



# Ford

OTOSAN

## 2017 1Q Financial Results

27 April 2017



# Ford

OTOSAN

Oğuz Toprakoğlu  
CFO

# Agenda

1Q17 Evaluation

European Performance & Ford Motor Company

Financial Results

Q & A



The image features a large, stylized blue Ford logo in a script font. The background is composed of several overlapping, curved, abstract shapes in shades of blue, purple, and yellow, creating a dynamic, flowing effect. The Ford logo is positioned in the upper center, with the word "OTOSAN" in a grey, sans-serif font to its right.

# Ford

OTOSAN

2017 1Q Evaluation

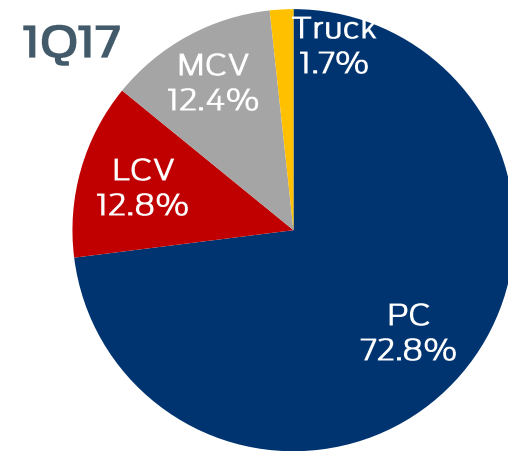
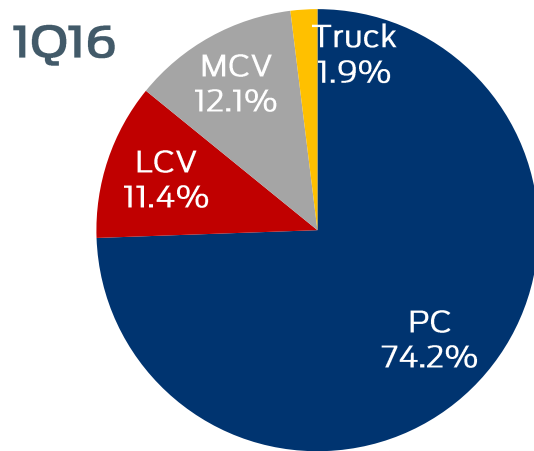
# Domestic Automotive Industry

2017 1Q  
Domestic Market

Segments	Industry	Ford Otosan	Market Share %	Ranking
Commercial Vehicles	42,858	12,635	29.5	#1
Light Commercial	20,437	5,009	24.5	#2
Medium Commercial	19,690	6,707	34.1	#1
Truck	2,731	919	33.7	#2
Passenger Cars	115,963	6,150	5.3	#7
<b>Total</b>	<b>159,233</b>	<b>18,785</b>	<b>11.8</b>	<b>#3</b>

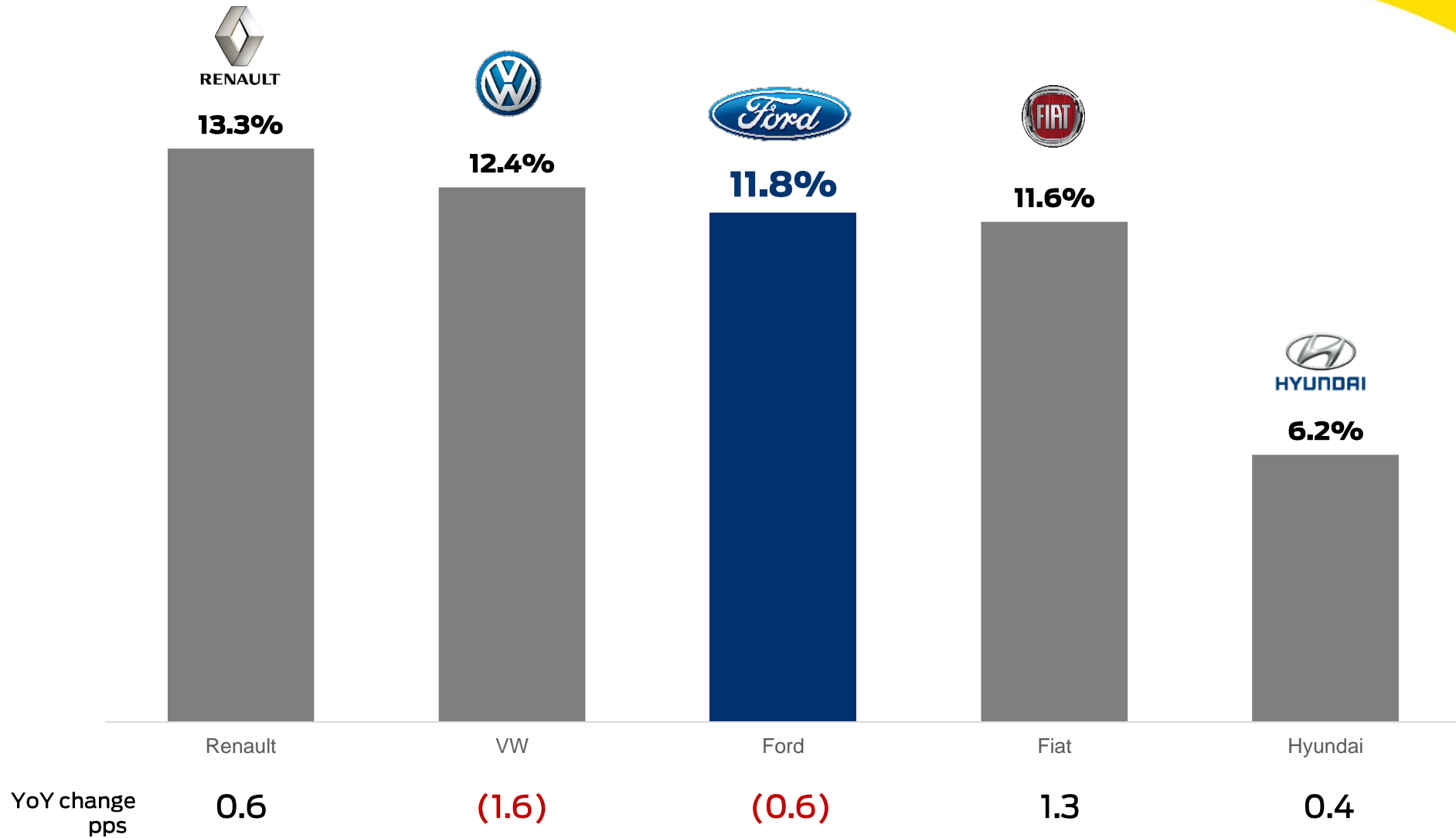
# Segmental Analysis

Segments	1Q17	1Q16	% Change
Passenger Cars	115,963	127,921	-9
Light Commercial	20,437	19,629	4
Medium Commercial	19,690	20,936	-6
Truck	2,731	3,358	-19
<b>Total</b>	<b>159,233</b>	<b>172,322</b>	<b>-8</b>

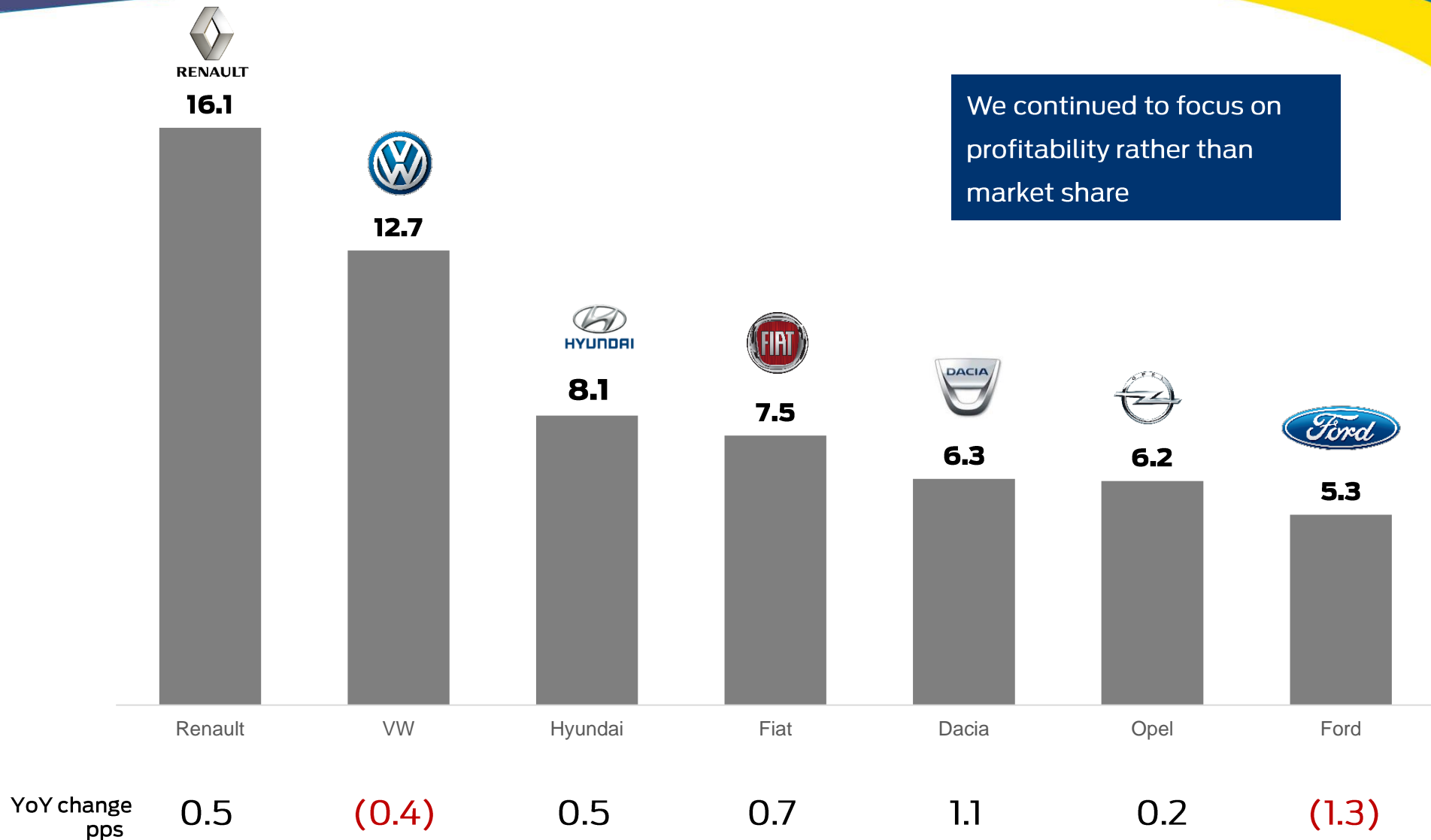




# Market Performance – Total Industry



# Market Performance - PCs





# Market Performance - LCVs



**41.1%**



Fiat

2.2



**24.5%**



Ford

(3.9)



**8.2%**



VW

(3.5)



RENAULT

**7.0%**



Renault

2.0



CITROËN

**7.0%**



Citroen

1.9

We recorded lower sales due to high base year driven by fleet sales in 2016

YoY change  
pps

# Market Performance - MCVs



**34.1%**



Ford

3.5



**16.8%**



VW

(6.7)



**7.7%**



Mercedes

(1.0)



**6.4%**



Fiat

0.0



**TOYOTA**

**6.6%**



Toyota

3.1

We continued our traditional leadership with increasing market share

YoY change  
pps

# Market Performance - HCVs



**39.0%**



Mercedes



**33.7%**



Ford



**10.0%**



Scania



**9.6%**



MAN



**4.5%**



Volvo

We outperformed the market with improvement in our product offering: Ecotorq engine launched in 2016

YoY change  
pps

16.7

8.0

(10.8)

(2.6)

(0.5)

# New Models – Passenger Cars

2017  
1Q



**Kuga MCA**  
1.5L Diesel M/T & A/T

ST-Line



Active



Vignale



Titanium



**New Generation  
Fiesta**

3Q17

# New Models – Commercial Vehicles

## 2017

### 1Q



**Transit**  
A/T @ FWD 2.0L  
EcoBlue Motor



**Tourneo Custom**  
A/T 2.0L  
EcoBlue Motor



**Courier**  
Sport Series



**Connect**  
Euro6



# European Performance & Ford Motor Company



# Ford

OTOSAN

# EU Van Registrations Grew 8.1% in 1Q17

**1Q17**  
**Vans up to 3.5 t**

**+8.1%**  
**505 K units**

**European Union\***

**UK**

**-0.9%**  
**98 K units**

**Germany**

**+8.9%**  
**63 K units**

**France**

**+10.2%**  
**110 K units**

**Italy**

**+9.4%**  
**43 K units**

**Spain**

**+23.6%**  
**48 K units**

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



# Record 1Q Export Volume

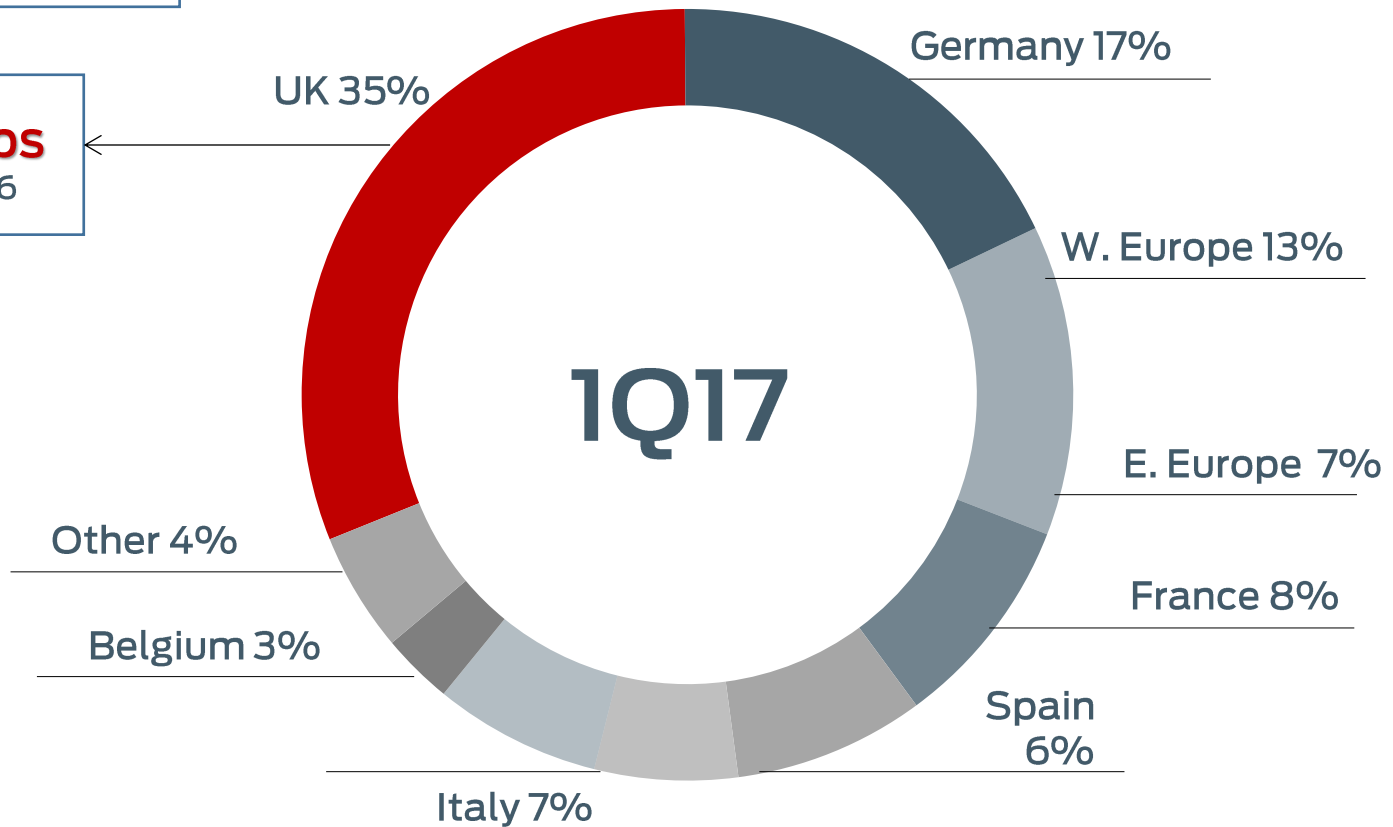
## Export breakdown by units

UK Industry: -0.9%  
Ford: +3.3%

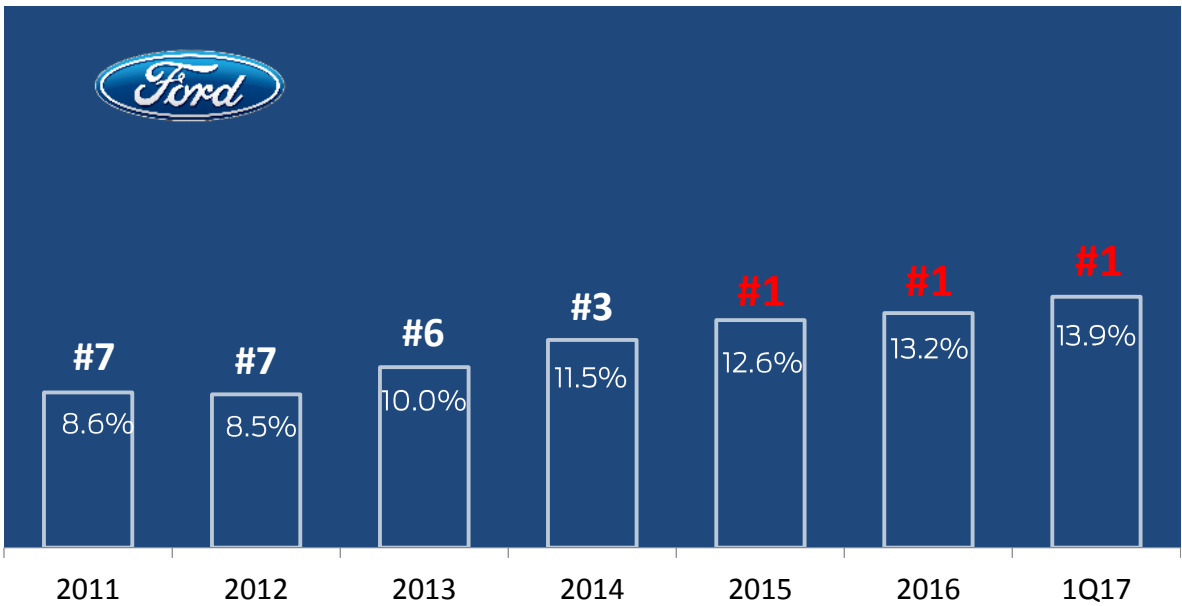
**Ford is #1**

Source: SMMT

**+4 bps**  
vs. FY16



# Ford Remains No. 1 in European CVs with Increasing Market Share



**9%**

**Mar YoY growth  
in Ford's CV sales**

**11%**

**Jan-Mar YoY growth  
in Ford's CV sales**

**“Best March CV sales since 1994”**

# Ford Otosan is a Key Driver of FoE's Success

MOVE IT.

MAKE IT.

WORK IT.

FORD TRANSIT.



**FORD OTOSAN** produces;

**71%**

of Ford of Europe's CV  
sales

**81%**

of Ford of Europe's  
Transit sales

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# Ford

OTOSAN

1Q17  
Results

# Main Financial Indicators

Million TL	1Q17	1Q16	YoY %
Total Revenues	5,395	4,185	29%
Export	4,262	3,094	38%
Domestic	1,133	1,092	4%
Gross Profit	552	465	19%
Operating Profit	330	237	39%
EBITDA	448	347	29%
Profit Before Tax	280	210	33%
Net Income	272	203	34%
Other Financial Data			
Depreciation & Amortization	118	110	7%
Financial Income / (Expense)	-51	-26	95%
Capex	-160	-102	57%

## Total Revenues +29% YoY

Despite flat volumes YoY  
Growth driven by export strength

## Export Revenues +38% YoY

Record volumes; up by 6%  
Growth in European van segment  
Higher demand for our products  
Currency impact

## Domestic Revenues +4% YoY

Despite lower volumes; down by 18%  
Pricing strategy  
Positive sales mix

## Profit Before Tax +33% YoY

Despite the 95% increase in net financial  
expenses due to 179% rise in net fx loss

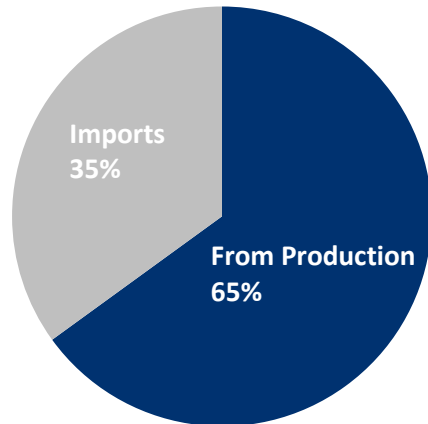
# Sales Volume by Model

	1Q17	1Q16	YoY %
<b>Total Domestic</b>	<b>18,194</b>	<b>22,096</b>	<b>-18%</b>
<b>PC</b>	<b>4,561</b>	<b>7,259</b>	<b>-37%</b>
<b>LCV</b>	<b>6,223</b>	<b>7,305</b>	<b>-15%</b>
Transit Courier	5,796	6,773	-14%
Transit Connect	427	532	-20%
<b>MCV</b>	<b>6,631</b>	<b>6,616</b>	<b>0%</b>
Transit	4,903	5,313	-8%
Transit Custom	1,202	1,277	-6%
Ranger	526	26	1923%
<b>Truck</b>	<b>779</b>	<b>916</b>	<b>-15%</b>
<b>Total Export</b>	<b>75,799</b>	<b>71,547</b>	<b>6%</b>
Transit Custom	39,662	34,305	16%
Transit	26,387	27,888	-5%
Transit Courier	9,342	9,083	3%
Cargo	164	135	21%
Other	244	136	79%
<b>Total Wholesale</b>	<b>93,993</b>	<b>93,643</b>	<b>0,4%</b>

Record export volume

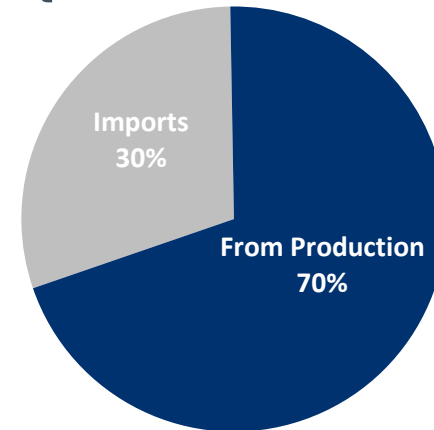
# Positive Sales Mix: Lower share of imports; Growing share of high margin products

1Q16

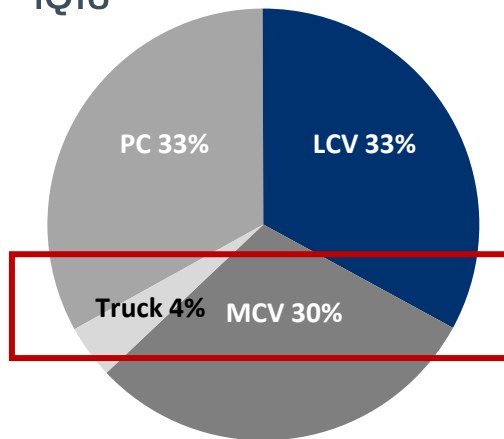


+ Mix Shift

1Q17



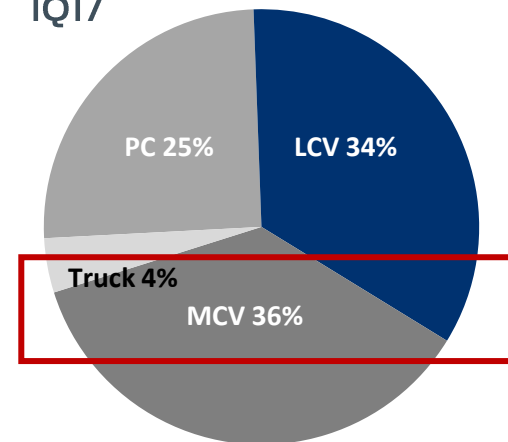
1Q16



34%

+ Mix Shift

1Q17

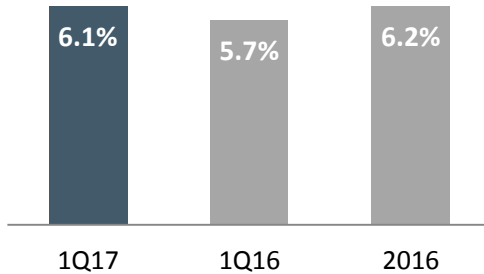


40%

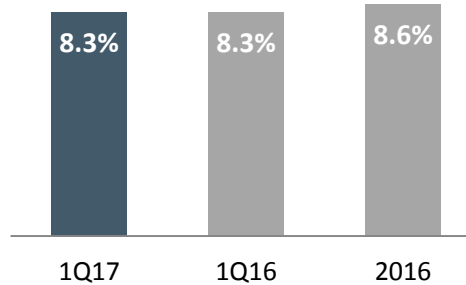


# Solid Profitability

## Operating Margin



## EBITDA Margin



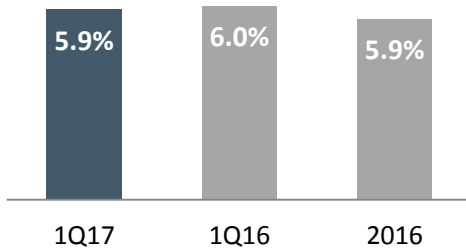
## Challenges:

- Rising import costs due to weaker TL/€ (3.94 in 1Q17 versus 3.25 in 1Q16)
- Lower domestic volumes
- Higher commodity prices pressuring domestic margins

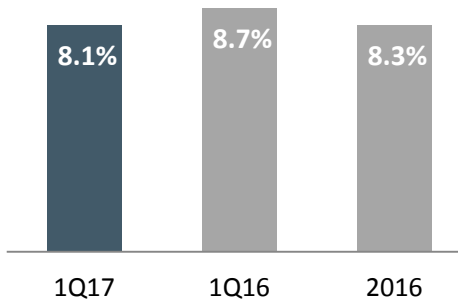
## Drivers:

- + Pricing focus to offset the impact of TL devaluation & volatility
- + Positive domestic sales mix: Lower share of imports; growing share of high margin products
- + High CUR: 86%
- + Cost reduction actions

## Operating Margin (excl. Other items)



## EBITDA Margin (excl. Other items)



# Debt Profile & Financial Ratios

<b>Cash Position (TL mn)</b>	<b>31.03.2017</b>	<b>31.03.2016</b>
Cash & Cash Equivalents	1,364	1,189
Total Financial Debt	(3,027)	(2,769)
Net Financial Debt	(1,663)	(1,580)
<b>Financial Ratios</b>	<b>31.03.2017</b>	<b>31.12.2016</b>
Current ratio	1.02	1.09
Liquidity ratio	0.73	0.79
Net Financial Debt / Tangible Net Worth	0.71	0.64
Current Assets / Total Assets	0.53	0.50
Current Liabilities / Total Liabilities	0.75	0.70
Total Liabilities / Total Liabilities and Equity	0.70	0.66
Return on Equity	36.6%	30.2%
<b>Margins</b>	<b>31.03.2017</b>	<b>31.03.2016</b>
Gross Margin	10.2%	11.1%
EBITDA Margin	8.3%	8.3%
EBITDA Margin (excl.other items)	8.1%	8.7%
Operating Margin	6.1%	5.7%
Net Margin	5.0%	4.9%

# 2017 Guidance

	2016	2017 Guidance
Turkish Industry Volume	1,004 K	850-900 K
Ford Otosan Retail Sales Volume	115 K	105-115 K
Exports	257 K	280-290 K
Wholesale Volume	373 K	385-405 K
Production Volume	334 K	345-355K
Capex (fixed assets)	€152 mn	€180-200 mn

Q & A

BİR BAŞKA  
*Ford*

