TL 225,961 million**

**Revenues, +104% YoY**

- Total volumes +40%
- Export volumes +35%
- Domestic volumes +66%

**TL 163,637 million**

**Export Revenues\*, +86% YoY**

- 35% volume increase  
(supported by the inclusion of Craiova Plant)
- Exchange impact

**TL 62,323 million**

**Domestic Revenues, +172% YoY**

- 66% volume increase
- Strong demand for vehicles in the inflationary environment
- Improvement in vehicle availability

**TL 31,145 million**

**EBITDA, +146% YoY**

- Strong domestic volumes and increasing domestic share in total sales
- Ongoing pricing discipline
- Cost reduction measures and OpEx control
- Exchange impact on our export business (average EUR/TRY up 42% in 9M23 YoY)

**TL 26,416 million**

**EBITDA excl. Currency impact,  
+121% YoY**

**TL 23,521 million**

**PBT, +154% YoY**

- In 9M23 net interest expenses slightly decreased compared to 6M23 due to net interest income in Q3.

**TL 25,094 million**

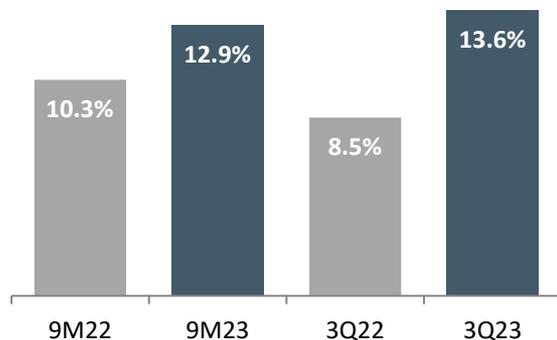
**Net Income, +143% YoY**

- Deferred tax impact (3Q23: 2 bn TL, 3Q22: 224 mn TL).
- The impact of «Tax Income Resulting from Deferred Tax Asset in 9M23» on Net Income was partially offset by «additional tax related to earthquake».

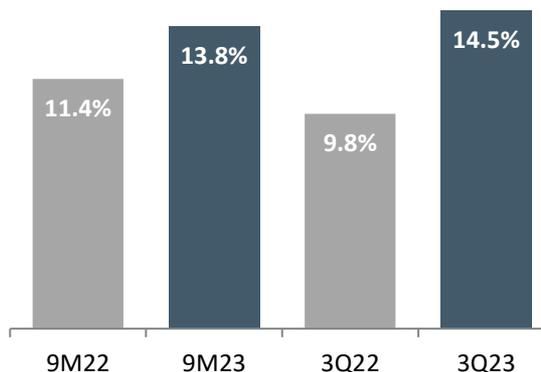
(\*) Export revenues and volumes include exports from Ford Otosan and Ford Romania SRL

# Margins

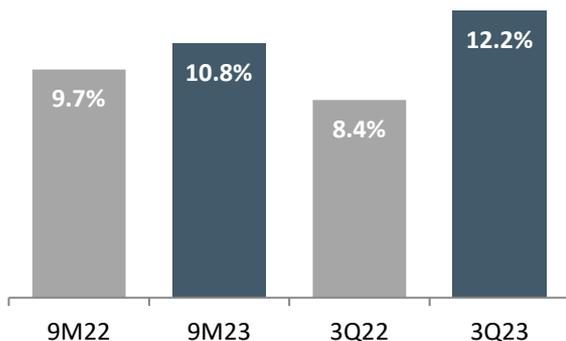
## Operating Margin



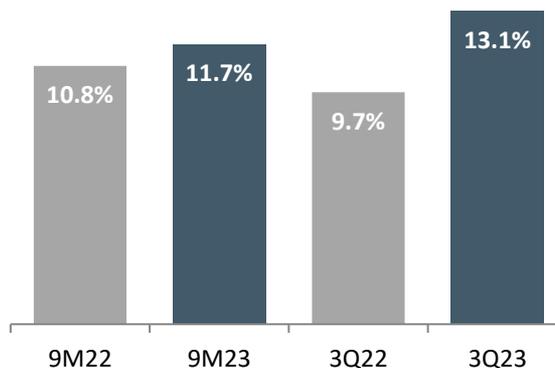
## EBITDA Margin



## Operating Margin (excl. Other items)



## EBITDA Margin (excl. Other items)



## Solid EBITDA and PBT per Vehicle

EBITDA, EUR	9M	3Q
2021	1,997	2,026
2022	2,184	1,917
2023	2,413	2,690

PBT, EUR	9M	3Q
2021	1,836	1,893
2022	1,691	1,428
2023	2,149	2,644

### Drivers:

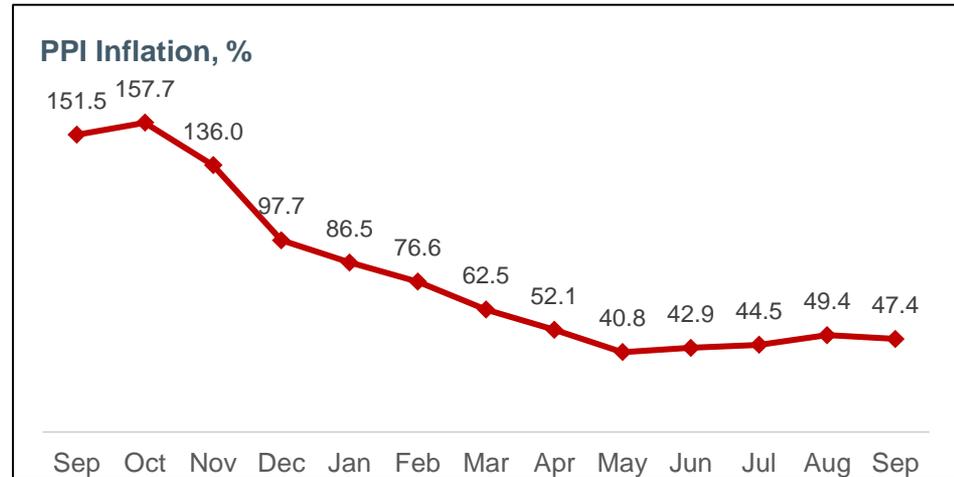
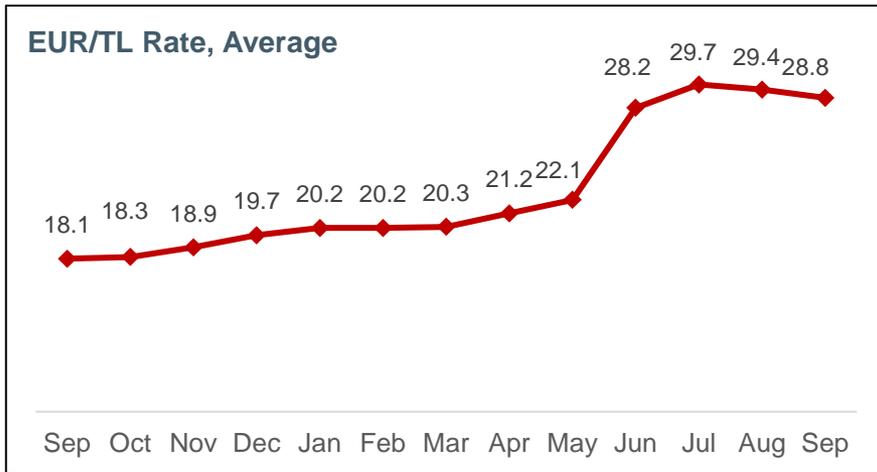
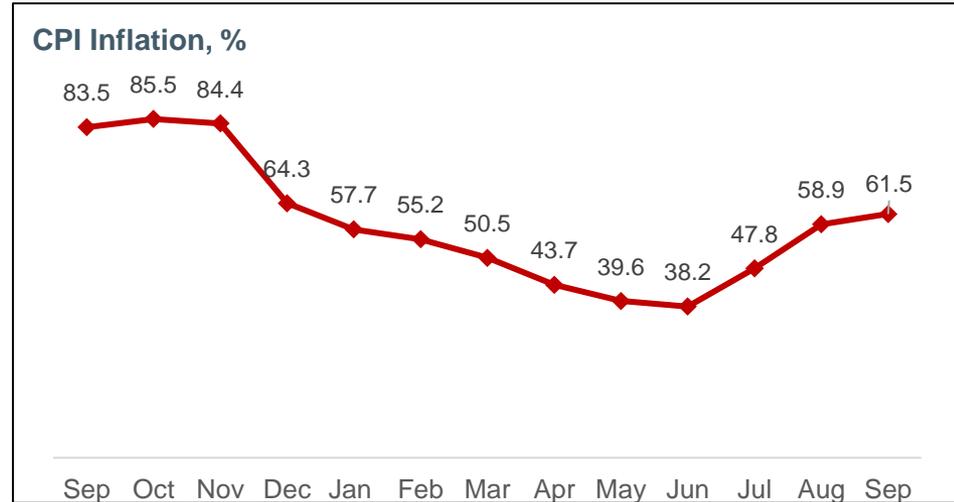
- + Strong domestic volumes
- + Pricing discipline
- + Ongoing cost reduction measures and OpEx control
- + Exchange impact on our export business (average EUR/TRY up 42% in 9M23 YoY)

### Challenges:

- TL volatility

# Cost Dynamics

	9M23/9M22 Δ	3Q23/3Q22 Δ
Production Volume	37% ↑	1% ↑
Raw Material Costs	119% ↑	119% ↑
€ / TL Average	42% ↑	61% ↑



Source: Ford Otosan, CBT, Turkstat

# Sales Volume by Model

	9M23	9M22	YoY%	3Q23	3Q22	YoY%
<b>Total Domestic</b>	<b>89,816</b>	<b>54,268</b>	<b>66%</b>	<b>30,360</b>	<b>19,945</b>	<b>52%</b>
<b>PC</b>	<b>22,438</b>	<b>5,752</b>	<b>290%</b>	<b>7,896</b>	<b>2,023</b>	<b>290%</b>
Puma	3,905	1,055	270%	1,897	345	450%
Other	18,533	4,697	295%	5,999	1,678	258%
<b>LCV</b>	<b>36,826</b>	<b>24,512</b>	<b>50%</b>	<b>11,484</b>	<b>8,883</b>	<b>29%</b>
Transit Courier	36,388	24,271	50%	11,300	8,859	28%
Transit Connect	438	241	82%	184	24	667%
<b>MCV</b>	<b>22,191</b>	<b>18,195</b>	<b>22%</b>	<b>8,528</b>	<b>6,631</b>	<b>29%</b>
Transit	16,928	13,963	21%	6,674	5,096	31%
Transit Custom	4,434	3,708	20%	1,240	1,312	-5%
Ranger	829	524	58%	614	223	175%
<b>Truck</b>	<b>8,223</b>	<b>5,563</b>	<b>48%</b>	<b>2,452</b>	<b>2,302</b>	<b>7%</b>
<b>Rakun <sup>(1)</sup></b>	<b>138</b>	<b>246</b>	<b>N/M</b>	<b>-</b>	<b>106</b>	<b>N/M</b>
<b>Total Export <sup>(2)</sup></b>	<b>366,231</b>	<b>270,998</b>	<b>35%</b>	<b>112,894</b>	<b>120,022</b>	<b>-6%</b>
Transit Custom	101,144	111,350	-9%	30,328	35,963	-16%
Transit	105,703	86,036	23%	34,118	27,014	26%
Transit Courier	17,091	17,835	-4%	2,994	4,669	-36%
Truck	5,446	5,594	-3%	1,926	2,199	-12%
Puma	136,721	39,403	247%	43,437	39,403	10%
Other	126	10,780	N/M	91	10,774	N/M
<b>Total Wholesale</b>	<b>456,047</b>	<b>325,266</b>	<b>40%</b>	<b>143,254</b>	<b>139,967</b>	<b>2%</b>

(1) Rakun production ended in 3Q23

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

# Main Financial Indicators

Million TL	9M23	9M22	YoY %	3Q23	3Q22	YoY %
Total Revenues <sup>(1)</sup>	225,961	110,857	104%	86,106	50,127	72%
Export <sup>(2)</sup>	163,637	87,962	86%	61,219	40,144	52%
Domestic	62,323	22,895	172%	24,887	9,984	149%
Gross Profit	34,642	14,560	138%	14,697	5,687	158%
Operating Profit	29,061	11,416	155%	11,696	4,247	175%
EBITDA	31,145	12,667	146%	12,485	4,914	154%
EBITDA excluding other income/expense	26,416	11,973	120%	11,253	4,853	132%
Profit Before Tax	23,521	9,271	154%	11,059	3,615	206%
Net Income	25,094	10,322	143%	13,014	3,816	241%
<b>Other Financial Data</b>						
Depreciation & Amortization	2,085	1,251	67%	789	667	18%
Financial Income / (Expense)	-5,475	-2,136	156%	-573	-635	-10%

(1) In 9M23, Ford Romania SRL contributed TL 49,230,871 thousand to Total Revenues and TL 12,959 thousand to Net Profit

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

# Summary Balance Sheet & Cash Flow Statement

Balance Sheet, Million TL	9/30/2023	12/31/2022	YoY Δ
Current Assets	96,935	55,125	76%
Current Liabilities	77,565	46,206	68%
Property, Plant and Equipment - Net	32,261	20,145	60%
Total Assets	163,199	96,052	70%
Total Liabilities	122,693	74,650	64%
Shareholders' Equity	40,507	21,402	89%

Cash Flow Statement, Million TL	9/30/2023	9/30/2022	YoY Δ
Beginning Balance of Cash & Equivalents	10,110	14,106	-28%
Net Cash from Operating Activities	33,887	7,748	328%
Net Cash Used in Investing Activities	-15,830	-14,933	6%
Net Cash Used in Financing Activities	2,527	-28	N/M
End of Period Balance of Cash&Equivalents	30,468	7,249	320%

# Debt Profile & Financial Ratios

<b>Cash Position (TL mn)</b>	<b>30.09.2023</b>	<b>31.12.2022</b>
Cash & Cash Equivalents	30,555	10,115
Total Financial Debt	-63,216	-37,918
Net Financial Debt	-32,660	-27,804
<b>Financial Ratios</b>	<b>30.09.2023</b>	<b>31.12.2022</b>
Current Ratio	1.25	1.19
Liquidity Ratio	0.83	0.81
Net Debt / Tangible Net Worth	1.08	1.92
Net Debt / EBITDA*	0.83	1.32
Current Assets / Total Assets	0.59	0.57
Current Liabilities / Total Liabilities	0.64	0.62
Total Liabilities/Total Liabilities & Equity	0.75	0.78
Return on Equity	82.6%	86.9%
<b>Margins</b>	<b>30.09.2023</b>	<b>30.09.2022</b>
Gross Margin	15.3%	13.1%
EBITDA Margin	13.8%	11.4%
EBITDA Margin (excluding other income)	11.7%	10.8%
Operating Margin	12.9%	10.3%
Net Margin	11.1%	9.3%

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

# 2023 Guidance

## 2023 Guidance

	2022A	1st Guidance for 2023	2nd Guidance for 2023	Last Guidance for 2023 *
Total Industry Volume	822 K	800 K- 850 K	1,000 K- 1,100 K	1,100 K- 1,200 K
Ford Otosan:				
Retail Sales Volume	85 K	90 K- 100 K	110 K- 120 K	110 K- 120 K
Export Volume	391 K	550 K - 570 K	550 K - 570 K	530 K - 550 K
Turkey	298 K	355 K- 365 K	355 K- 365 K	335 K- 345 K
Romania	93 K	195 K - 205 K	195 K - 205 K	195 K - 205 K
Wholesale Volume	476 K	640 K - 670 K	660 K - 690 K	640 K - 670 K
Total Production Volume	466 K	630 K - 660 K	630 K - 660 K	610 K - 640 K
Turkey	374 K	430 K- 450 K	430 K- 450 K	410 K- 430 K
Romania	92 K	200 K- 210 K	200 K- 210 K	200 K- 210 K
Capex (fixed assets)	€ 818 mn	€ 1,000-1,050 mn	€ 1,000-1,050 mn	€ 900-950 mn
General Investments	€ 52 mn	€ 90-100 mn	€ 90-100 mn	€ 90-100 mn
Product Related Investments	€ 766 mn	€ 910-950 mn	€ 910-950 mn	€ 810-850 mn

\*Total industry volume guidance is updated as a result of the strong demand outlook in the domestic market for the full year. Export and production volumes are reduced due to the longer than expected ramp-up period for the next-gen Courier and Custom models. CAPEX guidance is slightly decreased due to the budget calendar shifts for the new projects.



Thank You