

FORD OTOSAN

9M 2016
Financial Results
31 October 2016



50
TRANSIT

FORD OTOSAN

Oğuz Toprakoğlu
CFO

FORD OTOSAN

9M16 Evaluation

Senior Leadership Change

FORD OTOSAN



William Periam
CFO of Ford of Europe
Ford Otosan Board Member

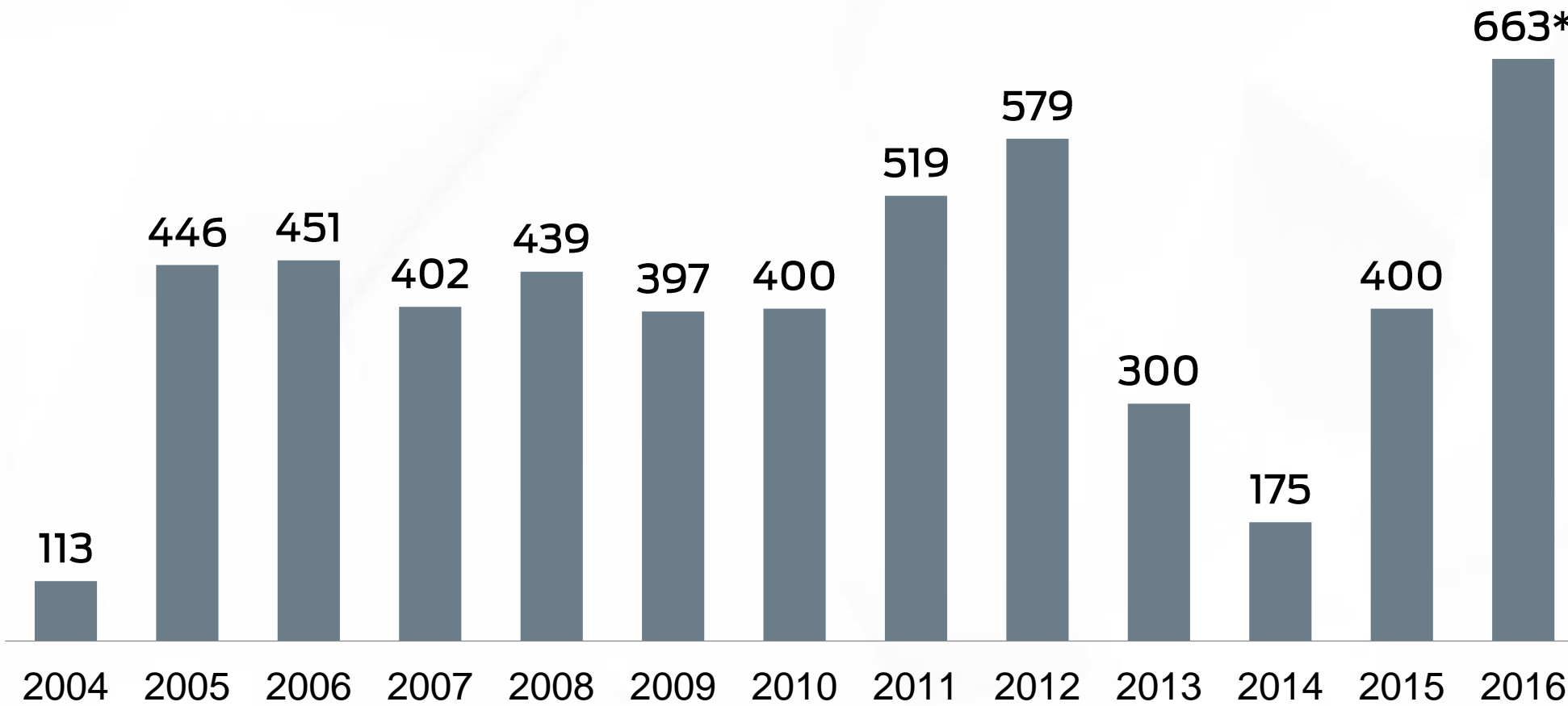


Lisa K. King
Ford Otosan Deputy GM
Board Member

Second Dividend Distribution

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Dividend (TL mn, gross)



Dividend distributed by Ford Otosan
between 2004-2016

**TL 5.3 billion
(US\$3.2 billion)**

*Second dividend will be paid starting from
22 November 2016.

TL 312 million

Chairman's Leadership Awards for Diversity

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Ford Otosan received Awards in 2 different categories:

1. Valuing a Diverse Workforce – Honey Bees are Becoming Engineers (Turkey)
2. Developing External Partnership – Ford Otosan Purchasing & Suppliers Support Social Gender Equality (Turkey)

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 & 4Q16

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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

EDGE **3Q 2016**



2.0L TDCi A/T

Mondeo Vignale **4Q 2016**



2.0L TDCi A/T

S-Max Vignale **4Q 2016**



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

**9M 2016
Domestic Market**

Segments

Industry

Ford Otosan

Market Share %

Ranking

Commercial Vehicles

159,876

47,539

29.7

#1

Light Commercial

77,484

20,757

26.8

#2

Medium Commercial

69,650

23,354

33.5

#1

Truck

12,742

3,428

26.9

#2

Passenger Cars

489,365

28,373

5.8

#7

Total

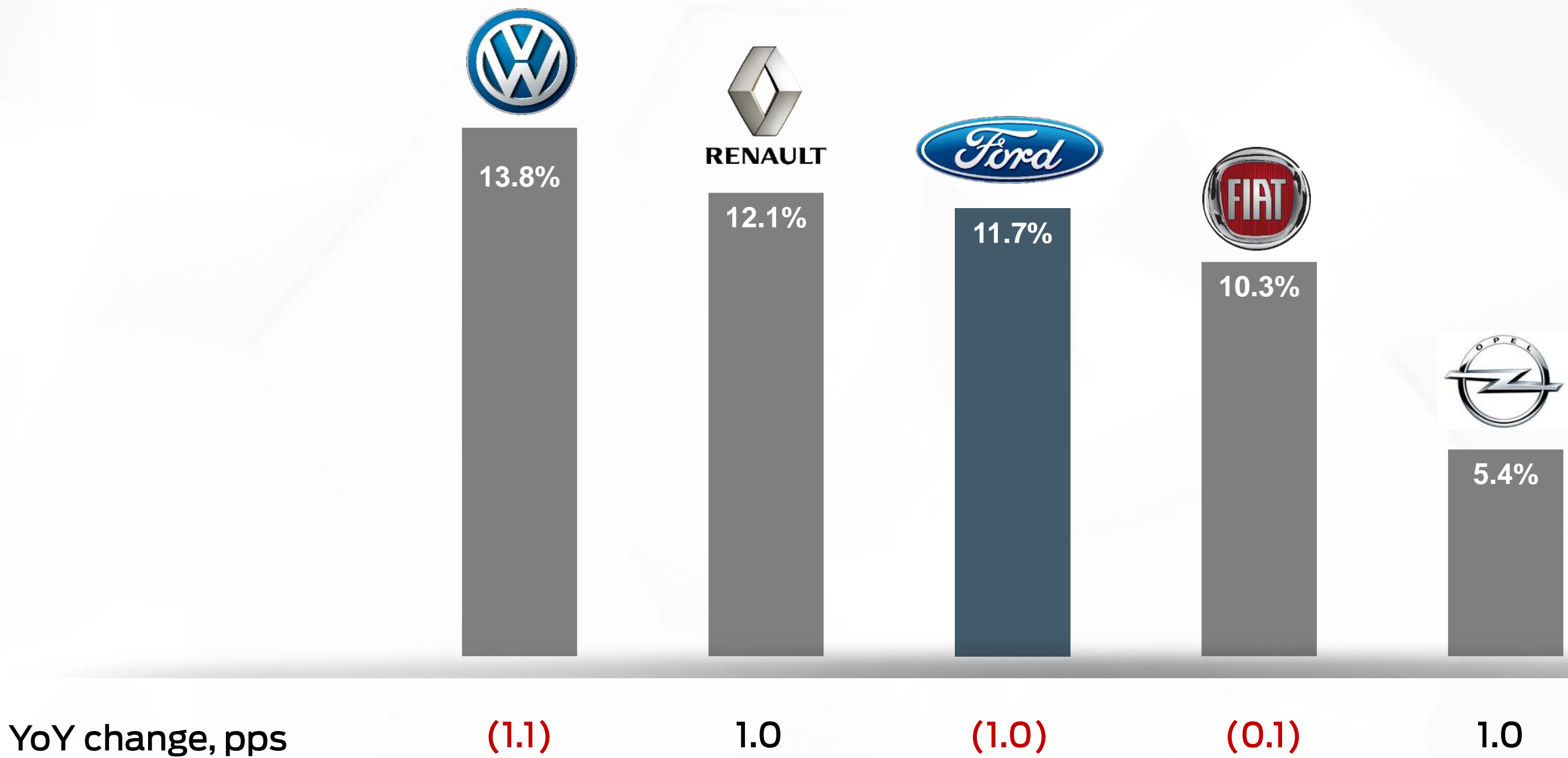
650,438

75,912

11.7

#3

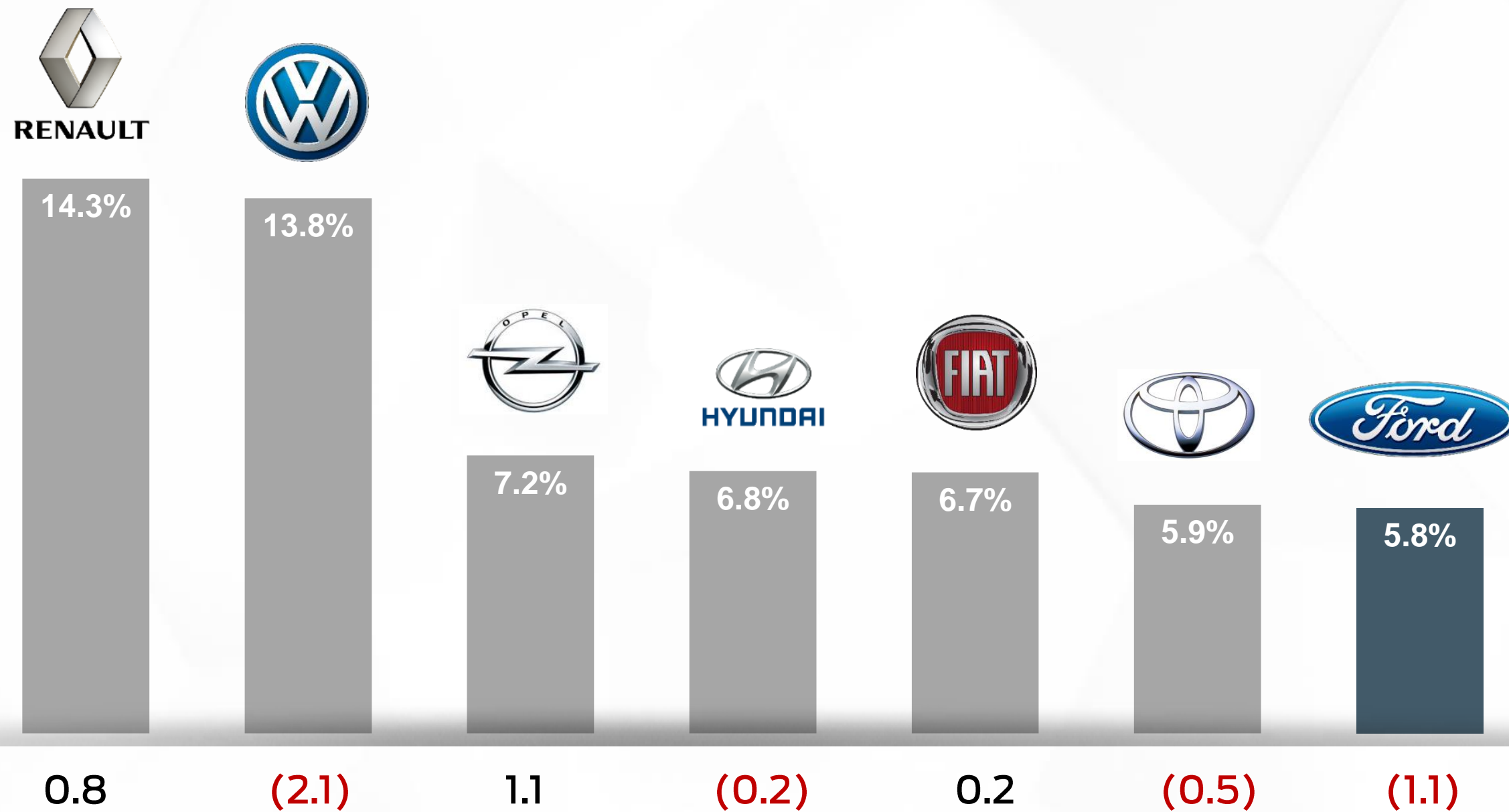
Market Performance – Total Industry



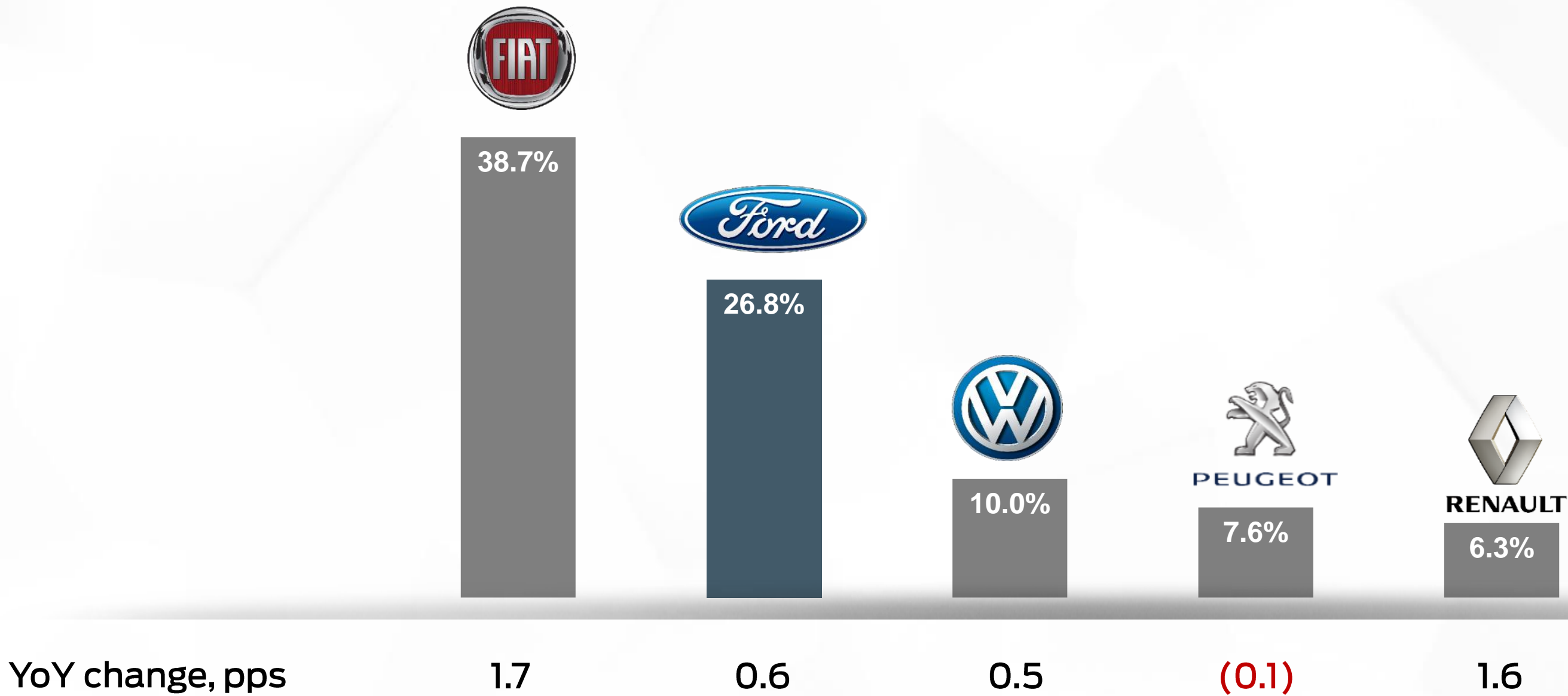
Source: ODD & TAİD

Market Performance - PCs

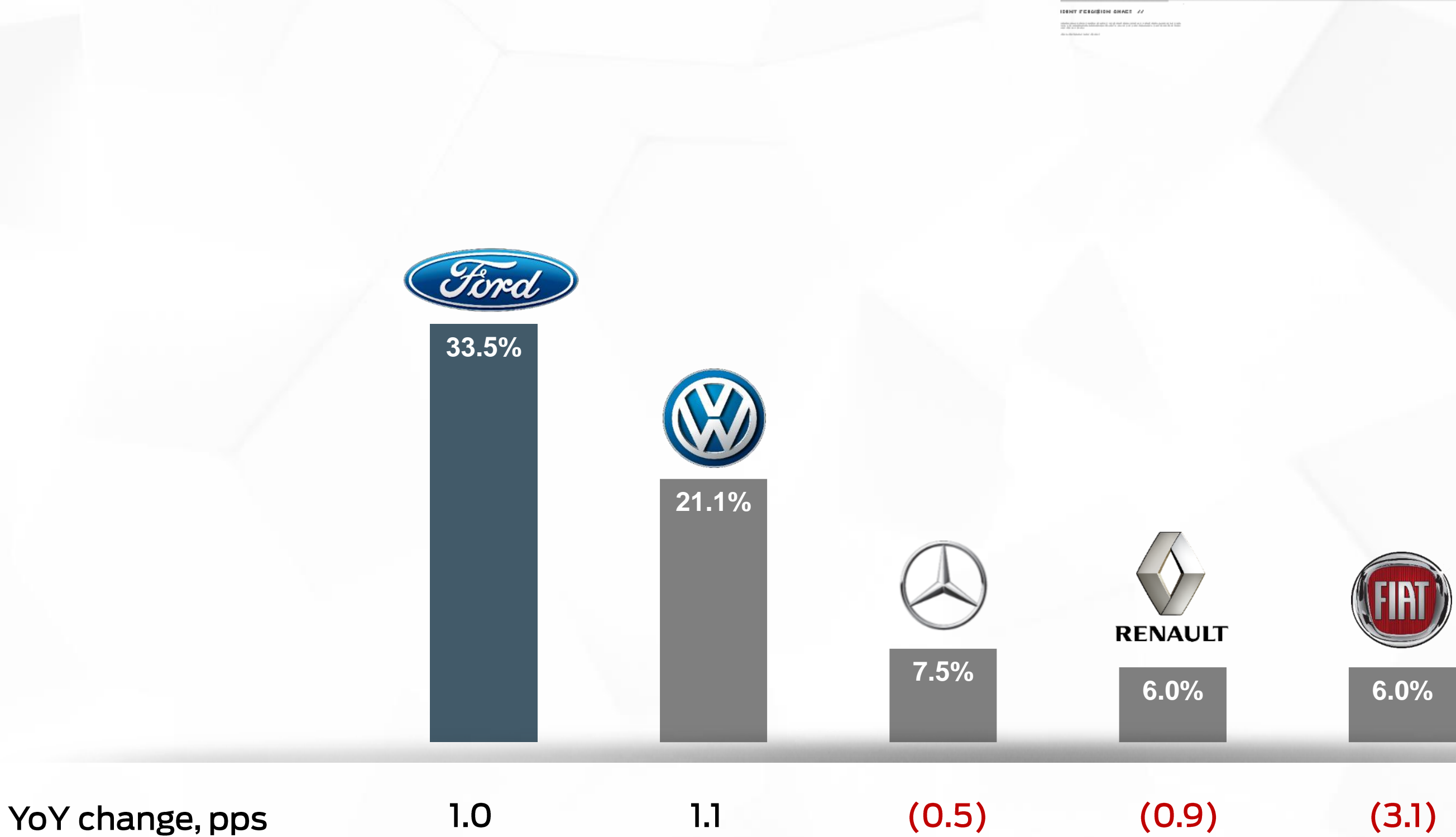
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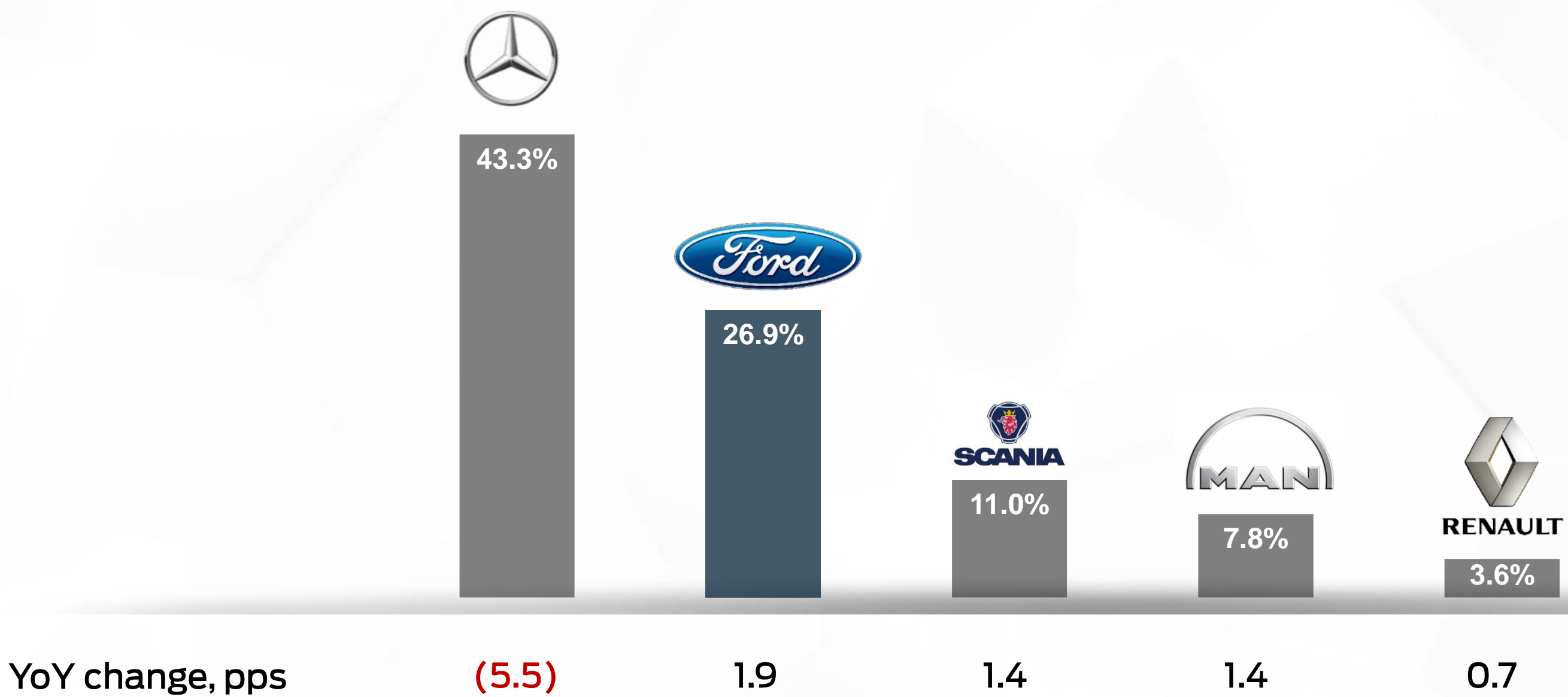
Source: ODD



Source: ODD



Source: ODD



Source: TAİD

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European Performance & Ford Motor Company

13.5% Growth in EU Van Registrations

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January-September 2016
Vans up to 3.5t

European Union*

+13.5%
1,423K units

UK

+2.7%
292 K units

Germany

+12.9%
190 K units

France

+9.8%
299 K units

Spain

+13.0%
127 K units

Italy

+41.5%
131 K units

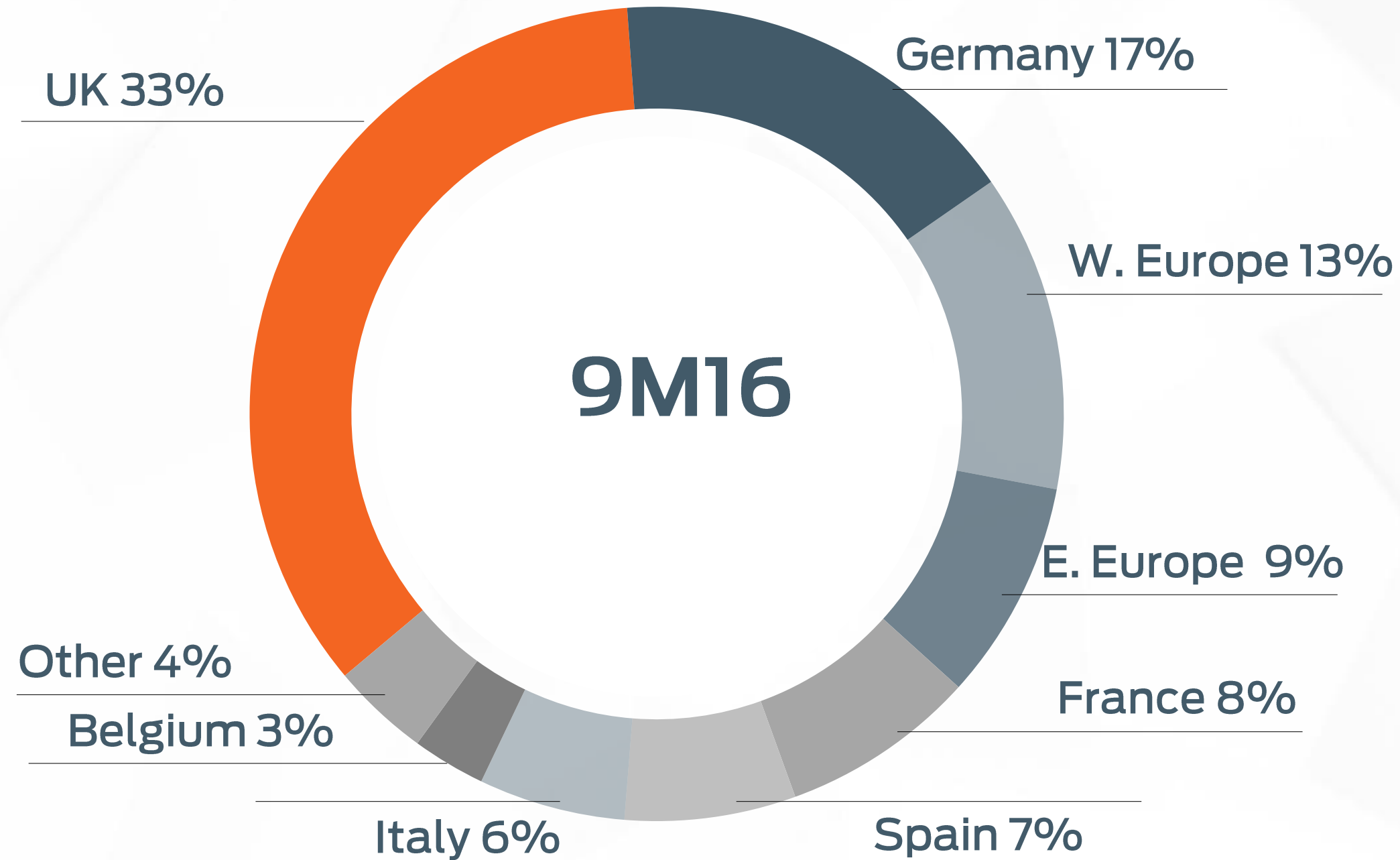
Source: ACEA

* 27 EU markets excluding Malta

Ford Otosan: Best proxy to European CV Growth

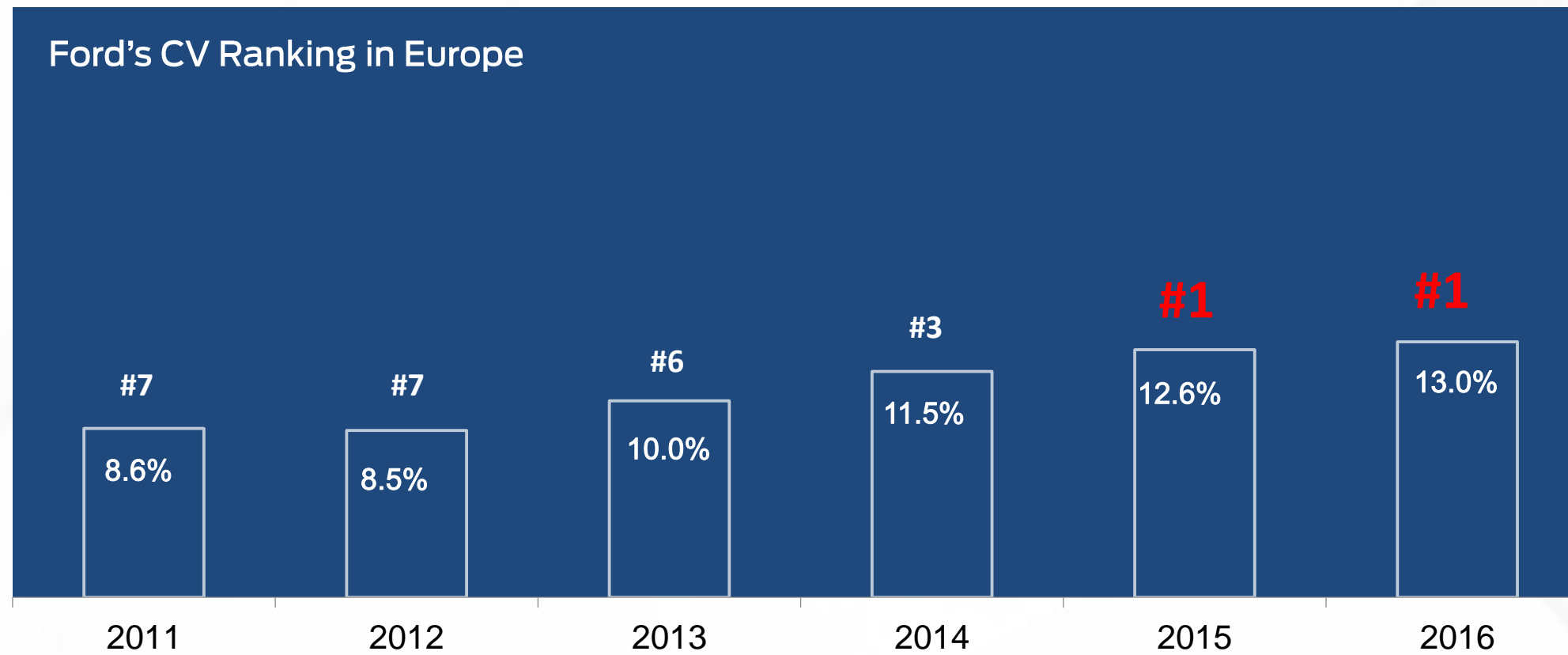
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Export breakdown by units



Ford Maintains No.1 Spot in European CVs

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

19% YoY increase in Transit Family sales

Ford Otosan is a Key Driver of FoE's Success

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MOVE IT.

MAKE IT.

WORK IT.

FORD TRANSIT.



FORD OTOSAN produces;

72%

of Ford of Europe's CV sales

81%

of Ford of Europe's Transit sales

Ford Motor Co. 3Q16 Results

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2016 THIRD QUARTER FINANCIAL RESULTS

	Net Income	Adjusted Pre-Tax Profit (Non-GAAP)	Revenue	Wholesales	Automotive Segment Operating Margin	Automotive Segment Operating Cash Flow
3Q 2016	\$1.0B	\$1.4B	\$35.9B	1,530K	3.3%	\$(2.0)B
B/(W) 3Q 2015	\$(1.2)B	\$(1.7)B	\$(2.2)B	(66)K	(4.4) pts	\$(4.8)B



‘This quarter, we delivered key elements of our growth plan by fortifying our core business. We remain on track to deliver one of our best profit years ever.’

Mark Fields, President & CEO

Highlights:

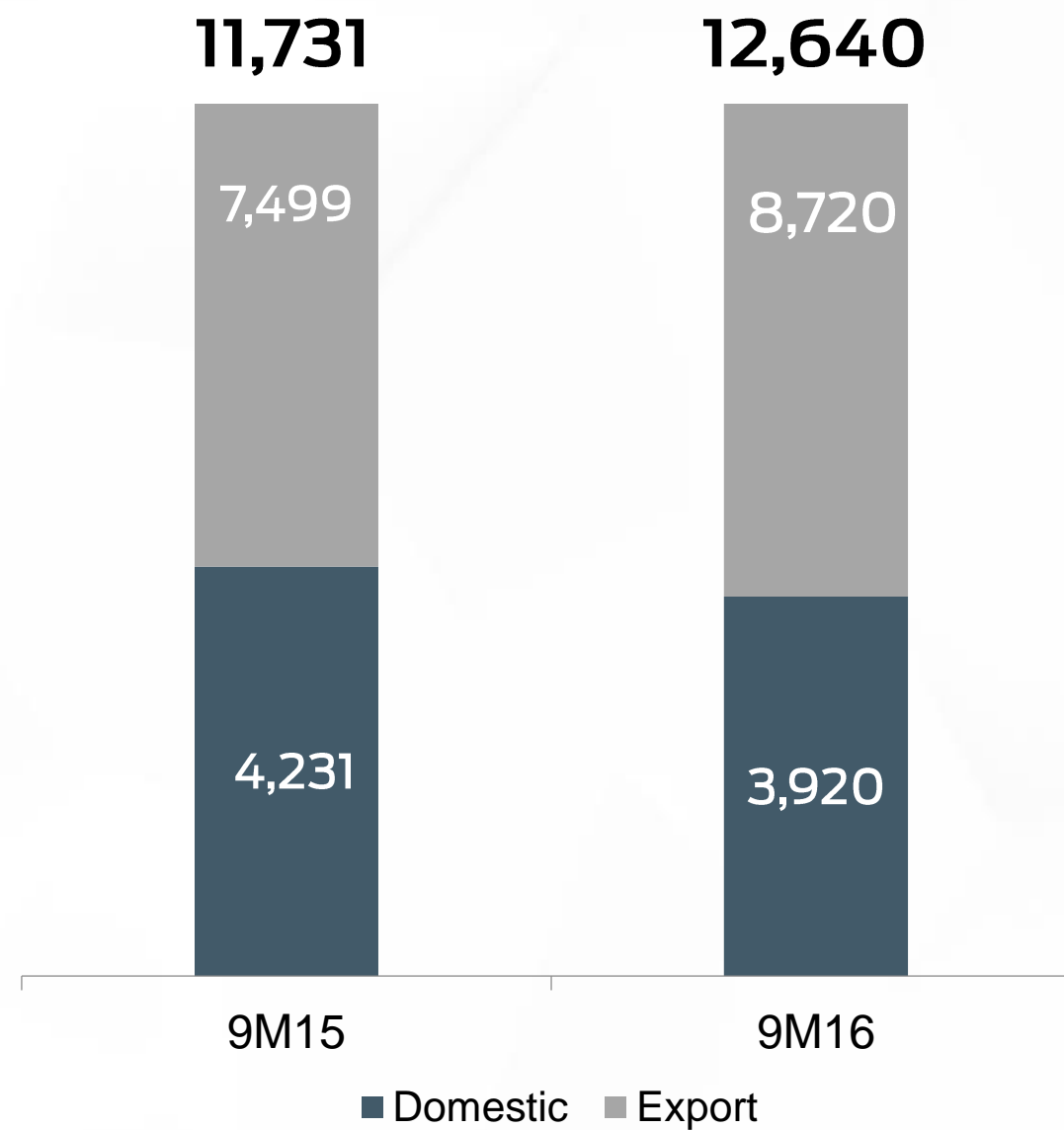
- Net income \$1.0B, down \$1.2B from a year ago.
- Automotive segment operating cash flow of \$4.2 billion, an all-time quarterly record.
- Launched first all-new F-Series Super Duty in 18 years, as well as the flagship Lincoln Continental; on track for 12 global product launches in 2016.
- Europe delivered \$138M pre-tax profit, sixth profitable quarter in a row and best 3Q since 2007.

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Financial Results

Main Financial Indicators

Million TL	9M16	9M15	YoY %	3Q16	3Q15	YoY%
Total Revenues	12,640	11,731	8%	3,840	4,205	-9%
Export	8,720	7,499	16%	2,663	2,796	-5%
Domestic	3,920	4,231	-7%	1,177	1,409	-16%
Gross Profit	1,452	1,306	11%	458	467	-2%
Operating Profit	744	749	-1%	223	284	-22%
EBITDA	1,082	1,046	3%	338	388	-13%
Profit Before Tax	656	583	13%	180	189	-5%
Net Income	638	557	15%	174	151	15%
Other Financial Data						
Depreciation & Amortization	339	297	14%	115	105	10%
Financial Income / (Expense)	-86	-166	-48%	-42	-94	-56%
Capex	-449	-326	38%	-194	-137	42%



8%

YoY growth in
total revenues

16%

YoY growth in
export revenues

-7%

YoY decline in
domestic revenues

- Strong demand for products
- Export market growth

- Volume decline due to market shift to PC segment

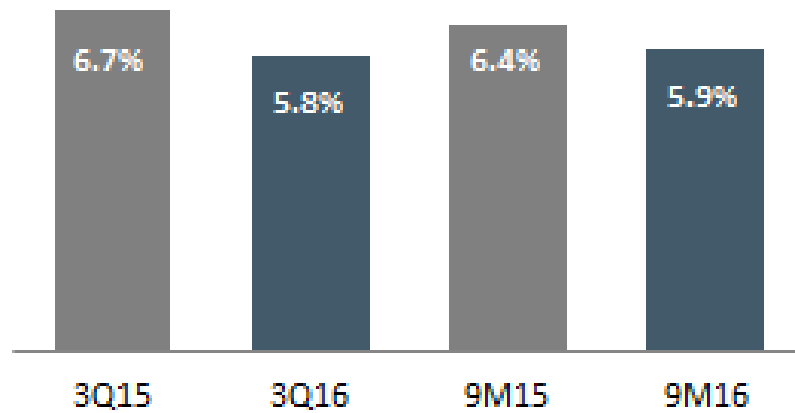
Sales Volume by Model

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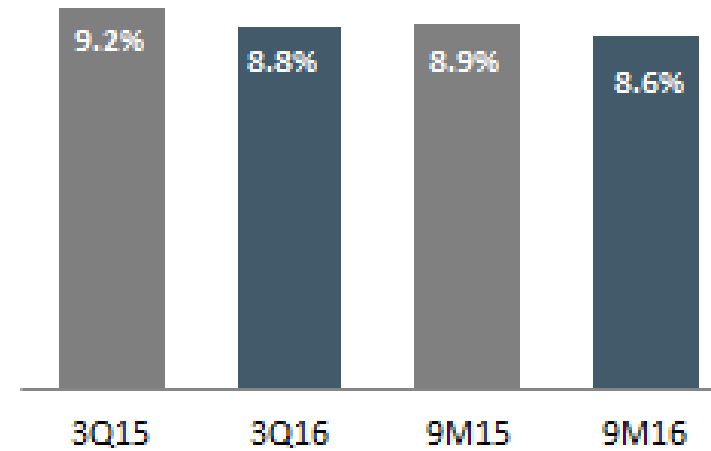
	9M16	9M15	YoY %	3Q16	3Q15	YoY %
Total Domestic	77,168	91,249	-15%	22,166	30,875	-28%
PC	24,136	33,935	-29%	5,873	10,978	-47%
Transit Courier	23,565	23,915	-1%	7,112	7,775	-9%
Transit Connect	2,159	2,093	3%	689	734	-6%
Total LCV	25,724	26,008	-1%	7,801	8,509	-8%
Transit	18,062	20,074	-10%	5,717	7,542	-24%
Transit Custom	4,667	4,595	2%	1,481	1,775	-17%
Ranger	1,107	741	49%	374	635	-41%
Total MCV	23,836	25,410	-6%	7,572	9,952	-24%
Cargo	3,472	5,896	-41%	920	1,436	-36%
Total Exports	188,735	180,135	5%	53,152	64,308	-17%
Transit Custom	92,804	88,234	5%	27,197	33,440	-19%
Transit	70,421	68,966	2%	18,629	21,614	-14%
Transit Courier	24,728	22,221	11%	7,067	8,991	-21%
Cargo	461	410	12%	168	149	13%
Other	321	304	6%	91	114	-20%
Total	265,903	271,384	-2%	75,318	95,183	-21%

Margins in 9M16

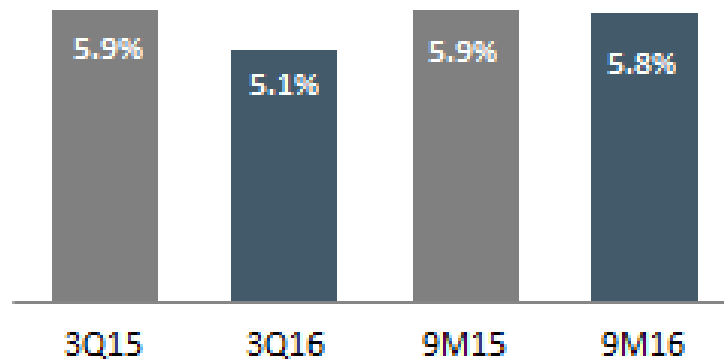
Operating Margin



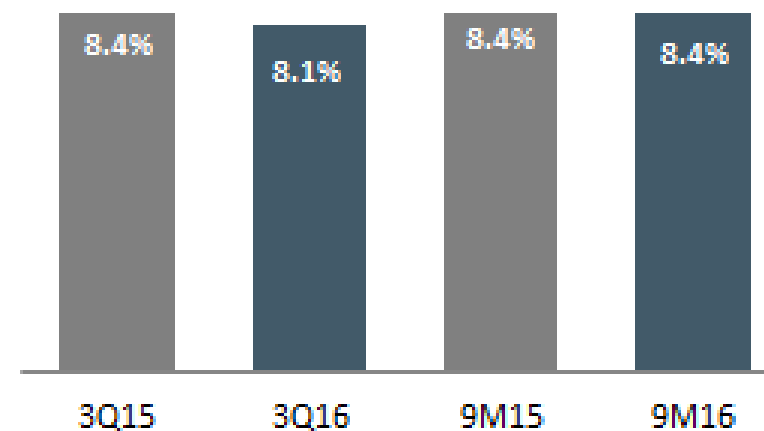
EBITDA Margin



Operating Margin (excl. Other items)



EBITDA Margin (excl. Other items)



Solid profitability in 9M16 despite:

- Rising import costs resulting from weaker TL/€ (3.28 in 9M16 versus 2.96 in 9M15)
- Lower domestic volumes

Drivers:

- + Positive domestic sales mix: Share of import vehicles was limited to 36%
- + Pricing strategy to offset the impact of TL devaluation
- + Strong export volumes driving high CUR (78% in 9M16)
- + Cost reduction actions
- + Lower net financial expenses

Debt Profile & Financial Ratios

Cash Position (TL mn)	30.09.2016	31.12.2015
Cash & Cash Equivalents	607	980
Total Financial Debt	(2,674)	(2,561)
Net Financial Debt	(2,067)	(1,580)
Financial Ratios	30.09.2016	31.12.2015
Current ratio	1.10	1.05
Liquidity ratio	0.63	0.73
Net Financial Debt / Tangible Net Worth	0.75	0.63
Current Assets / Total Assets	0.47	0.48
Current Liabilities / Total Liabilities	0.69	0.71
Total Liabilities / Total Liabilities and Equity	0.61	0.64
Return on Equity	25.8%	27.5%
Margins	30.09.2016	30.09.2015
Gross Margin	11.5%	11.1%
EBITDA Margin	8.6%	8.9%
EBITDA Margin (excl.other items)	8.4%	8.4%
Operating Margin	5.9%	6.4%
Net Income Margin	5.0%	4.7%

IDENTIFICATION IMAGE //

2015 Actuals

2016

Turkish Industry Volume

1,006 K

980 K- 1 million

Ford Otosan Retail Sales Volume

126 K

115 - 120 K

Exports

254 K

260 - 265 K

Wholesale Volume

381 K

375 - 385 K

Production Volume

335 K

335 - 340 K

Capex (fixed assets)

€126 mn

€160 -170 mn

Q&A

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Thank You

