

# FORD OTOSAN

1H 2016  
Financial Results

3 August 2016



50  
TRANSIT

**FORD OTOSAN**

**Oğuz Toprakoğlu**  
**CFO**

**FORD OTOSAN**

# 1H16 Evaluation





# Turkey's 2015 Export Leader

## Ford Otosan





# Our Ecotorq Engine Wins Grand Prize

FORD OTOSAN

Winner of TTGV Technology Awards Grand Prize  
**“Development of the New Generation Ecotorq EU6 Engines and Exhaust Filtering Systems”**





July  
2016

**Fiesta ST**



1.6L EcoBoost M/T

July  
2016

**Focus RS**



2.3L EcoBoost M/T

July  
2016

**Focus ST**



2.0L TDCi A/T  
2.0L EcoBoost M/T



# New Models – 3Q16

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**Fiesta ST Line**

3Q  
2016

**Focus ST Line**



1.0L EcoBoost A/T  
1.0L EcoBoost M/T

1.0L EcoBoost A/T  
1.6L 125PS M/T

S-Max **Vignale**

3Q  
2016



2.0L TDCi A/T

3Q  
2016

Mondeo **Vignale**



2.0L TDCi A/T

3Q  
2016

**EDGE**



2.0L TDCi A/T



IDENTIFICATION SHOTS //

**1Q 2017**

**YENİ KUGA**



KUGA

1.5L TDCi M/T  
1.5L TDCi A/T

**1Q 2017**

**Tourneo Custom** RAS + A/T



TOURNEO CUSTOM

2.0L TDCi A/T Eu6



# Domestic Automotive Industry

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1H 2016  
Domestic Market

Segments

Industry

Ford Otosan

Market Share, %

Ranking

Commercial Vehicles

109,953

32,281

29.4

#1

Light Commercial

52,690

14,043

26.7

#2

Medium Commercial

47,645

15,758

33.1

#1

Truck

9,618

2,480

25.8

#2

Passenger Cars

338,482

21,176

6.3

#6

Total

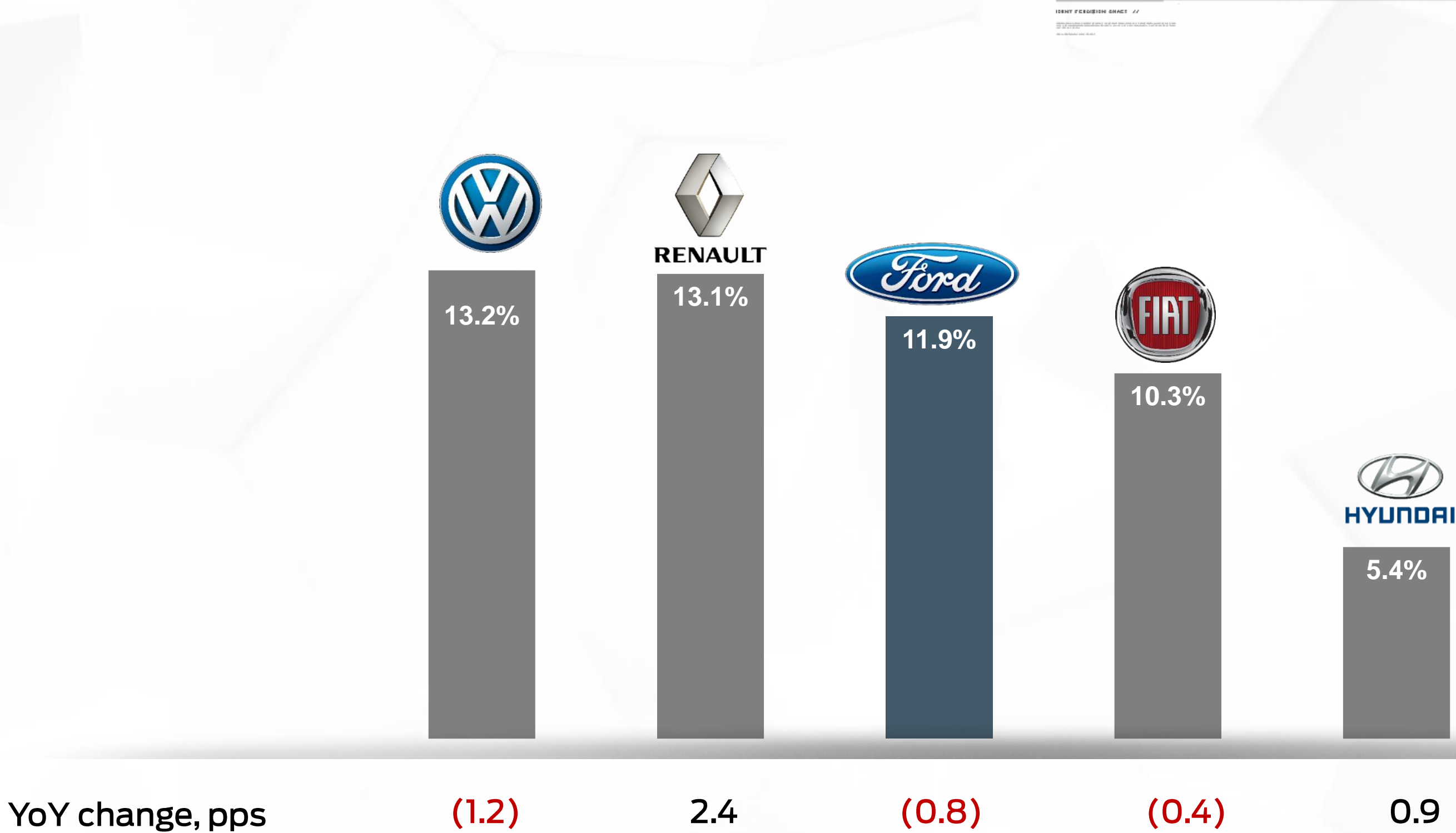
449,320

53,457

11.9

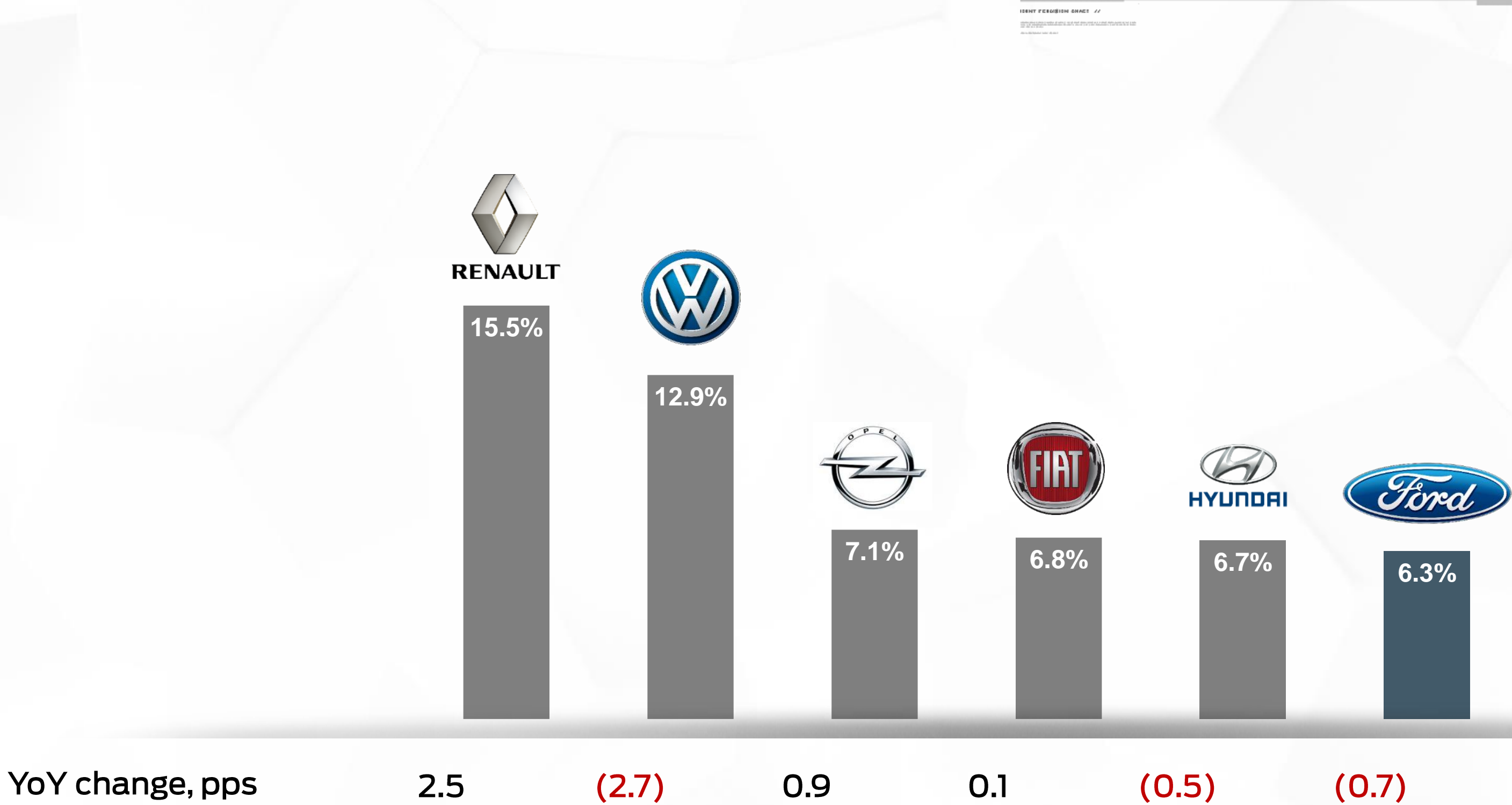
#3

# Market Performance – Total Industry



Source: ODD & TAİD

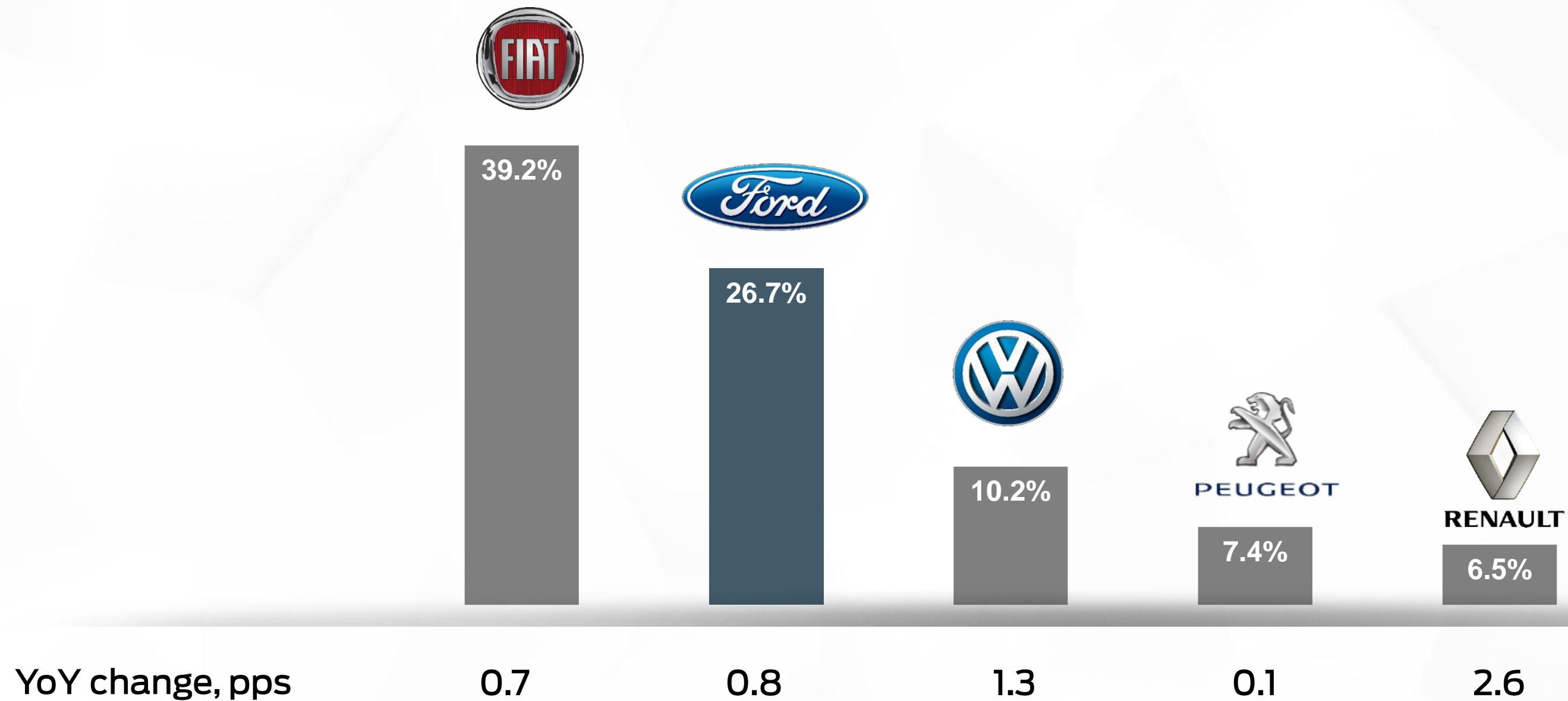




Source: ODD

# Market Performance - LCVs

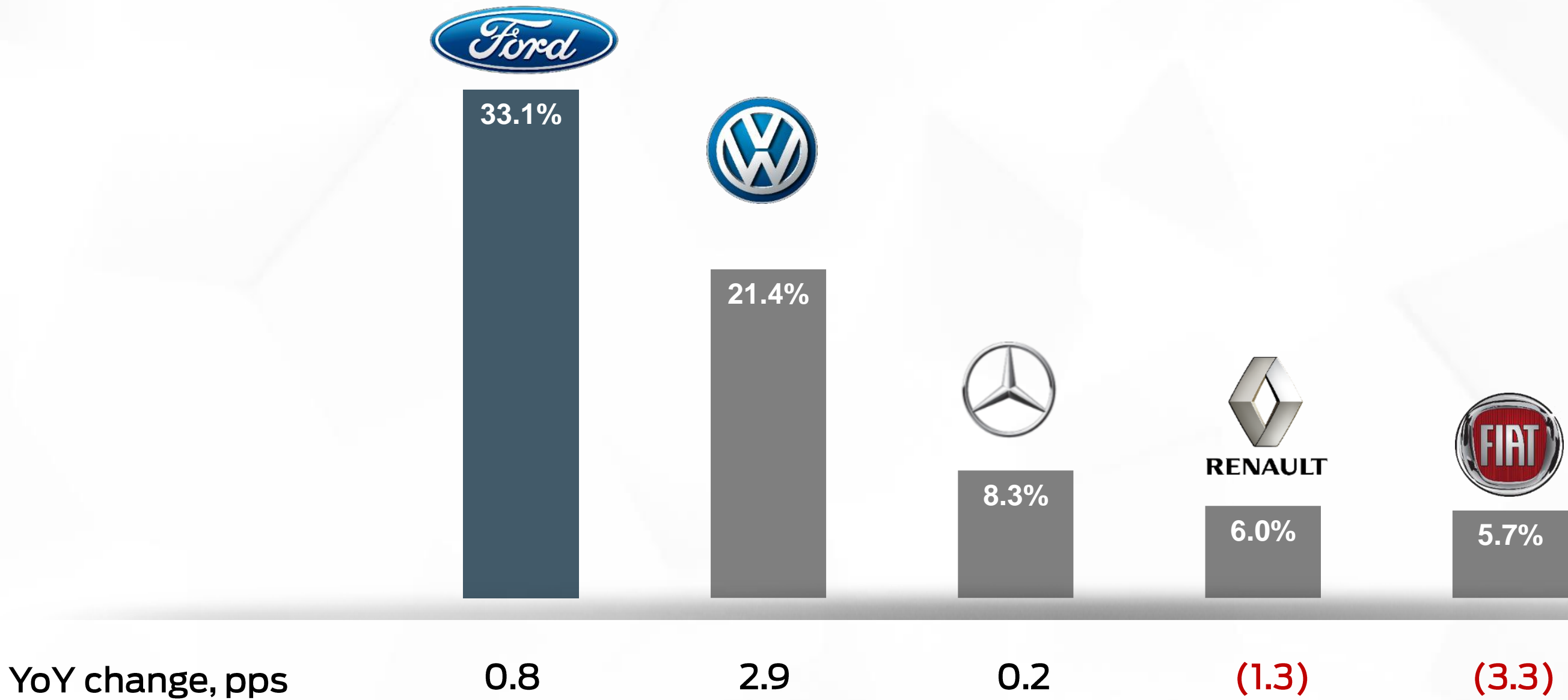
FORD OTOSAN



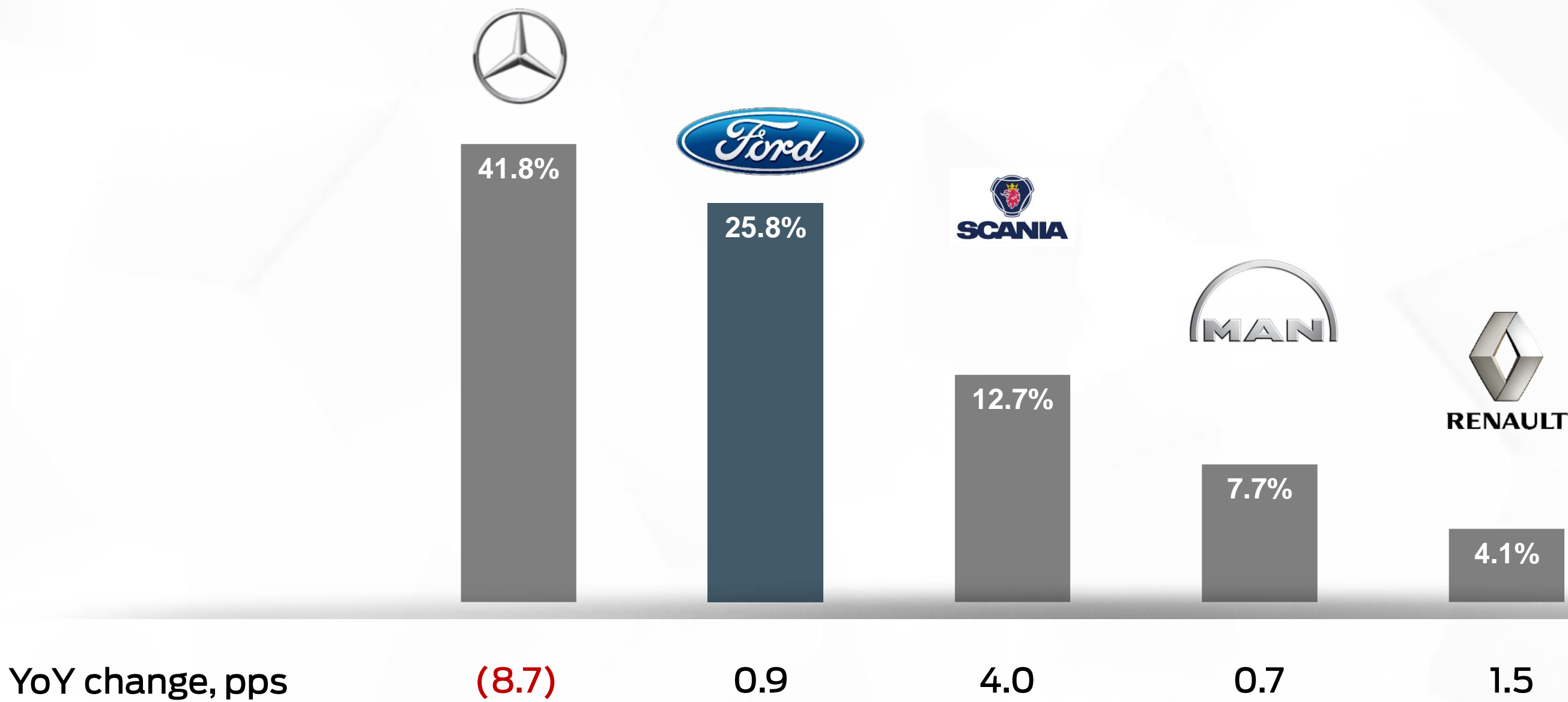
Source: ODD



# Market Performance - MCVs



Source: ODD



Source: TAİD



**FORD OTOSAN**

# **European Performance & Ford Motor Company**

# 13.2% Growth in EU Van Registrations

FORD OTOSAN

January-June 2016  
Vans up to 3.5t

+13.2%  
969 K units

European Union\*

UK

+3.0%  
192 K units

Germany

+10.9%  
126 K units

France

+12.4%  
215 K units

Spain

+13.8%  
87 K units

Italy

+31.3%  
83 K units

Source: ACEA

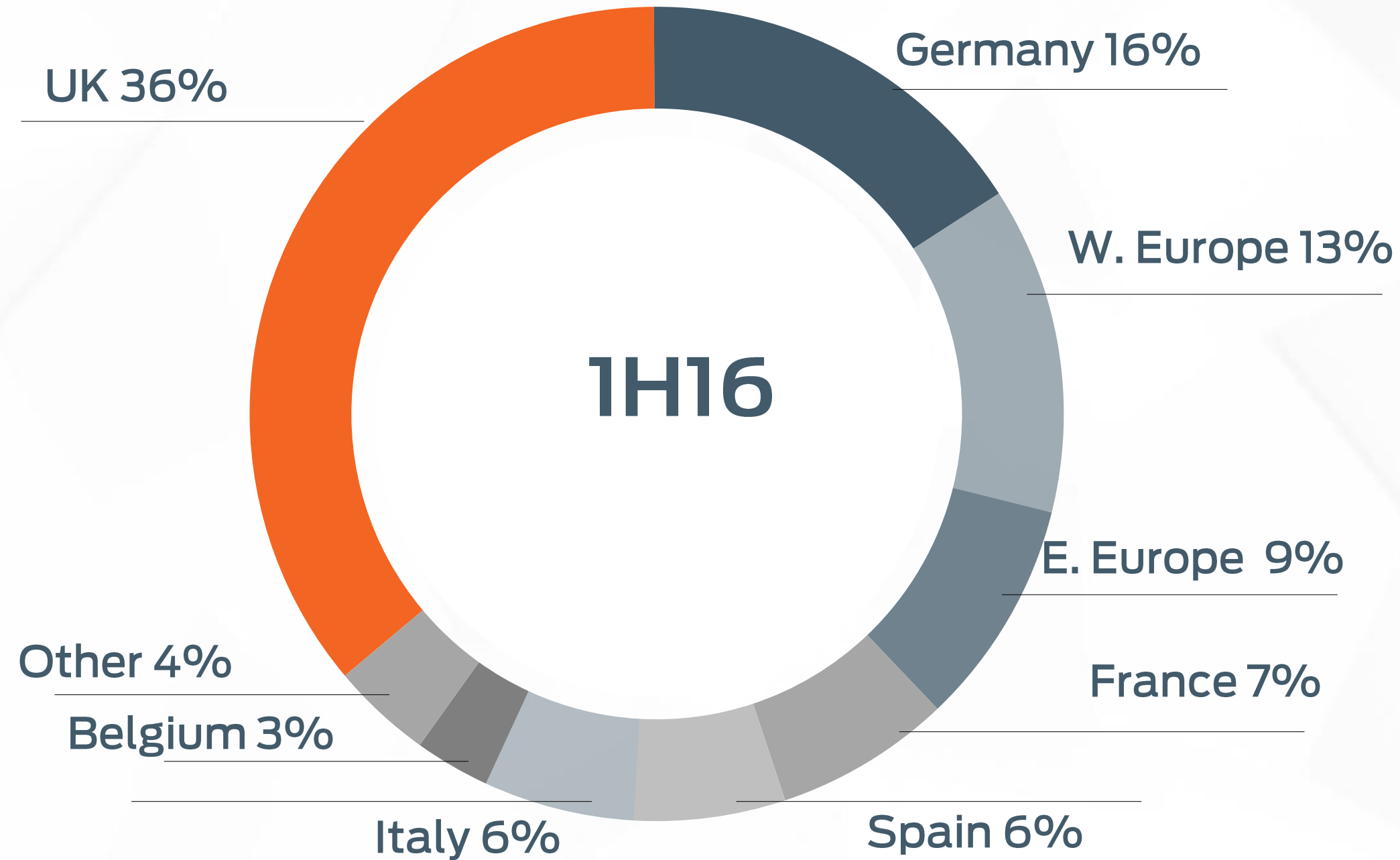
\* 27 EU markets excluding Malta



# Ford Otosan: Best proxy to European CV Growth

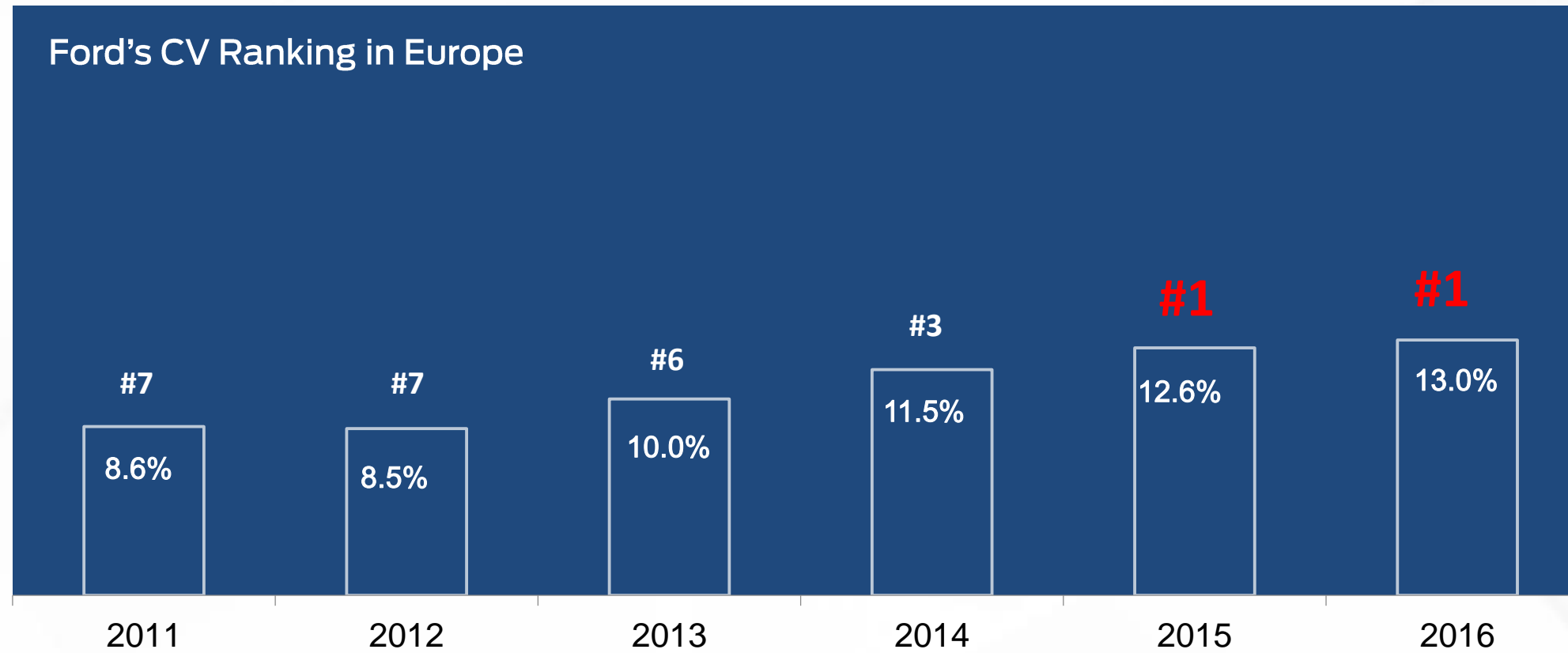
FORD OTOSAN

Export breakdown by units



# Ford Maintains No.1 Spot in European CVs

FORD OTOSAN



**#1** Ford is Europe's No. 1 commercial vehicle brand in 2016

**20%** Yearly sales increase in Transit Family

**13.0%** Ford's 2016 commercial vehicle market share



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

FORD OTOSAN



FORD OTOSAN produces;

**71%**

of Ford of Europe's CV sales

**80%**

of Ford of Europe's Transit sales

# Ford Motor Co. 2Q16 Results

FORD OTOSAN

## 2016 SECOND QUARTER FINANCIAL RESULTS

	Net Income	Adjusted Pre-Tax Profit (Non-GAAP)	Revenue	Wholesales	Automotive Segment Operating Margin	Automotive Segment Operating Cash Flow
2Q 2016	\$2.0B	\$3.0B	\$39.5B	1,694K	7.7%	\$4.2B
B/(W) 2Q 2015	(\$190)M	(\$293)M	\$2.2B	(2)K	(0.7) ppts	\$2.3B



“We delivered another strong quarter – one of our best second quarters ever – and record pre-tax profits for the first half of this year. We remain committed to delivering another full year of strong profitability, even as we address some new risks and market challenges around the world.”

*Mark Fields, President & CEO*

### Highlights:

- Net income \$2 billion, down \$190 million from a year ago.
- Automotive segment operating cash flow of \$4.2 billion, an all-time quarterly record.
- Automotive segment pre-tax profit of \$2.8 billion, down \$130 million; regions outside N. America collectively also were profitable for third consecutive quarter.
- Automotive segment operating margin 7.7%





**FORD OTOSAN**

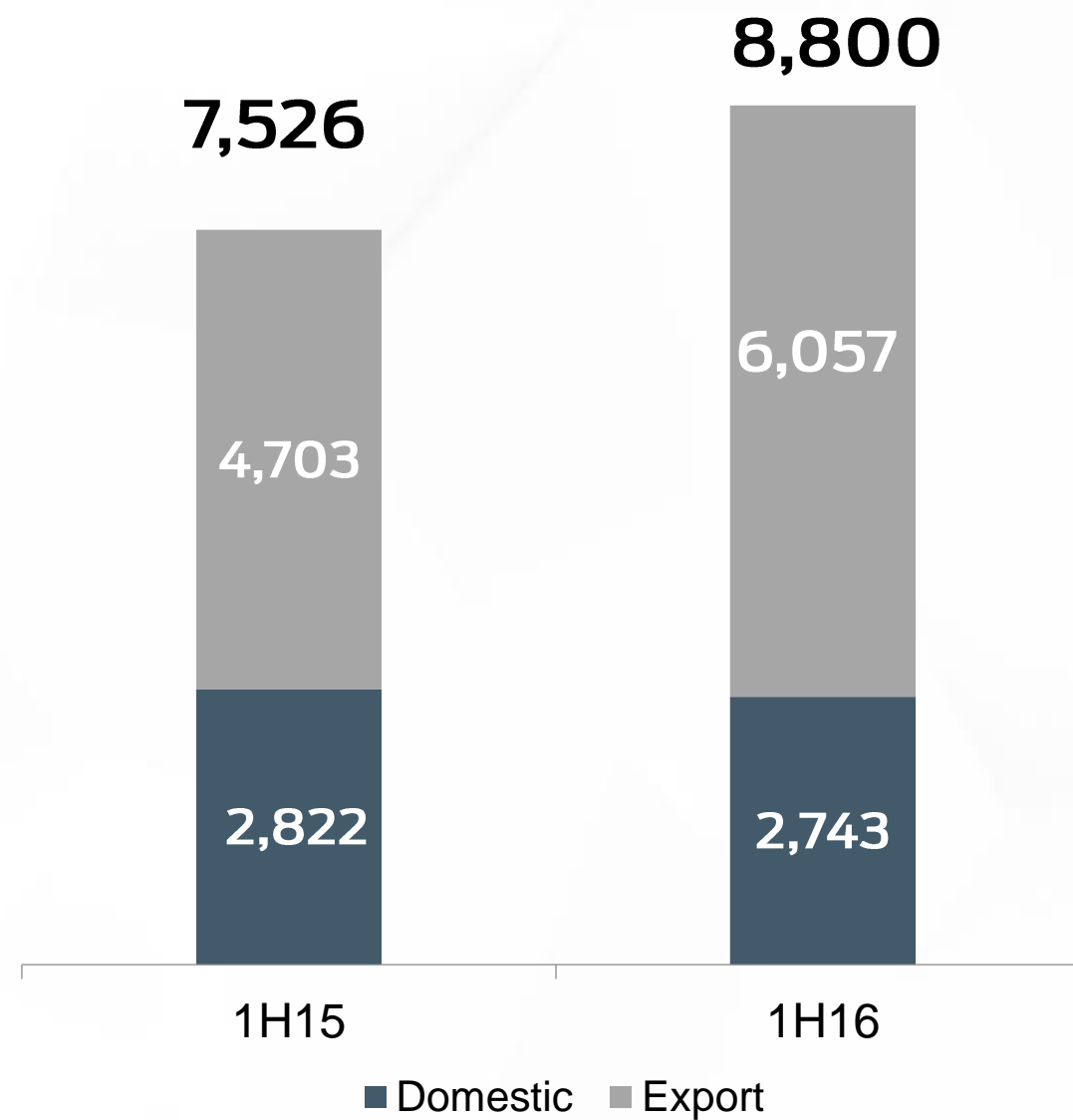
# Financial Results



# Main Financial Indicators

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Million TL	1H16	1H15	YoY %	2Q16	2Q15	YoY%
Total Revenues	8,800	7,526	17%	4,614	3,962	16%
Export	6,057	4,703	29%	2,963	2,379	25%
Domestic	2,743	2,822	-3%	1,651	1,583	4%
Gross Profit	994	839	18%	529	453	17%
Operating Profit	521	465	12%	284	250	14%
EBITDA	744	658	13%	397	347	14%
Profit Before Tax	476	394	21%	266	206	29%
Net Income	464	407	14%	261	174	50%
<b>Other Financial Data</b>						
Depreciation & Amortization	223	192	16%	113	97	16%
Financial Income / (Expense)	-44	-72	-39%	-18	-44	-60%
Capex	-255	-189	26%	-102	-94	8%



**17%**

YoY growth in  
total revenues

**29%**

YoY growth in  
export revenues

**-3%**

YoY decline in  
domestic revenues

- Strong demand for new products
- Export market growth
- Volume decline due to market shift to PC segment

# Sales Volume by Model

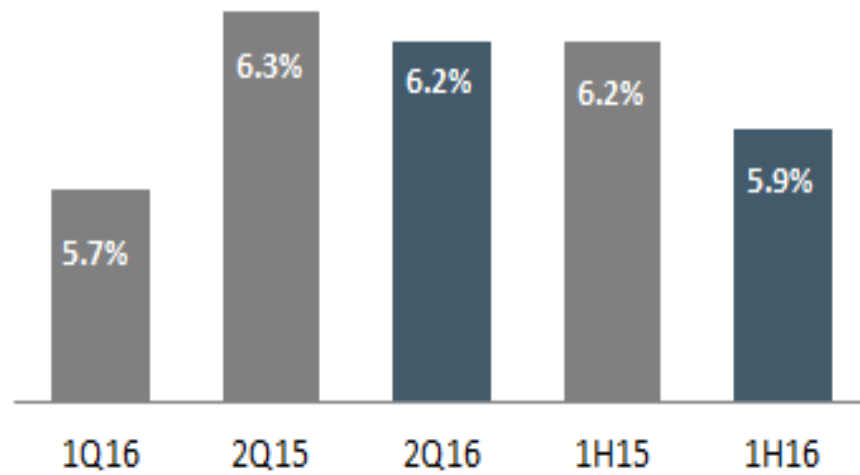
FORD OTOSAN

	1H16	1H15	YoY %	2Q16	2Q15	YoY %
<b>Domestic</b>	<b>55,002</b>	<b>60,374</b>	<b>-9%</b>	<b>32,906</b>	<b>34,138</b>	<b>-4%</b>
PC	18,263	22,957	-20%	11,004	14,151	-22%
Transit Courier	16,453	16,140	2%	9,680	8,879	9%
Transit Connect	1,470	1,359	8%	938	970	-3%
Total LCV	17,923	17,499	2%	10,618	9,849	8%
Transit	12,345	12,532	-1%	7,032	6,169	14%
Transit Custom	3,186	2,820	13%	1,909	1,536	24%
Ranger	733	106	592%	707	104	580%
Total MCV	16,264	15,458	5%	9,648	7,809	24%
Cargo	2,552	4,460	-43%	1,636	2,329	-30%
<b>Export</b>	<b>135,583</b>	<b>115,827</b>	<b>17%</b>	<b>64,036</b>	<b>56,192</b>	<b>14%</b>
Transit Custom	65,607	54,794	20%	31,302	25,886	21%
Transit	51,792	47,352	9%	23,904	23,570	1%
Transit Courier	17,661	13,230	33%	8,578	6,512	32%
Cargo	293	261	12%	158	125	26%
Other	230	190	21%	94	99	-5%
<b>Total</b>	<b>190,585</b>	<b>176,201</b>	<b>8%</b>	<b>96,942</b>	<b>90,330</b>	<b>7%</b>

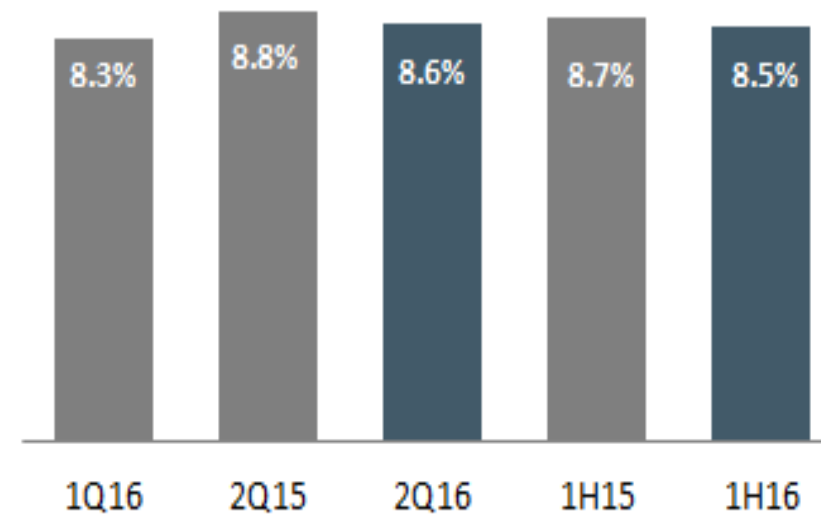


# Margins in 1H16

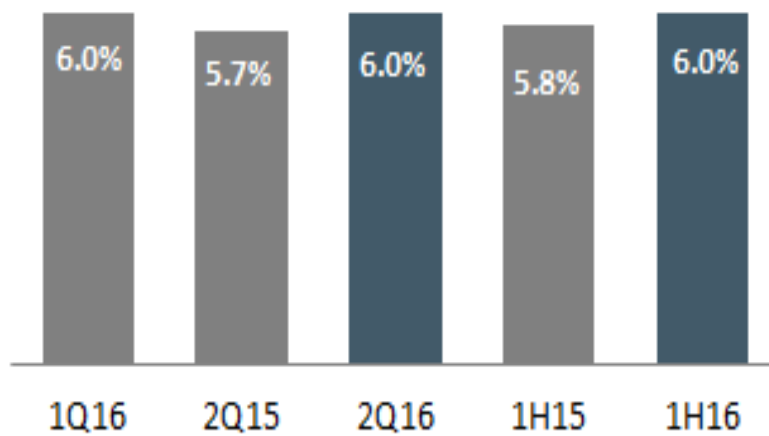
Operating Margin



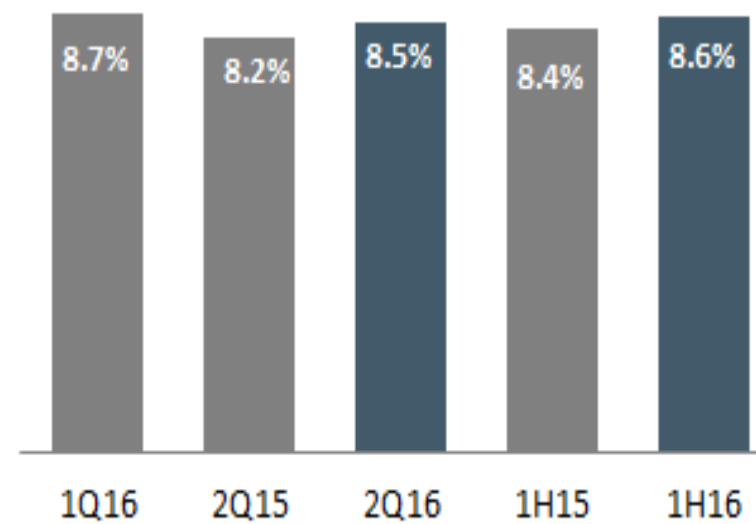
EBITDA Margin



Operating Margin (excl. Other items)



EBITDA Margin (excl. Other items)



Profitability was strong in 1H16 despite:

- Rising import costs resulting from weaker TL/€ (3.26 in 1H16 versus 2.86 in 1H15)
- Lower domestic volumes

Drivers:

- + Positive domestic sales mix
- + Focus on pricing to offset the impact of TL devaluation
- + Strong export volumes driving higher CUR (84% in 1H16 vs 77% in 1H15)
- + Cost reduction actions and positive impact of commodity prices

# Debt Profile & Financial Ratios

Cash Position (TL mn)	30.06.2016	31.12.2015
Cash & Cash Equivalents	793	980
Total Financial Debt	(2,874)	(2,561)
Net Financial Debt	(2,081)	(1,580)
Financial Ratios	30.06.2016	31.12.2015
Current ratio	1.10	1.05
Liquidity ratio	0.72	0.73
Net Financial Debt / Tangible Net Worth	0.79	0.63
Current Assets / Total Assets	0.49	0.48
Current Liabilities / Total Liabilities	0.70	0.71
Total Liabilities / Total Liabilities and Equity	0.64	0.64
Return on Equity	29.1%	27.5%
Margins	30.06.2016	30.06.2015
Gross Margin	11.3%	11.1%
EBITDA Margin	8.5%	8.7%
EBITDA Margin (excl.other items)	8.6%	8.4%
Operating Margin	5.9%	6.2%
Net Income Margin	5.3%	5.4%

IDENTIFICATION IMAGE //

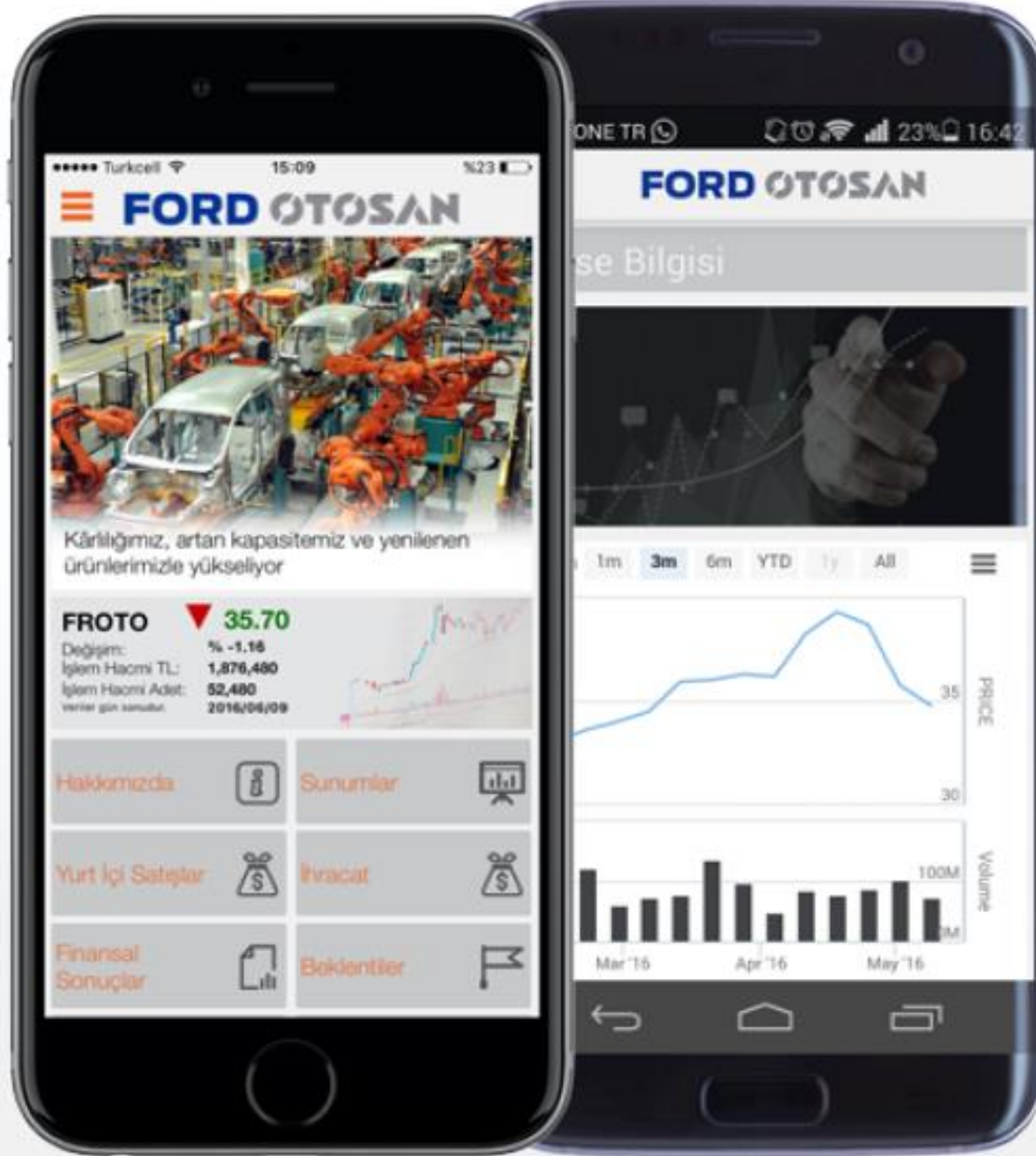
	2015 Actuals	2016
Turkish Industry Volume	1,006 K	980 K- 1 million
Ford Otosan Retail Sales Volume	126 K	120 - 125 K
Exports	254 K	260 - 265 K
Wholesale Volume	381 K	380 - 390 K
Production Volume	335 K	335 - 340 K
Capex (fixed assets)	€126 mn	€190 -200 mn

Guidance updated in August 2016. Our next update will be with 9M16 results.



# Ford Otosan IR App is on Apple Store and Google Play

FORD OTOSAN



iPhone/iPad için,



Android cihazlar için,



# Q&A

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# Thank You