

FORD OTOSAN



9M2018 Financial Results

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9M 2018 Evaluation

Ford Otosan Strengthens Position in CV Segment

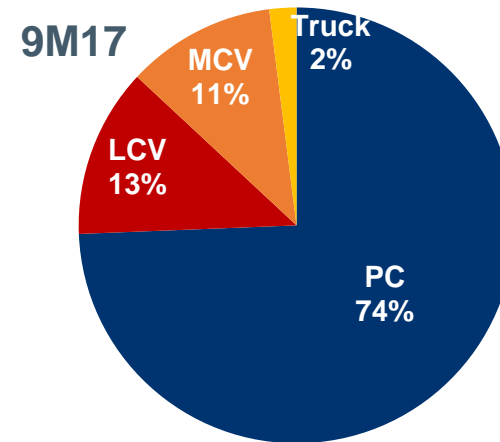
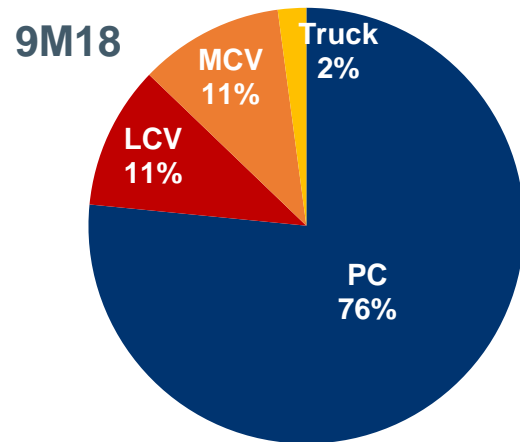
2018 9M
Domestic Sales

Segments	Industry	Ford Otosan	% Share	Ranking
Commercial Vehicles	110,859	34,410	31.0%	1
Light Commercial	50,243	14,064	28.0%	2
Medium Commercial	50,748	17,473	34.4%	1
Truck	9,868	2,873	29.1%	2
Passenger Cars	362,465	18,952	5.2%	8
Total	474,582	53,362	11.2%	2

Ford's 4th
largest in
Europe

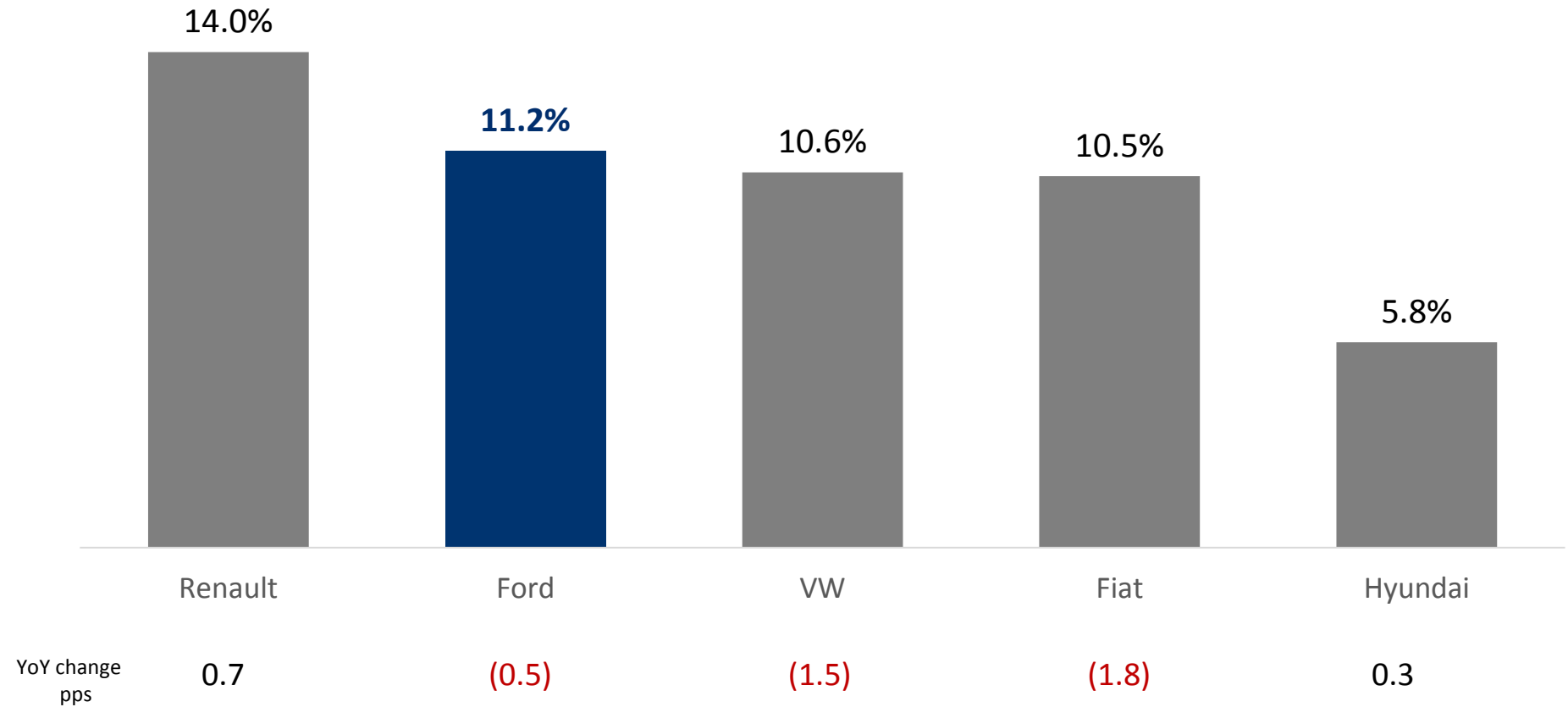
PC Industry Share Rose YoY

Segments	9M18	9M17	% Change
Passenger Cars	362.465	476.621	-24%
Light Commercial	50.243	80.371	-37%
Medium Commercial	50.748	70.351	-28%
Truck	9.868	11.886	-17%
Total	474.582	640.847	-26%

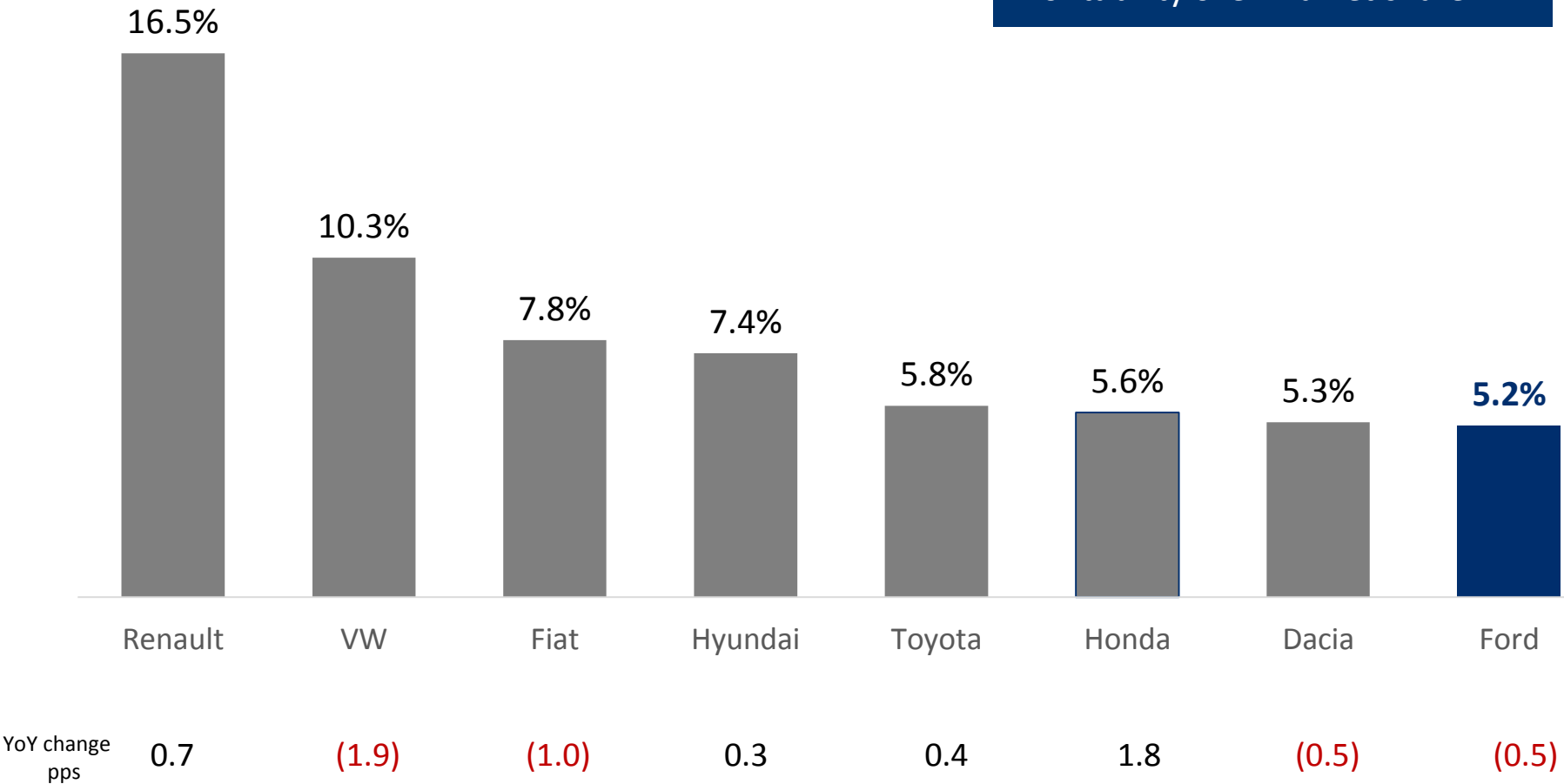


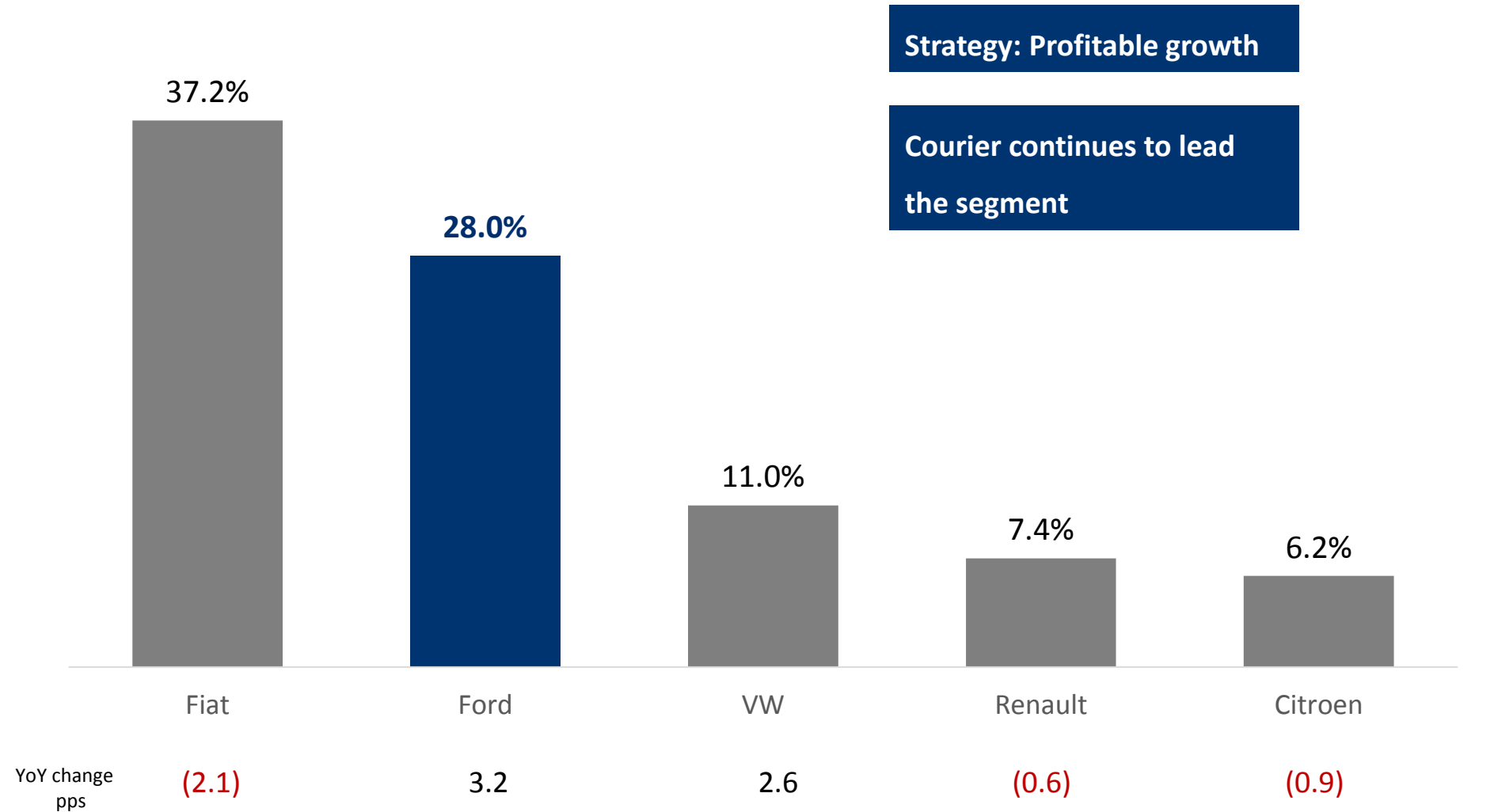
Total Industry Market Shares, 9M18

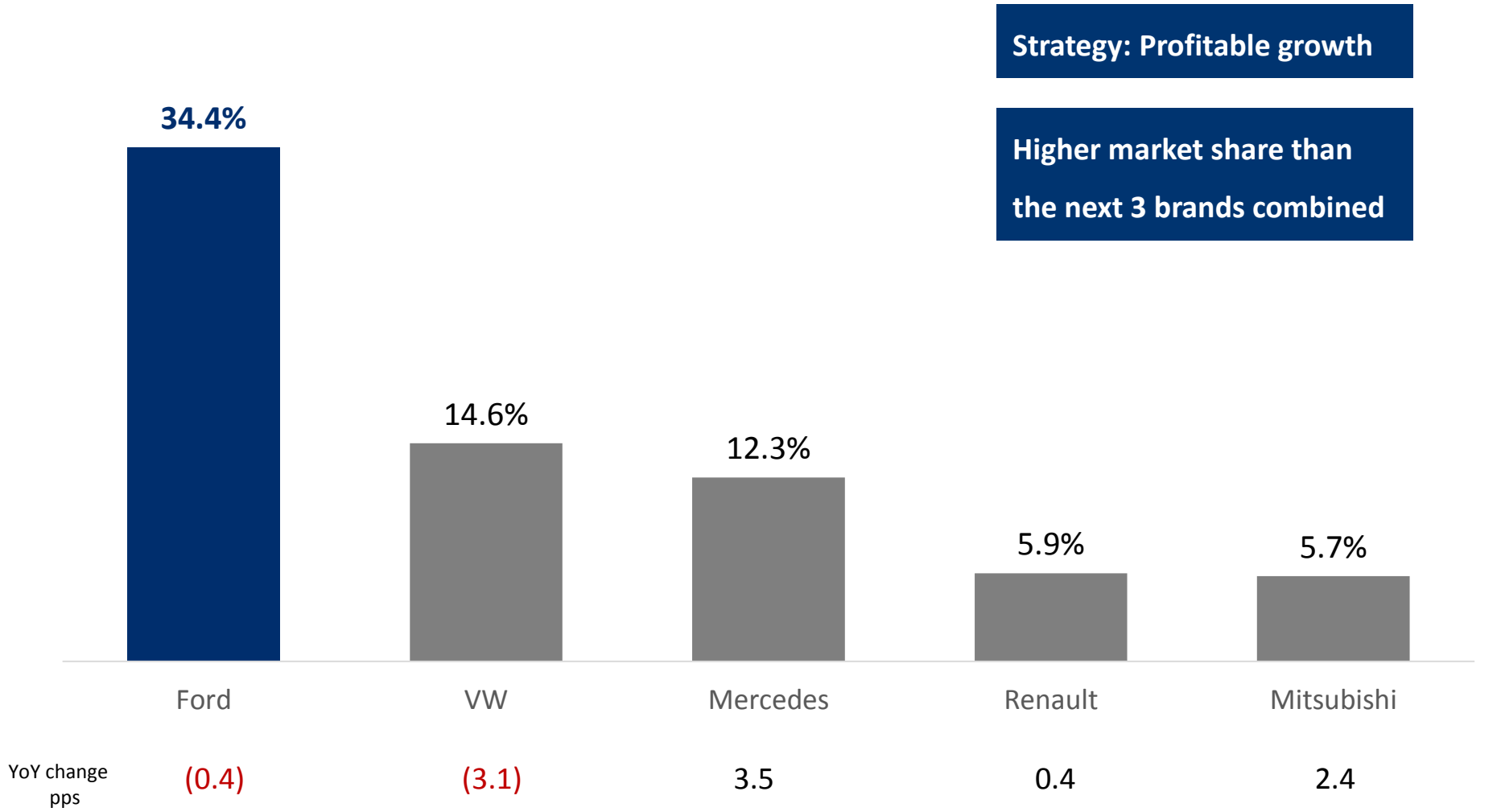
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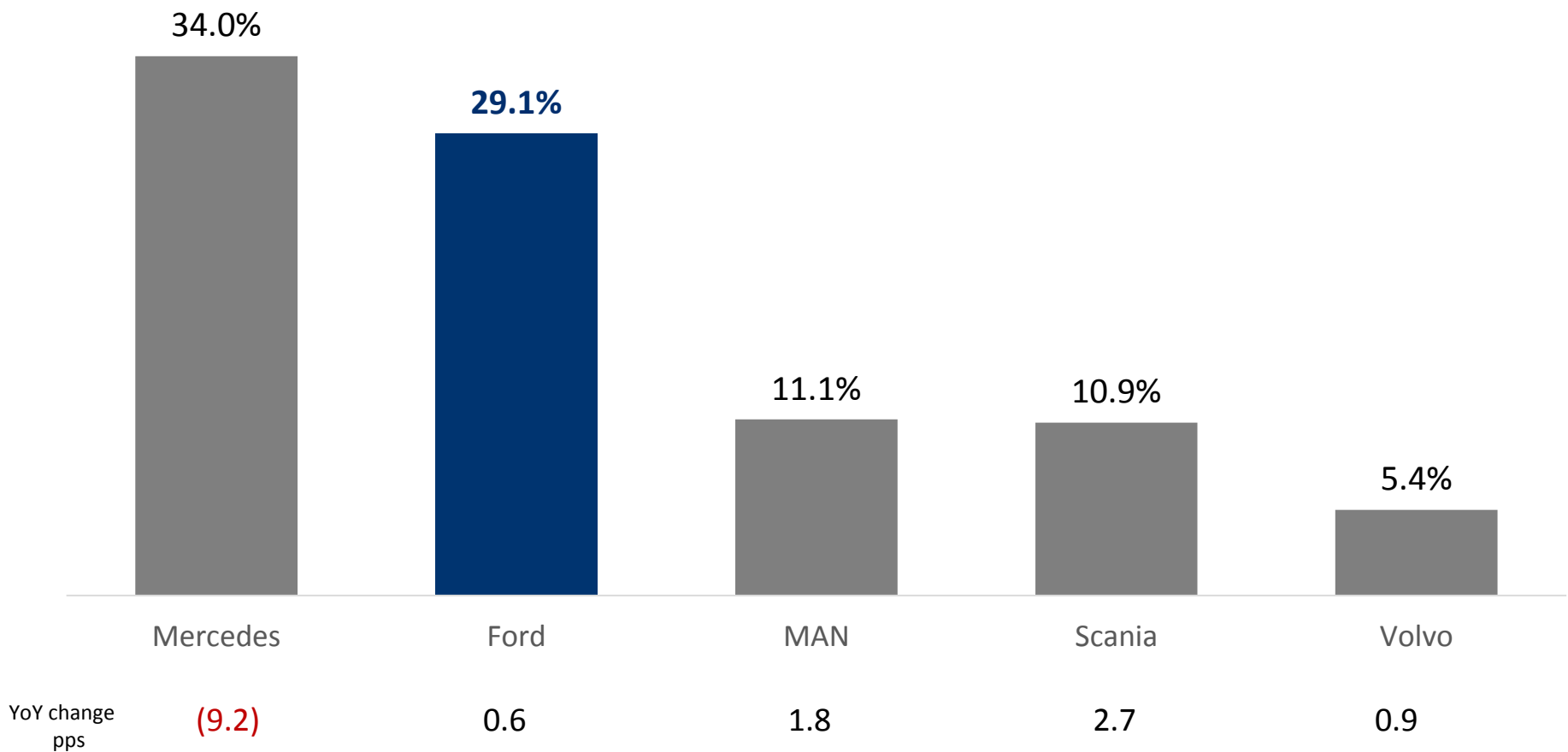
Strategy:
Profitability over market share







Strategy: Profitable growth



INTERNATIONAL TRUCK OF THE YEAR

FORD TRUCKS
F-MAX



2019

IP Rights owned 100% by Ford Otosan



- Cost of ownership advantage over peers
- 80% localization rate -> 90% by 2020
- 2.5 meter cabin
- 500 PS
- Domestic launch in October 2018
- Global launch in 2019

European Industry & Ford

EU Van Registrations Grew 3.5% in 9M18

14

Industry growth supported by broader economic recovery, SME activity and e-commerce

Ford is shielded from the contraction in the UK with its strong performance

UK Industry -3.0%
Ford +7.1%

Source: SMMT, Sep YTD

UK

-3.0%
274 K units

+3.5%
1.5 million units

European Union*

Germany

+5.1%
206 K units

France

+4.7%
335 K units

Spain

+9.5%
161 K units

Italy

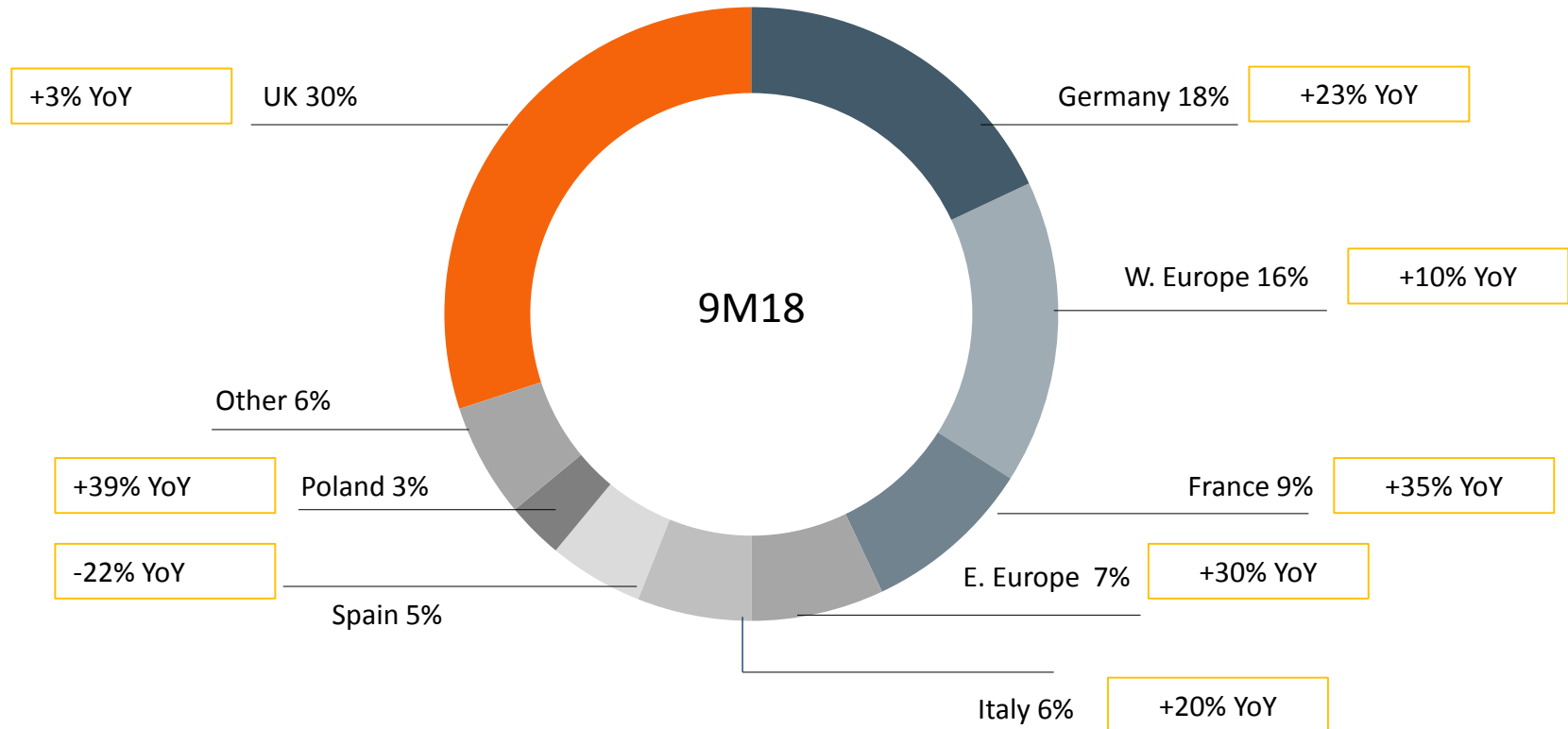
-2.7%
126 K units

Vans up to 3.5 t

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

Record 9M Export Volume

Export breakdown (units)

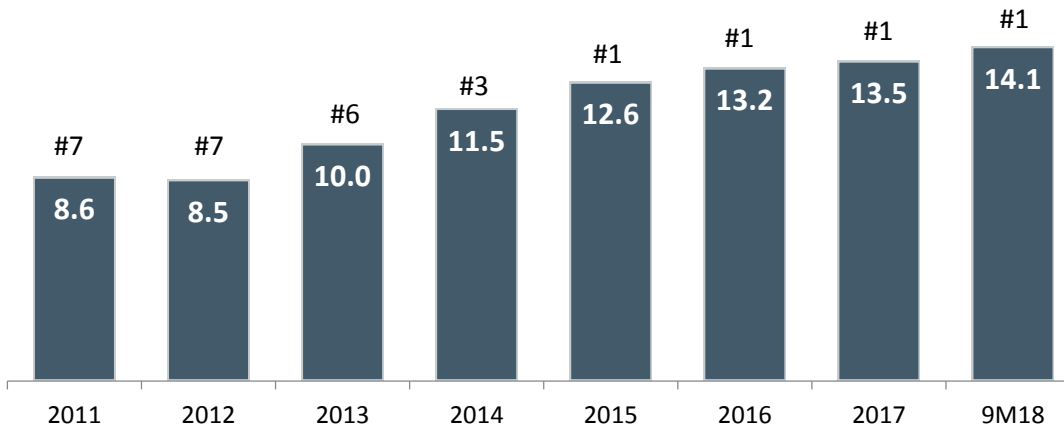


Change in Ford Otosan's unit exports to the relevant market

All export agreements are €-denominated including non-€ countries

Ford is Europe's Top-Selling CV Brand

Ford's European CV Market Share



7.3%

Jan-September YoY growth
in Ford's CV sales

Ford's commercial vehicle sales hit a **record high of 289k for the first 9 months**

Ford's September commercial vehicle market share was **18.7%**

Ford Transit set a new **September record** with sales of more than 27,800 vehicles in Ford's European 20 markets

Ford Otosan: Key Driver of Ford's Market Share

and Pillar of profitability for Ford of Europe



Courier



Connect



Custom



Transit

FORD OTOSAN produces

83%

of Transit Family vans
sold in Europe

9M18 Results

TL 23,244 million

Revenues, +36% YoY

- Robust export performance
- Record volumes

TL 2,286 million

EBITDA, +54% YoY

- Strong OpEx control & cost reduction actions
- Higher fx gains from operating activities

TL 18,780 million

Export Revenues, +51% YoY

- Record volumes
- Currency impact

TL 1,430 million

Profit Before Tax, +45% YoY

- Despite pressure from 209% rise in net financial expenses driven by 200% higher net fx loss

TL 4,465 million

Domestic Revenues, -6% YoY

- Volume decline due to market contraction
- Pricing discipline and profitability focus limited revenue decline

TL 1,272 million

Net Income, +30% YoY

- Current year deferred tax liability resulting from the cash flow hedge, mainly in Q3.

Volume & Revenue Analysis

	9M18/9M17		3Q18/3Q17	
	Volume	Revenue	Volume	Revenue
Total	2%	36%	-1%	42%
Export	13%	51%	24%	79%
Domestic	-29%	-6%	-56%	-38%

Robust export performance resulted in record 9M volumes

Record volumes and currency weakness pushed revenue growth

Pricing discipline and profitability focus limited revenue decline

Sales Volume by Model

	9M18	9M17	YoY%	3Q18	3Q17	YoY%
Total Domestic	52.472	74.370	-29%	11.276	25.711	-56%
PC	15.210	22.779	-33%	3.645	7.594	-52%
LCV	17.081	23.524	-27%	3.180	6.956	-54%
Transit Courier	16.359	22.265	-27%	2.970	6.488	-54%
Transit Connect	722	1.259	-43%	210	468	-55%
MCV	17.299	24.808	-30%	3.940	9.893	-60%
Transit	12.352	18.236	-32%	2.868	7.002	-59%
Transit Custom	3.818	4.972	-23%	614	2.193	-72%
Ranger	1.129	1.600	-29%	458	698	-34%
Truck	2.882	3.259	-12%	511	1.268	-60%
Total Export	238.458	211.695	13%	73.292	59.307	24%
Transit Custom	119.709	112.269	7%	35.612	33.020	8%
Transit	87.946	73.614	19%	26.770	19.688	36%
Transit Courier	29.477	24.685	19%	10.478	6.254	68%
Truck	1.157	625	85%	381	247	54%
Other	169	502	-66%	51	98	-48%
Total Wholesale	290.930	286.065	2%	84.568	85.018	-1%

Record

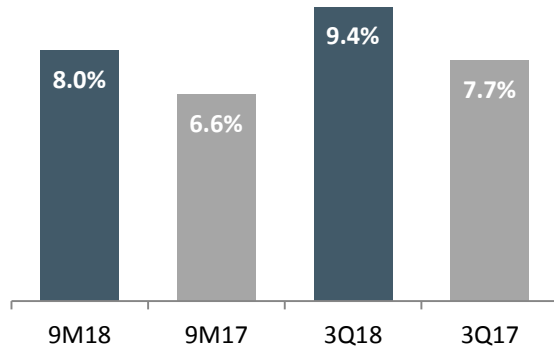
Record

Main Financial Indicators

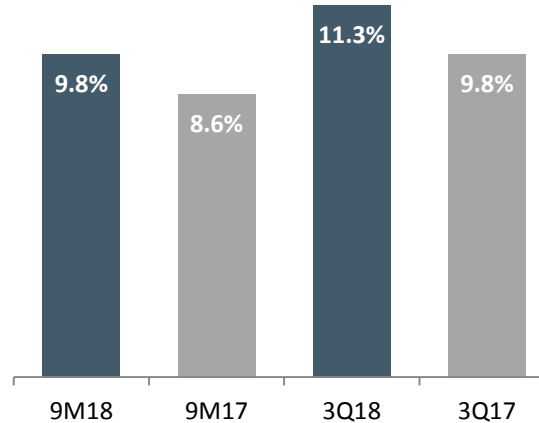
Million TL		9M18	9M17	YoY %	3Q18	3Q17	YoY %
Total Revenues	Record	23.244	17.138	36%	7.772	5.486	42%
Export	Record	18.780	12.411	51%	6.681	3.735	79%
Domestic		4.465	4.728	-6%	1.091	1.750	-38%
Gross Profit	Record	2.501	1.800	39%	822	628	31%
Operating Profit	Record	1.868	1.128	66%	730	420	74%
EBITDA	Record	2.286	1.482	54%	878	538	63%
Profit Before Tax	Record	1.430	986	45%	489	356	37%
Net Income	Record	1.272	980	30%	354	346	2%
Other Financial Data							
Depreciation & Amortization		418	353	18%	148	117	26%
Financial Income / (Expense)		-435	-141	209%	-239	-64	273%

9M18 Margins

Operating Margin



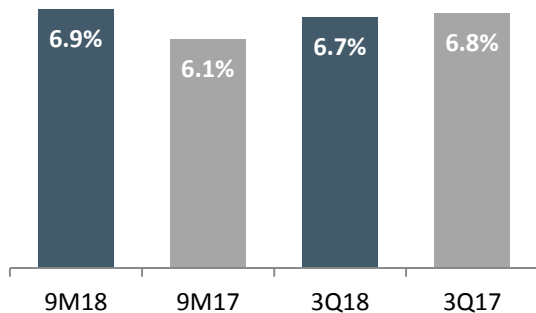
EBITDA Margin



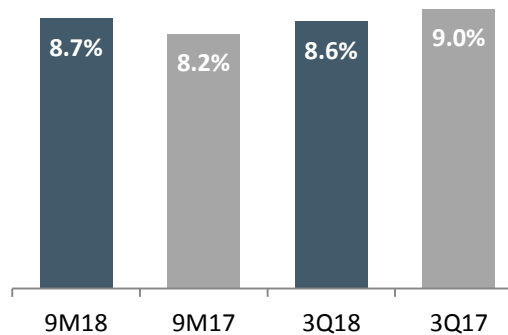
Drivers:

- + Rising export demand
- + Positive impact of currency fluctuations on gross profit resulting from export operations
- + Cost reduction actions and strong OpEx control
- + Pricing discipline
- + Significant rise in net fx gains from export business

Operating Margin (excl. Other items)



EBITDA Margin (excl. Other items)



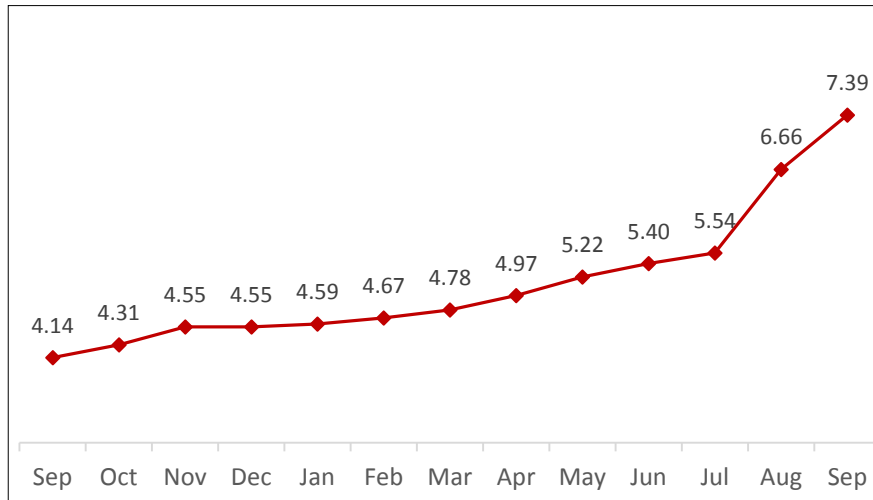
Challenges:

- Considerable cost pressure resulting from weaker €/TL (+37% YoY in 9M18 and 58% YoY in 3Q18) and high inflation
- Contracting domestic volumes

Ongoing Cost Pressure

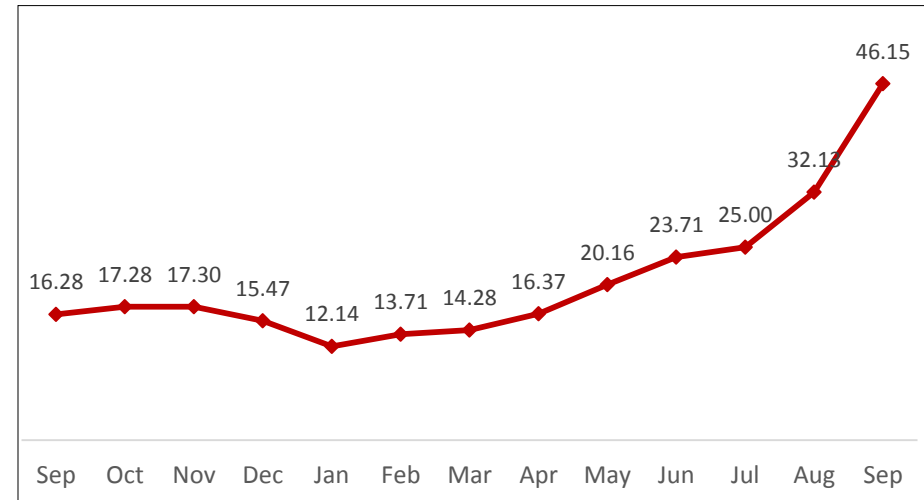
YoY change	9M18/9M17	3Q18/3Q17
Production Volume	7%	6%
Raw Material Costs	45%	60%
€ / TL Average	37%	58%

EUR/TL Rate, Average



Source: CBT

PPI Inflation. %



Source: CBT

Debt Profile & Financial Ratios

Cash Position (TL mn)	30.9.2018	31.12.2017
Cash & Cash Equivalents	1.379	1.806
Total Financial Debt	-5.348	-3.604
Net Financial Debt	-3.968	-1.798
Financial Ratios	30.9.2018	31.12.2017
Current ratio	1,07	1,13
Liquidity ratio	0,68	0,87
Net Debt / Tangible Net Worth	1,51	0,60
Net Debt / EBITDA	1,30	0,82
Current Assets / Total Assets	0,59	0,57
Current Liabilities / Total Liabilities	0,74	0,73
Total Liabilities / Total Liabilities and Equity	0,75	0,69
Return on Equity	49,6%	40,3%
Margins	30.9.2018	30.9.2017
Gross Margin	10,8%	10,5%
EBITDA Margin	9,8%	8,6%
EBITDA Margin (excl.other items)	8,7%	8,2%
Operating Margin	8,0%	6,6%
Net Margin	5,5%	5,7%

Ford Otosan provides guidance 4 times a year as part of quarterly financial statements.
Guidance updated in October 2018 with 9M18 results. Next update will be in February 2019 on 2019 expectations.

	2017A	2018F
Turkish Industry Volume	977 K	550 K – 600 K
Ford Otosan Retail Sales Volume	116 K	60 K – 70 K
Exports	297 K	320 K – 330 K
Wholesale Volume	413 K	380 K – 400 K
Production Volume	373 K	370 K – 380 K
Capex (fixed assets)	€ 175 mn	€180 – 200 mn

