



Ford

OTOSAN

2016 FY Financial Results

15 February 2017



Ford

OTOSAN

Oğuz Toprakoğlu
CFO

Agenda



FY2016 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

2016 FY Evaluation

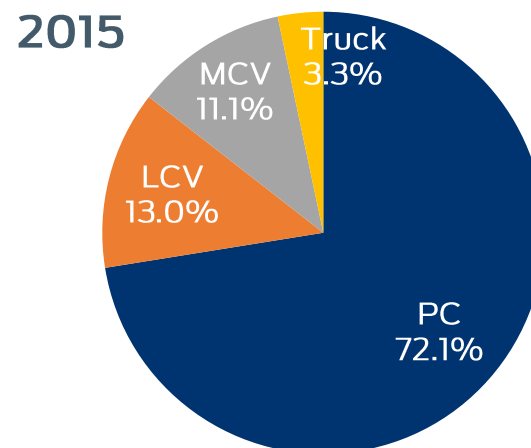
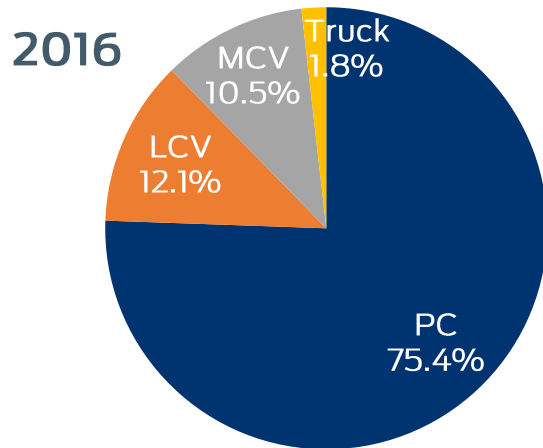
Domestic Automotive Industry

2016 FY
Domestic Market

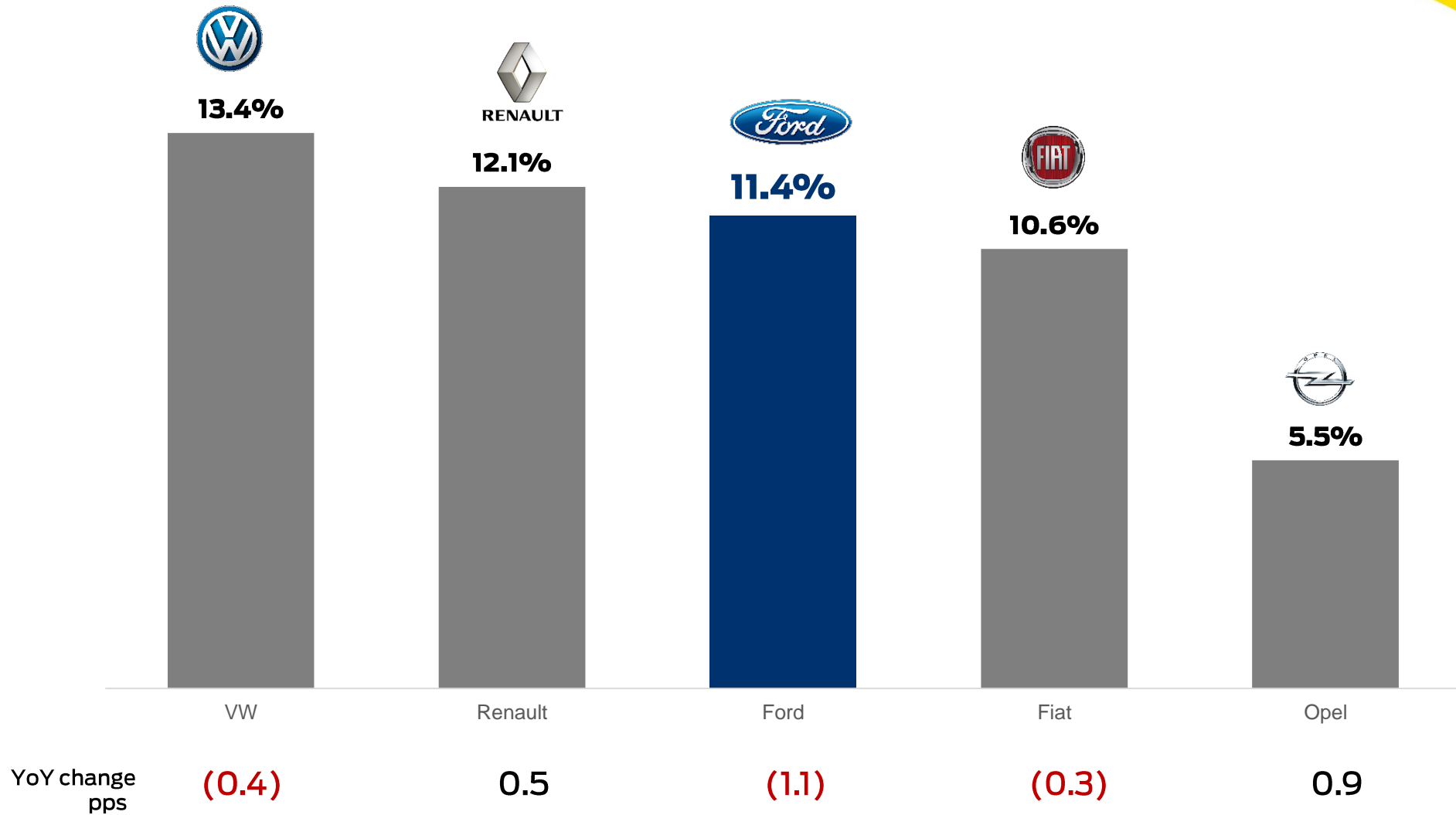
Segments	Industry	Ford Otosan	Market Share %	Ranking
Commercial Vehicles	245,264	73,433	29.9	#1
Light Commercial	121,620	31,911	26.2	#2
Medium Commercial	105,162	36,323	34.5	#1
Truck	18,482	5,199	28.1	#2
Passenger Cars	756,938	41,370	5.5	#8
Total	1,004,313	114,803	11.4	#3

Segmental Analysis

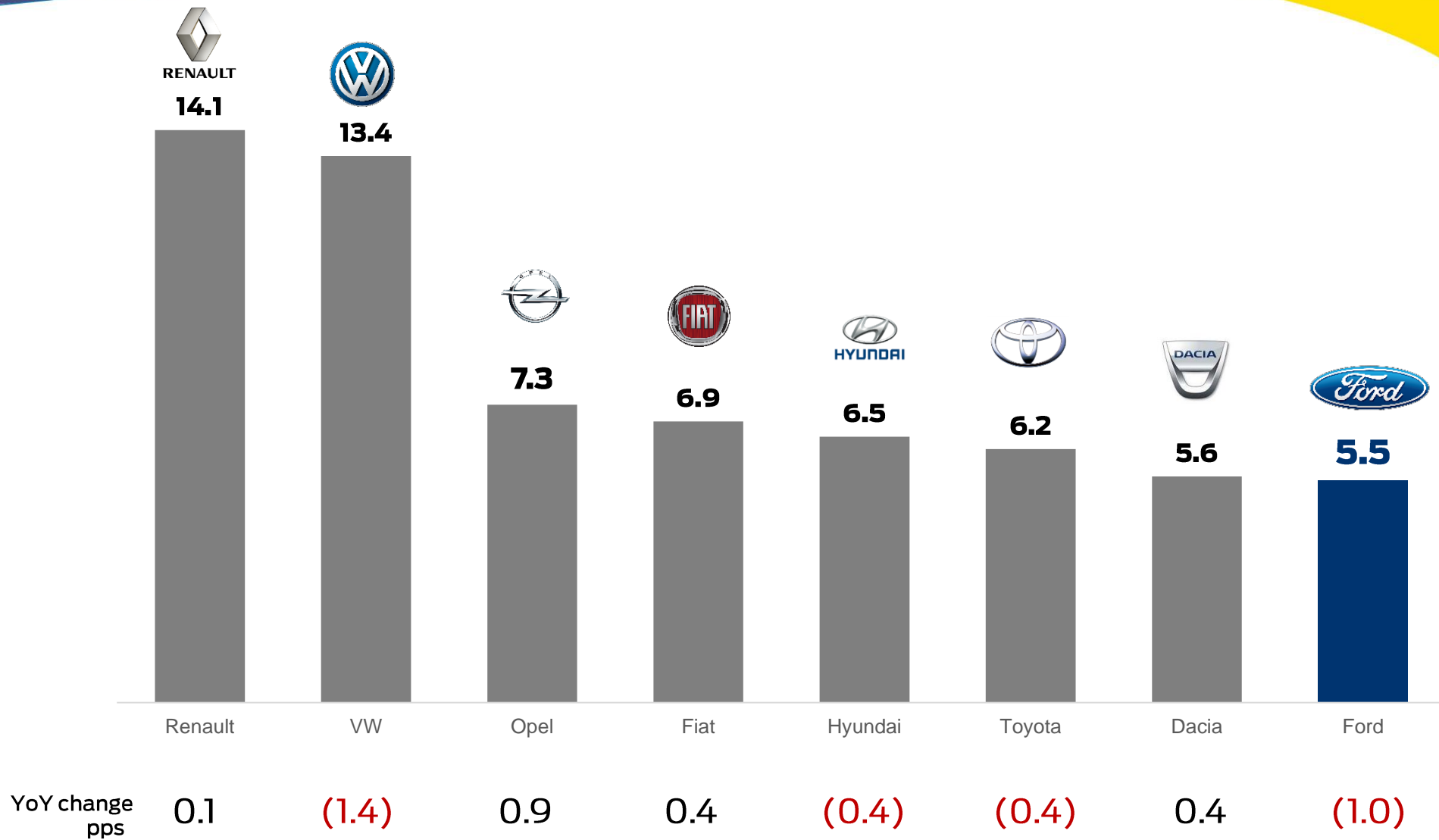
Segments	2016	2015	% Change	
Passenger Cars	756,938	725,596	4	Record PC sales
Light Commercial	121,620	130,286	-7	
Medium Commercial	105,162	112,135	-6	
Truck	18,482	33,656	-45	
Total	1,004,313	1,005,850	-0.2	2 nd highest industry sales



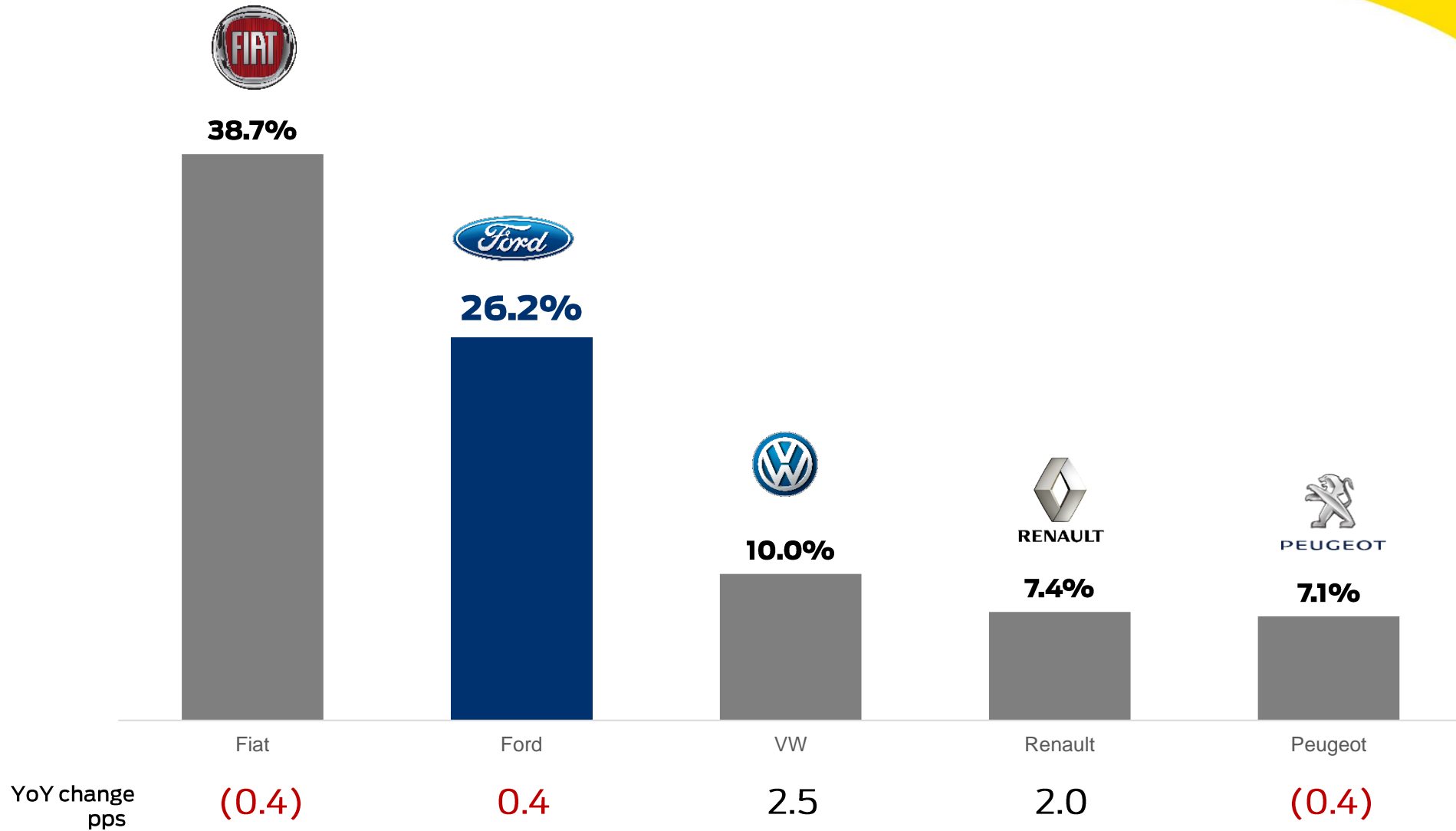
Market Performance – Total Industry



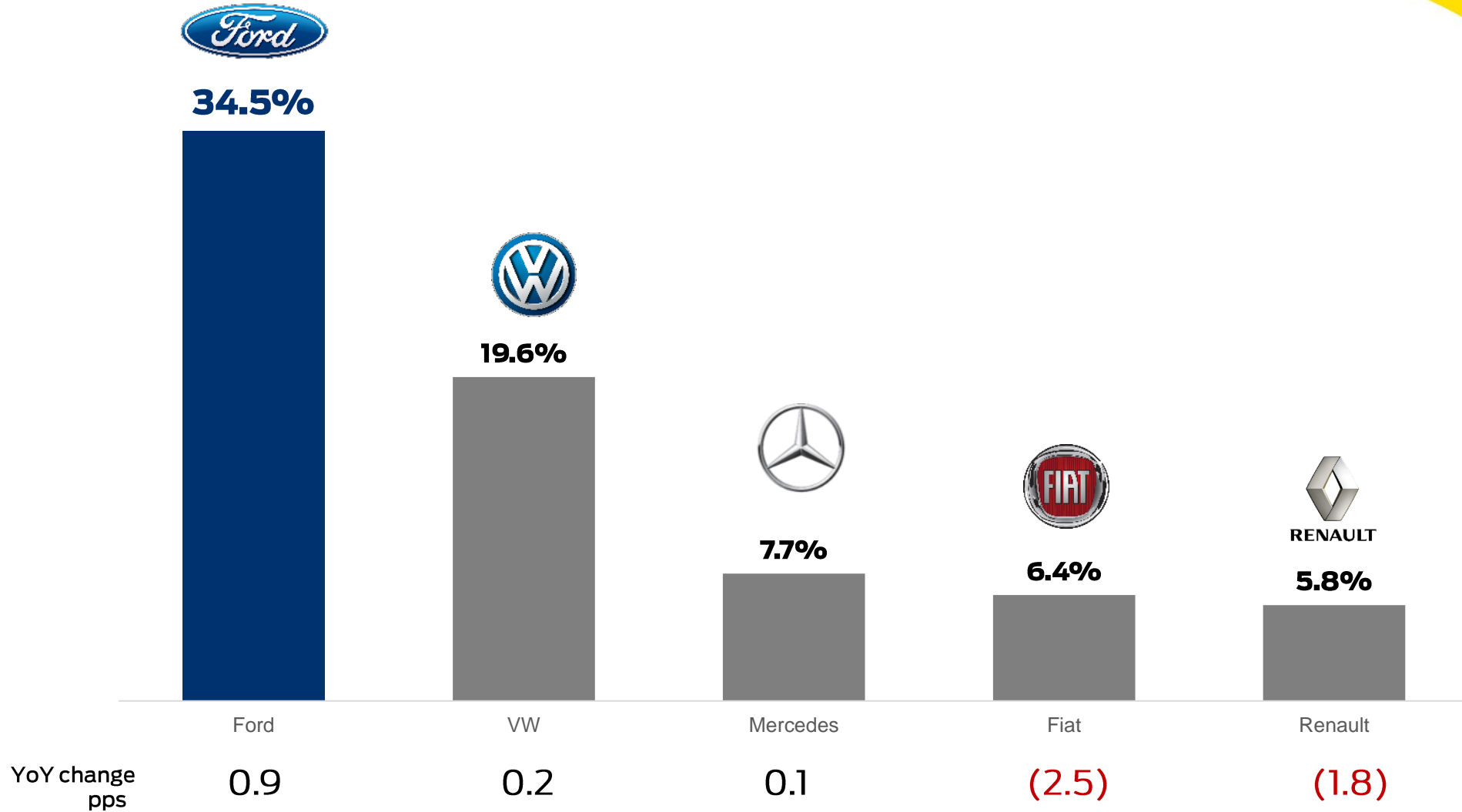
Market Performance - PCs



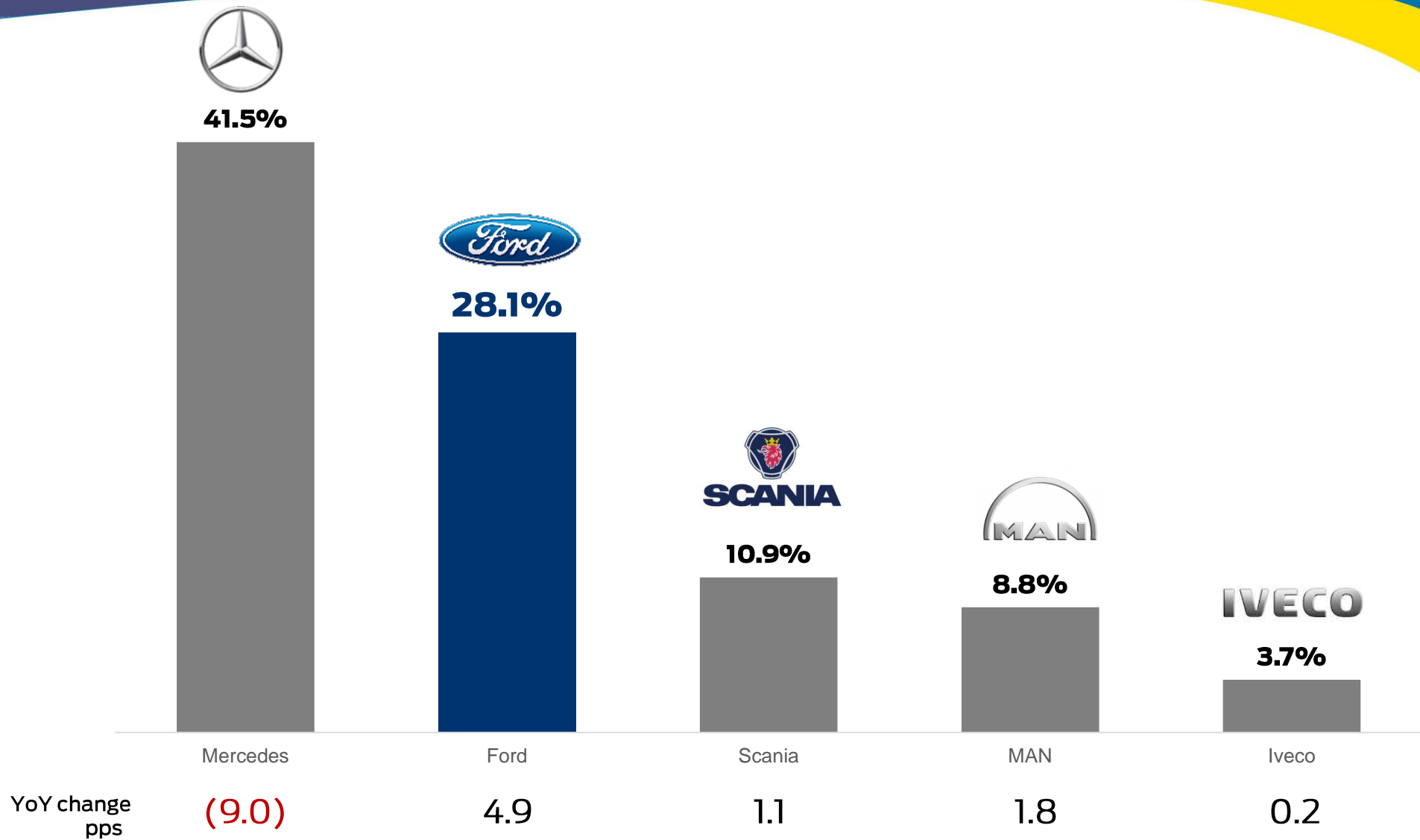
Market Performance - LCVs



Market Performance - MCVs



Market Performance - HCVs



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 11.9%

2016
Vans up to 3.5 t

UK

+1.0%
376 K units

+11.9%
1,919 K units

European Union*

Germany

+8.5%
258 K units

France

+8.2%
409 K units

Spain

+11.2%
172 K units

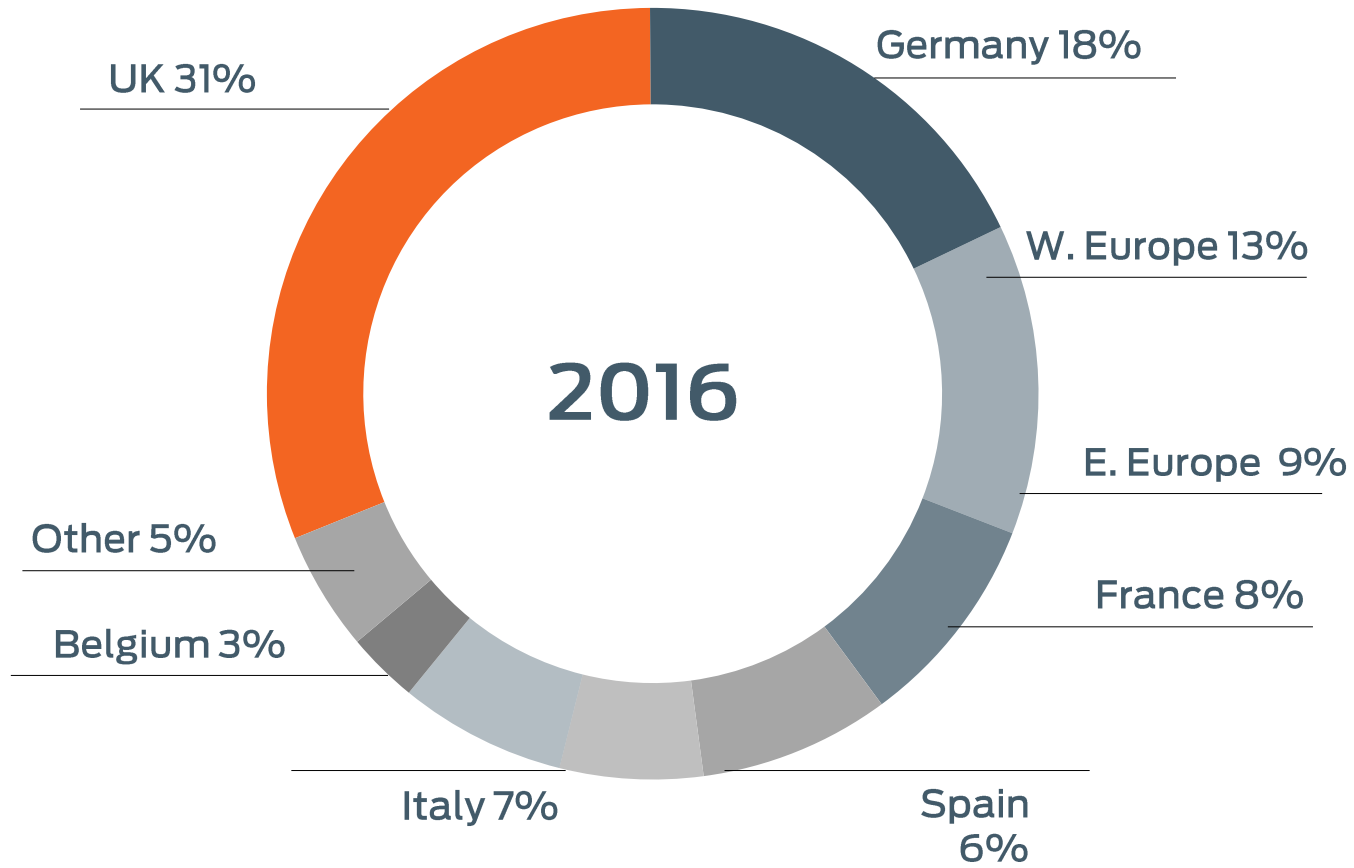
Italy

+50.0%
199 K units

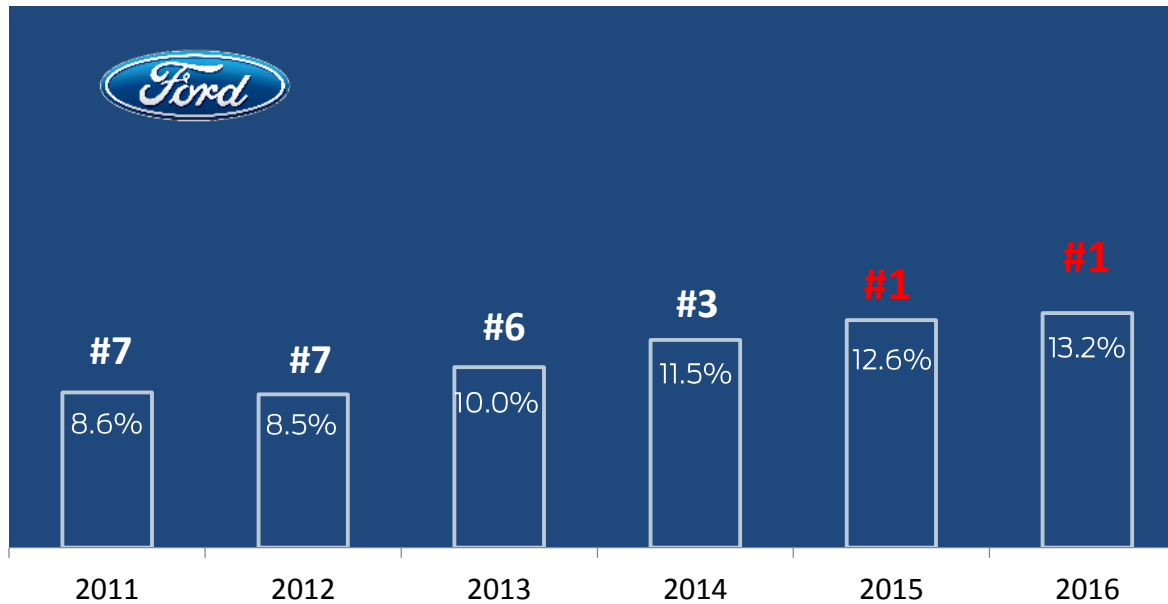
* Source: ACEA; 27 European Union countries excluding Malta.

Ford Otosan is once again Turkey's Export Champion

Export breakdown by units



Ford Maintains No. 1 Spot in European CVs



13.2%

Ford CV
market share

0.6 pps

YoY market share
increase

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

Ford Motor Co. 2016 FY Results

2016 FULL-YEAR AND FOURTH QUARTER FINANCIAL RESULTS *

	Net Income	Adjusted Pre-Tax Profit (Non-GAAP)	Revenue	Wholesales	Automotive Segment Operating Margin	Automotive Segment Operating Cash Flow
Full Year 2016	\$4.6B	\$10.4B	\$151.8B	6,651K	6.7%	\$6.4B
B/(W) FY 2015	\$(2.8)B	\$(0.4)B	\$2.2B	16K	(0.1) ppts	\$(0.9)B
4Q 2016	\$(0.8)B	\$2.1B	\$38.7B	1,707K	5.7%	\$1.5B
B/(W) 4Q 2015	\$(2.7)B	\$(0.5)B	\$(1.6)B	(68)K	(0.4) ppts	\$(0.6)B

- Ford was the best-selling brand in the U.S. for the 7th year in a row.
- Full-year net income \$4.6B, down \$2.8B from a year ago due to \$3.0B 4Q pre-tax pension re-measurement.
- Automotive operations outside North America delivered a full-year profit of \$421 million, nearly double of 2015.
- Record \$1.2 billion pre-tax profit in Europe.
- Launched 11 global products in 2016, including first all-new F-Series Super Duty in 18 years and Focus RS.
- 2017 guidance: Consistent with previous guidance, 2017 company outlook generally lower than 2016, driven by investments in emerging opportunities.

Ford of Europe and Brexit Comments

For 2017 we do expect Europe to remain profitable, but it will probably be lower than in 2017 and that's driven by the effect of Brexit on the sterling along with higher costs that we expect associated with the launch of the Fiesta and the Eco Sport along with continued investment that we plan to make in the business moving forward.

Bob Shanks, Ford Motor Co. CFO

Commercial vehicles are really important for the Ford brand in Europe. We were No. 1 in 2015 and 2016 and we're going to continue to invest in the best product, but we're also doing more than that. We have a transformation plan. We're going to better look after our customers, to improve the after sales experience, and to bolster the conversion business which is very important for commercial vehicles. **We absolutely intend to continue to invest strongly in commercial vehicles and to grow from strength to strength there.**

Jon Williams, Vice President Sales

Ford of Europe

There is a lot of uncertainty but we are a very strong business in the UK and we have to be very resolute. **The best way out of this is to sell our way through it.**

Andy Barratt

Ford of Britain Chairman



Ford

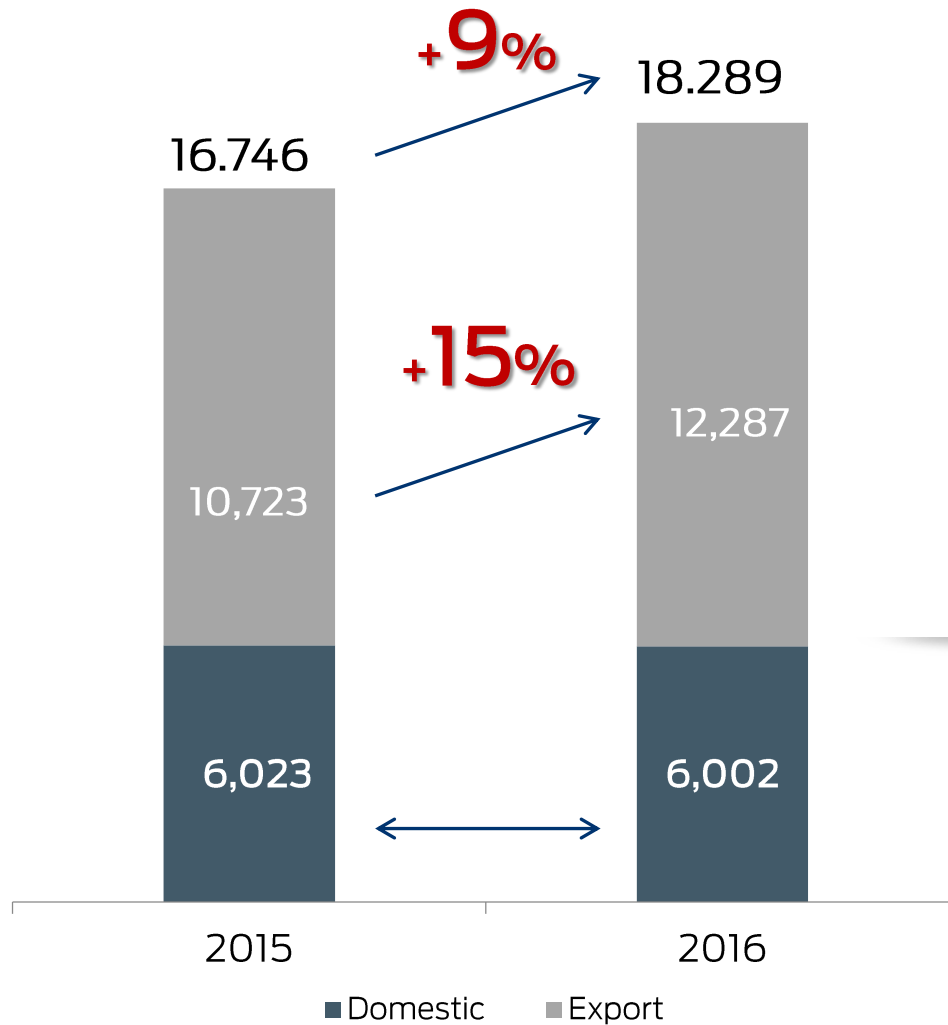
OTOSAN

**2016
Results**

Main Financial Indicators

Million TL	2016	2015	YoY %	4Q16	4Q15	YoY%
Total Revenues	18.289	16.746	9%	5.649	5.016	13%
Export	12.287	10.723	15%	3.566	3.224	11%
Domestic	6.002	6.023	0%	2.083	1.792	16%
Gross Profit	2.086	1.860	12%	634	554	14%
Operating Profit	1.111	1.036	7%	367	287	28%
EBITDA	1.567	1.441	9%	485	395	23%
Profit Before Tax	970	866	12%	314	283	11%
Net Income	955	842	13%	317	285	11%
Other Financial Data						
Depreciation & Amortization	456	405	13%	118	108	9%
Financial Income / (Expense)	-135	-168	-20%	-49	-2	
Capex	-602	-466	29%	-154	-140	10%

Revenues (Million TL)



- Strong demand for products
- Export market growth

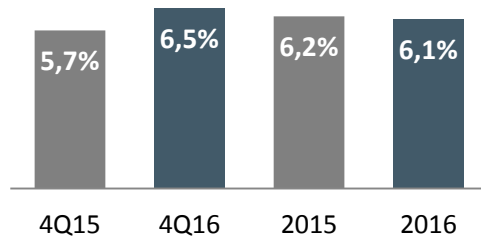
- Volume decline due to market shift to PC segment

Sales Volume by Model

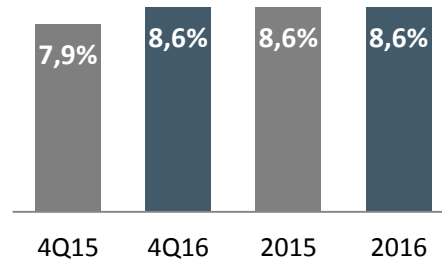
	2016	2015	YoY %	4Q16	4Q15	YoY %
Total Domestic	115.786	127.098	-9%	38.618	35.849	8%
PC	33.236	43.713	-24%	9.100	9.778	-7%
LCV	40.338	37.631	7%	14.614	11.623	26%
Transit Courier	37.451	34.678	8%	13.886	10.763	29%
Transit Connect	2.887	2.953	-2%	728	860	-15%
MCV	36.703	37.830	-3%	12.867	12.420	4%
Transit	27.629	30.001	-8%	9.567	9.927	-4%
Transit Custom	7.037	6.713	5%	2.370	2.118	12%
Ranger	2.037	1.116	83%	930	375	148%
Truck	5.509	7.924	-31%	2.037	2.028	0%
Total Export	257.246	253.644	1%	68.511	73.509	-7%
Transit Custom	129.792	129.362	0%	36.988	41.128	-10%
Transit	93.077	92.997	0%	22.656	24.031	-6%
Transit Courier	33.063	30.131	10%	8.335	7.910	5%
Cargo	877	747	17%	416	337	23%
Other	437	407	7%	116	103	13%
Total Wholesale	373.032	380.742	-2%	107.129	109.358	-2%

Solid Profitability

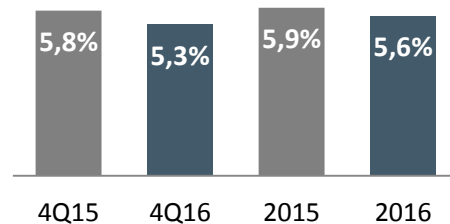
Operating Margin



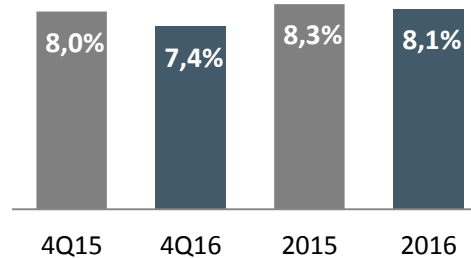
EBITDA Margin



Operating Margin (excl. Other items)



EBITDA Margin (excl. Other items)



Challenges:

- Rising import costs due to weaker TL/€ (3.34 in 2016 versus 3.02 in 2015)
- Lower domestic volumes

Drivers:

- + Strong export volumes
- + High CUR (80% in 2016)
- + Cost reduction actions
- + Pricing focus to offset the impact of weak TL
- + Positive domestic sales mix: Share of import vehicles was limited to 33% from 38% a year ago

Debt Profile & Financial Ratios

Cash Position (TL mn)	31.12.2016	31.12.2015
Cash & Cash Equivalents	1,189	980
Total Financial Debt	(2,852)	(2,561)
Net Financial Debt	(1,663)	(1,580)
Financial Ratios	31.12.2016	31.12.2015
Current ratio	1.09	1.05
Liquidity ratio	0.79	0.73
Net Financial Debt / Tangible Net Worth	0.64	0.63
Current Assets / Total Assets	0.50	0.48
Current Liabilities / Total Liabilities	0.70	0.71
Total Liabilities / Total Liabilities and Equity	0.66	0.64
Return on Equity	30.2%	27.5%
Margins	31.12.2016	31.12.2015
Gross Margin	11.4%	11.1%
EBITDA Margin	8.6%	8.6%
EBITDA Margin (excl.other items)	8.1%	8.3%
Operating Margin	6.1%	6.2%
Net Margin	5.2%	5.0%

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	270-280 K
Wholesale Volume	373 K	375-395 K
Production Volume	334 K	340-350K
Capex (fixed assets)	€152 mn	€180-200 mn

Q & A

BİR BAŞKA
Ford

