



## 9M21 Financial Results Meeting

1 November 2021

# Agenda

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- **9M21 Evaluation**
- **Domestic Sales Performance**
- **Export Performance**
- **Since We Last Met**
- **Financial Results**
- **Q & A**

# 9M21 Evaluation

# 9M21 Highlights

Rank #1 in CV segment with 30.0% market share

**LCV: 27.9%**

**MCV: 35.2%**

**Truck: 25.9%**

Strong Capacity Utilization Rate despite suspension of production for 45 days at Gölcük Plant and 23 days at Eskişehir Plant.

**Total 75%**

15.9% Ford CV market share in Europe

**No. 1 CV brand in Europe for the Q and YTD**

Strong Profitability

**EBITDA p.v. €1,997**

**PBT p.v. €1,836**

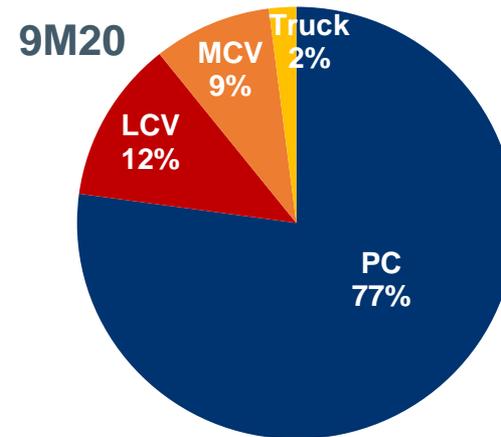
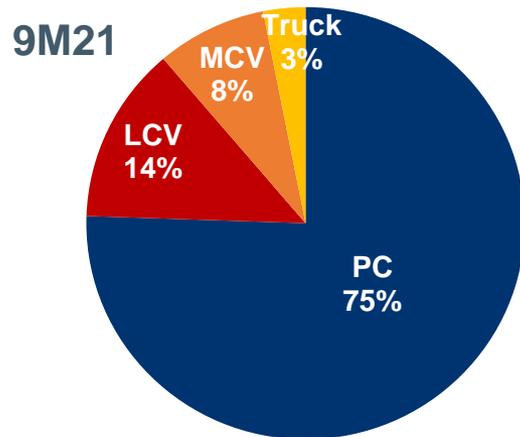
Record dividend payment: 2.3 billion TL paid as 1st dividend

**1.3 billion TL to be paid on Nov 19 as 2nd dividend**

# Domestic Sales Performance

# CV Industry Share Rose YoY

Segments	9M21	9M20	Δ
Passenger Cars	434.800	388.690	12%
Light Commercial	76.434	61.156	25%
Medium Commercial	46.911	43.775	7%
Truck	17.791	9.988	78%
<b>Total*</b>	<b>577.549</b>	<b>504.786</b>	<b>14%</b>



\* Total industry volumes include PC, LCV, MCV, HCV and Truck sales.

# Domestic Sales Performance - I

Rank	Brand	9M21 Sales	9M20 Sales	Market Share %	YoY Δ
<b>Total Industry</b>					
1	Fiat	89.081	87.266	15,4	-1,9
2	Renault	57.237	67.201	9,9	-3,4
3	VW	56.867	43.333	9,8	1,3
4	Ford	54.112	58.758	9,4	-2,3
5	Toyota	38.884	24.069	6,7	2,0
<b>Passenger Cars</b>					
1	Fiat	57.503	57.470	13,2	14,8
2	Renault	53.268	65.542	12,3	16,9
3	VW	44.933	33.326	10,3	8,6
4	Toyota	34.480	23.355	7,9	6,0
5	Hyundai	27.701	17.533	6,4	4,5
14	Ford	11.702	15.840	2,7	-1,4

PC strategy: Profitability over market share



# Domestic Sales Performance - II

Rank	Brand	9M21 Sales	9M20 Sales	Market Share %	YoY Δ
<b>LCV</b>					
1	Fiat	28.715	26.279	37,6	-5,4
2	Ford	21.295	19.595	27,9	-4,2
3	Dacia	7.135	2.501	9,3	5,2
4	VW	6.077	5.738	8,0	-1,4
5	Peugeot	4.564	2.526	6,0	1,8
<b>MCV</b>					
1	Ford	16.510	20.238	35,2	-11,0
2	VW	5.857	4.269	12,5	2,7
3	Mercedes	4.530	3.646	9,7	1,3
4	Mitsubishi	3.020	3.962	6,4	-2,6
5	Fiat	2.863	3.517	6,1	-1,9
<b>Truck</b>					
1	Mercedes	6.211	3.985	34,9	-4,9
2	Ford	4.605	3.085	25,9	-5,0
3	Scania	1.953	694	11,0	4,0
4	MAN	1.626	684	9,1	2,3
5	Renault Trucks	1.254	586	7,0	1,2

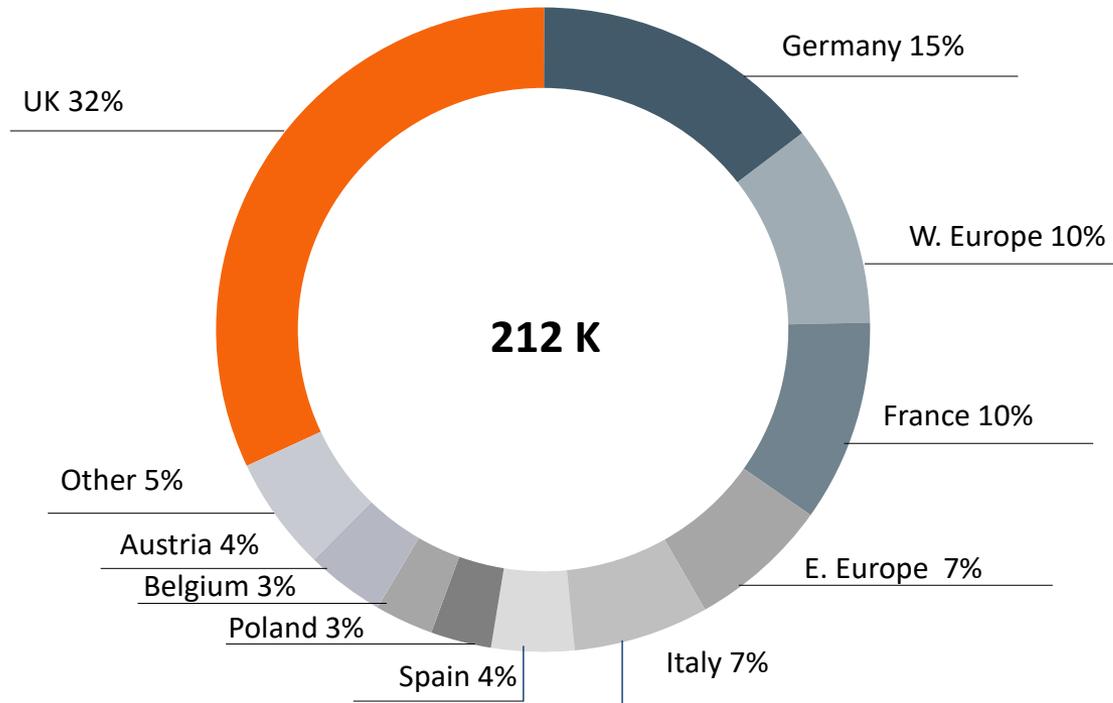
CV Strategy: Profitable growth



# Export Performance

# Turkey's Export Champion

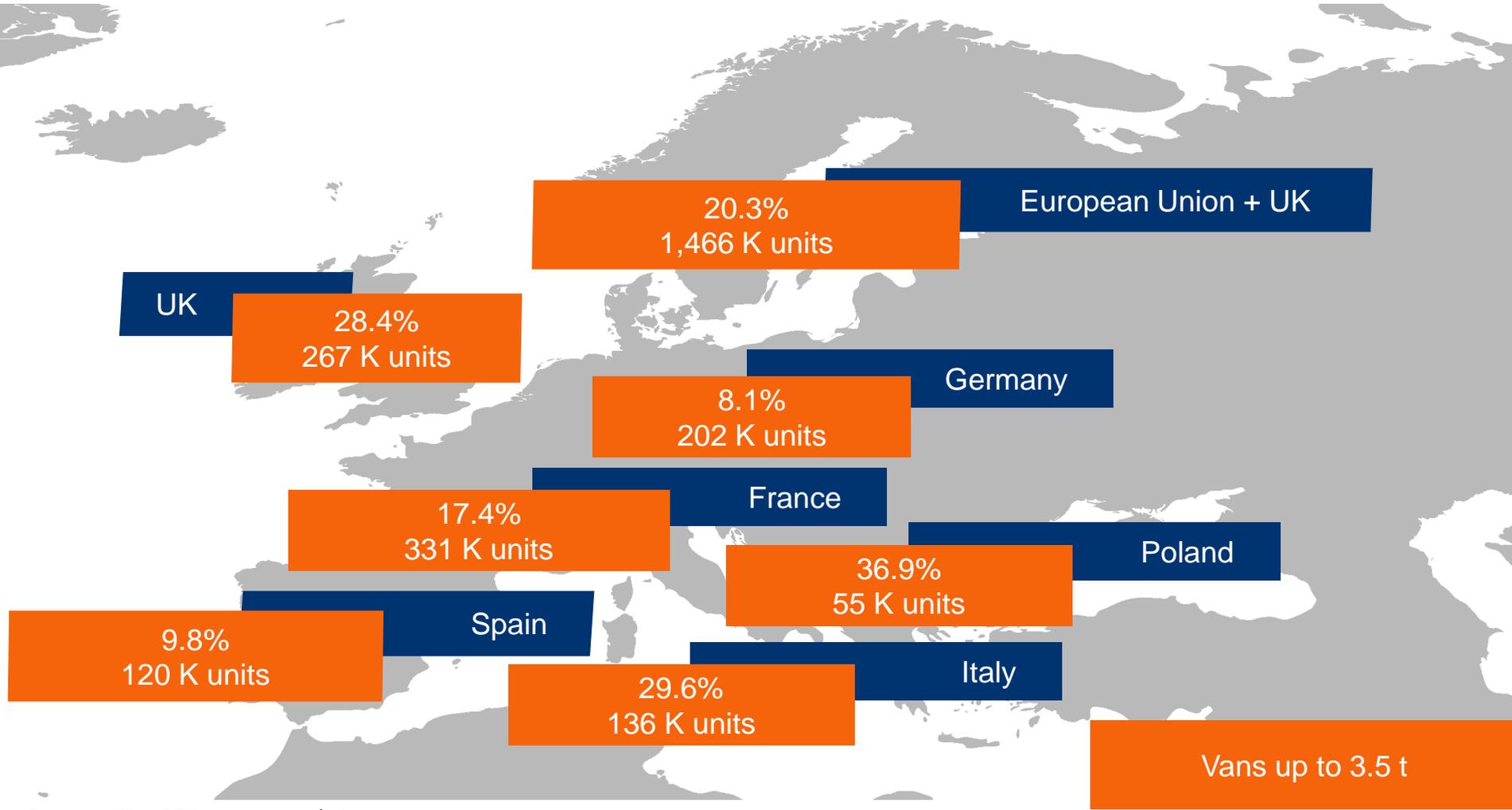
## Export breakdown (9M21, units)



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

# EU Van Registrations Grew by 20% in 9M21

Commercial Vehicle market remained positive with strong demand and growing confidence.



Source: ACEA; 26 European markets + UK

# Demand for New Vans Remained Positive in 9M21

Van registrations grew 20% vs 7% growth in PCs in September YTD

Vans up to 3.5 tons: Ford Otosan's export segment

% Change	Jan		Feb		Mar		Apr		May		Jun		Jul		Aug		Sep		YTD	
Year	'21	'20	'21	'20	'21	'20	'21	'20	'21	'20	'21	'20	'21	'20	'21	'20	'21	'20	'21	'20
UK	2	6	22	-2	86	-54	799	-86	289	-74	14	-25	-15	7	6	-16	-40	26	28	-27
Germany	-19	-3	-2	-4	36	-25	71	-47	48	-46	28	-18	-13	-7	-16	-22	-18	20	8	-19
Italy	-9	-2	11	-6	269	-71	972	-90	48	-35	2	-5	-17	15	-10	4	-14	19	30	-22
Spain	-31	-20	-18	-6	169	-67	771	-91	89	-59	-5	-20	-33	3	-29	-24	-30	7	10	-34
France	7	-9	-5	3	183	-65	471	-84	31	-33	-10	8	-19	2	-16	-2	-17	17	17	-21
Poland	5	-18	24	-11	78	-33	163	-56	90	-43	45	-14	-5	2	15	-21	8	22	37	-21
<b>Total</b>	<b>-6</b>	<b>-8</b>	<b>3</b>	<b>-4</b>	<b>102</b>	<b>-51</b>	<b>250</b>	<b>-72</b>	<b>68</b>	<b>-46</b>	<b>10</b>	<b>-13</b>	<b>-16</b>	<b>-1</b>	<b>-6</b>	<b>-18</b>	<b>-21</b>	<b>18</b>	<b>20</b>	<b>-24</b>
<b>Total YTD</b>	<b>-6</b>	<b>-8</b>	<b>-2</b>	<b>-6</b>	<b>27</b>	<b>-25</b>	<b>51</b>	<b>-37</b>	<b>54</b>	<b>-39</b>	<b>44</b>	<b>-34</b>	<b>33</b>	<b>-30</b>	<b>28</b>	<b>-28</b>	<b>20</b>	<b>-24</b>		

Registrations (Units):

Sep '21 YTD: 1,466 K

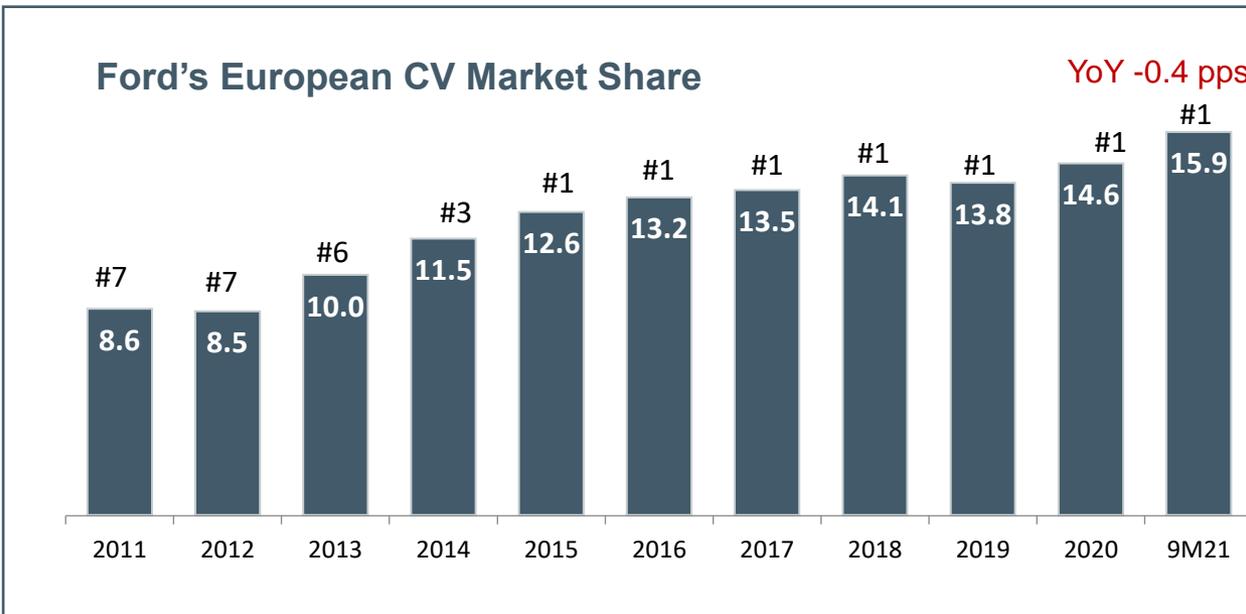
Sep '20 YTD: 1,218 K

'This year has proved to be one of the best ever for new van registrations, buoyed by **strong demand and growing confidence as the economy continues to open up**. The impact of the semi-conductor shortage on manufacturing is affecting CV production, however, even if it is not immediately apparent in the registration figures. With even more **new zero emission models coming to market, the choices available for fleet renewal are increasing rapidly.**' – SMMT chief Mike Hawes

\* 26 European markets + UK

# Ford Remains Europe's Top-Selling CV Brand

Home delivery trend fosters Ford's success in CV segment



Ford continued to be **No. 1 CV brand in Europe for the quarter and YTD.**

**No. 1 CV brand in 7 markets YTD** (UK, AUT, SWE, IRL, HU, CZ, TR)

Ford's CV sales in 9M21 decreased 1.9% YoY, down slightly driven by the semiconductor supply shortage.

Ford continues to work closely with production teams and suppliers to **minimize the disruption and meet the needs of customers across Europe.**

**Ford Transit Custom is the best-selling Ford vehicle in Europe YTD and the best-selling vehicle in the UK YTD**

Source: Ford of Europe 9M21 Sales Release, reporting sales for its 20 European traditional markets. In line with the Ford global standard, the sales reports are published quarterly.

# Ford Otosan: Key Driver of Ford's Market Share

## and Pillar of profitability for Ford of Europe



Courier



Connect  
(Produced in Spain)



Custom



Transit

**FORD OTOSAN** produces

**87%**  
of Transit Family vans  
sold in Europe

2019

2021 – 2022

2023 – 2024

Group 1



Group 2&3



Group 4&5



# Main Export Markets and Strong International Sales Performance

**TRUCKS**

## 131% YoY growth in Ford Trucks' International Sales

HCV up to 16 tons: Ford Trucks' main export markets

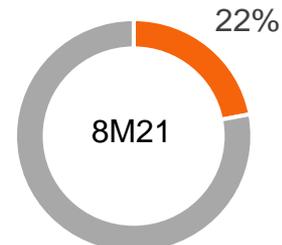
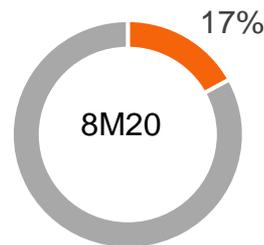
YoY Δ	2020	Jan' 21	Feb' 21	Mar' 21	Apr' 21	May' 21	Jun' 21	Jul' 21	Aug' 21	YTD 21
Poland	-29	10	51	127	295	222	68	71	40	93
Italy	-11	8	15	75	181	71	47	14	-6	39
Spain	-23	-9	10	96	115	129	27	-8	-6	31
Czech Republic	-30	-14	13	59	89	140	65	19	7	41
Lithuania	-36	59	60	-23	254	583	231	135	15	90
Romania	-41	-7	19	75	281	161	41	8	58	57
Hungary	-38	31	-3	86	200	150	101	22	9	58
Portugal	-11	-18	34	85	353	159	97	-37	-36	37
Bulgaria	-36	-12	8	85	298	256	114	27	86	63
Slovakia	-44	-9	41	86	347	126	78	16	5	60
Russia	-7	-17	11	46	110	77				

Source: ACEA and NAPI .



Volumes	8M20	8M21	YoY Growth
Ford Trucks' International Markets	86.320	131.888	53%
Ford Trucks' International Sales	1.260	2.919	131%

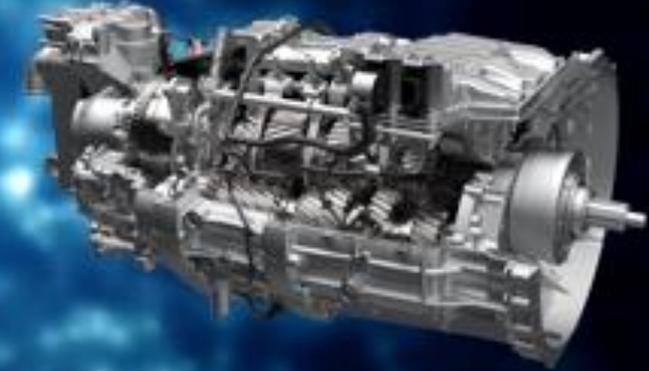
Share of WE in F-Trucks International Sales



# Since We Last Met

# Turkey's First and Only Local Transmission

**ECOTORQ**  
TRANSMISSION



- In October, Ford Otosan introduced "**Turkey's first and only local transmission**". With that, Ford Otosan has become **only one in Turkey** and **one of the few global truck manufacturers** in the world that develops **all three of the engine, transmission and axle**.
- Our in-house transmission project was realized with **an investment of €58 million** and **our localization ratio will reach 90% levels**.

# Ford Trucks Enters Germany, Europe's Largest HCV Market

Ford Trucks appoints a distributor in Germany as it expands in Western Europe.



Ford Otosan Deputy GM Dave Johnston noted that

**“Germany is Europe’s largest heavy commercial vehicle market and it is strategically important for growing our Ford Trucks brand.**

We see major opportunities in this market and aim to create value for our clients here with our international award-winning tractor, F-MAX, and other models, all offering the most efficient transportation solutions.”

# Ford and Redwood Materials are Collaborating to Make Electric Vehicles More Sustainable and Affordable



Ford and Redwood Materials are working together to build out battery recycling and a domestic battery supply chain for electric vehicles. Their goal is to **make electric vehicles more sustainable, drive down the cost for batteries, and help make electric vehicles accessible and affordable.**

- Ford Motor Company and Redwood Materials, a leading battery materials company, are collaborating to make electric vehicles more sustainable and affordable by localizing the complex supply chain network, creating recycling options for end-of-life vehicles, ramping lithium-ion recycling.
- As part of **Ford's plan to invest more than \$30 billion in electrification through 2025** and to further advance their joint business opportunities, Ford has invested **\$50 million in Redwood** to help expand Redwood's manufacturing footprint.

<https://media.ford.com/content/fordmedia/fna/us/en/news/2021/09/22/ford-redwood-materials-battery-recycling.html>

# 9M21 Results

# Highlights

## TL 45,657 million

Revenues, 60% YoY

- Total volumes 21%
- Export volumes 35%
- Domestic volumes -15%

## TL 35,454 million

Export Revenues, 77% YoY

- 35% volume growth
- Cost plus export structure
- Exchange impact
- Positive sales mix

## TL 10,203 million

Domestic Revenues, 21% YoY

- 15% volume contraction
- Positive sales mix
- Ongoing pricing discipline

## TL 5,362 million

EBITDA, 56% YoY

- Strong export performance despite the temporary 2Q weakness due to the semi-conductor shortage
- Pricing discipline
- Ongoing cost reduction measures and OpEx control
- Exchange impact (average EUR/TRY up 28% in 9M21 YoY and 20% in 3Q21)
- Cost-plus export contracts

## TL 5,106 million

EBITDA excl. Currency impact,  
72% YoY

## TL 4,695 million

PBT, 103% YoY

- Strong cash position and rising interest rates driving 916% YoY growth in Net Interest Income

## TL 4,711 million

Net Income, 108% YoY

- Higher than PBT due to Tax Income Resulting from Deferred Tax Asset in 9M21.

# Volume & Revenue Analysis

	9M21/9M20		3Q21/3Q20	
	Volume	Revenue	Volume	Revenue
<b>Total</b>	21%	60%	4%	41%
<b>Strong export performance, pricing discipline and positive sales mix</b>				
<b>Export</b>	35%	77%	40%	82%
<b>Volume growth, cost plus export structure, exchange impact and positive sales mix</b>				
<b>Domestic</b>	-15%	21%	-59%	-32%
<b>Despite the volume contraction, domestic revenues were supported by positive sales mix and ongoing pricing discipline.</b>				

# Sales Volume by Model

	9M21	9M20	YoY%	3Q21	3Q20	YoY%
<b>Total Domestic</b>	<b>51.536</b>	<b>60.899</b>	<b>-15%</b>	<b>13.993</b>	<b>34.480</b>	<b>-59%</b>
<b>PC</b>	<b>7.822</b>	<b>14.168</b>	<b>-45%</b>	<b>1.539</b>	<b>8.171</b>	<b>-81%</b>
<b>LCV</b>	<b>22.835</b>	<b>21.999</b>	<b>4%</b>	<b>5.242</b>	<b>13.078</b>	<b>-60%</b>
Transit Courier	22.519	21.628	4%	5.233	12.908	-59%
Transit Connect	316	371	-15%	9	170	-95%
<b>MCV</b>	<b>16.247</b>	<b>21.589</b>	<b>-25%</b>	<b>5.746</b>	<b>11.489</b>	<b>-50%</b>
Transit	12.135	16.719	-27%	4.075	9.035	-55%
Transit Custom	2.969	4.113	-28%	1.325	2.181	-39%
Ranger	1.143	757	51%	346	273	27%
<b>Truck</b>	<b>4.632</b>	<b>3.143</b>	<b>47%</b>	<b>1.466</b>	<b>1.742</b>	<b>-16%</b>
<b>Total Export</b>	<b>212.259</b>	<b>157.641</b>	<b>35%</b>	<b>85.656</b>	<b>61.189</b>	<b>40%</b>
Transit Custom	117.293	86.745	35%	47.216	34.847	35%
Transit	76.933	54.940	40%	34.131	21.598	58%
Transit Courier	14.601	14.438	1%	2.715	4.115	-34%
Truck	3.414	1.515	125%	1.594	629	153%
Other	18	3	500%	-	-	0%
<b>Total Wholesale</b>	<b>263.795</b>	<b>218.540</b>	<b>21%</b>	<b>99.649</b>	<b>95.669</b>	<b>4%</b>

# Main Financial Indicators

Million TL	9M21	9M20	YoY %	3Q21	3Q20	YoY %
Total Revenues	45.657	28.490	60%	18.871	13.396	41%
Export	35.454	20.077	77%	15.563	8.538	82%
Domestic	10.203	8.414	21%	3.307	4.858	-32%
Gross Profit	5.904	3.399	74%	2.319	1.649	41%
Operating Profit	4.590	2.762	66%	1.788	1.497	19%
EBITDA	5.362	3.436	56%	2.050	1.727	19%
EBITDA excluding other income/expense	5.106	2.961	72%	2.036	1.435	42%
Profit Before Tax	4.695	2.308	103%	1.902	1.416	34%
Net Income	4.711	2.268	108%	1.892	1.358	39%
<b>Other Financial Data</b>						
Depreciation & Amortization*	772	674	15%	262	230	14%
Financial Income / (Expense)	137	-456	-130%	148	-82	-280%

\*9M21 numbers include TL 27 million (9M20: TL 33 million) impact from IFRS16 due to classification from manufacturing overhead and operating expenses to depreciation and amortization. Please refer to footnotes 2,10,11,32 of the financial statements for further details.

# Summary Balance Sheet & Cash Flow Statement

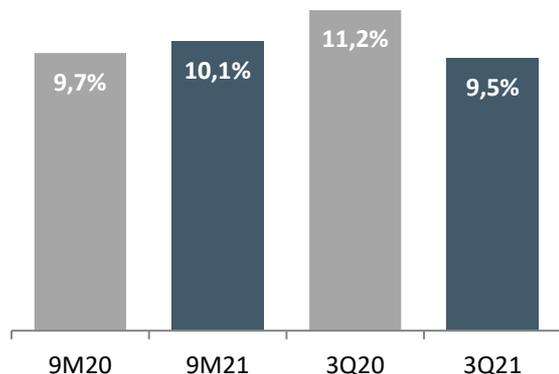
Balance Sheet, Million TL	30.09.2021	31.12.2020	YoY Δ
Current Assets*	25.798	17.605	47%
Current Liabilities	18.235	12.481	46%
Property, Plant and Equipment - Net	4.606	4.403	5%
Total Assets	34.013	24.349	40%
Total Liabilities	25.009	17.305	45%
Shareholders' Equity*	9.004	7.044	28%

\* Due to doubtful receivable provision regarding past periods, the 2021 Beginning Balances of Trade Receivables and Shareholders' Equity have been restated as detailed in Note 2.5 of the Financial Statements.

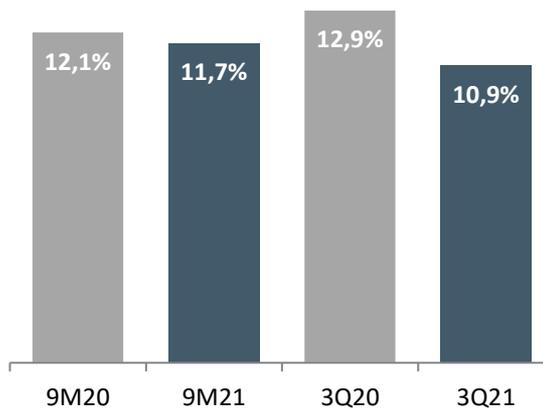
Cash Flow Statement, Million TL	30.09.2021	30.09.2020	YoY Δ
Beginning Balance of Cash & Equivalents	8.074	3.200	152%
Net Cash from Operating Activities	5.508	7.391	-25%
Net Cash Used in Investing Activities	-2.048	-1.066	92%
Net Cash Used in Financing Activities	1.995	-1.451	-237%
End of Period Balance of Cash&Equivalents	13.529	8.074	68%

# Margins

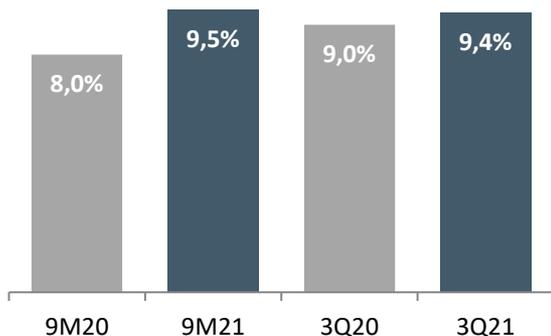
## Operating Margin



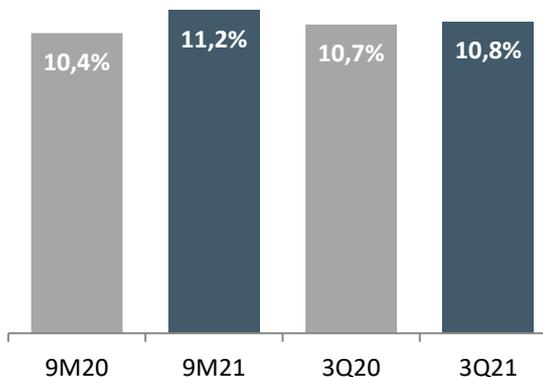
## EBITDA Margin



## Operating Margin (excl. Other items)



## EBITDA Margin (excl. Other items)



## Growing EBITDA and PBT per Vehicle

EBITDA, EUR	9M	3Q
2019	1,355	1,452
2020	1,789	1,778
2021	1,997	2,026

PBT, EUR	9M	3Q
2019	737	745
2020	1,394	1,755
2021	1,836	1,893

### Drivers:

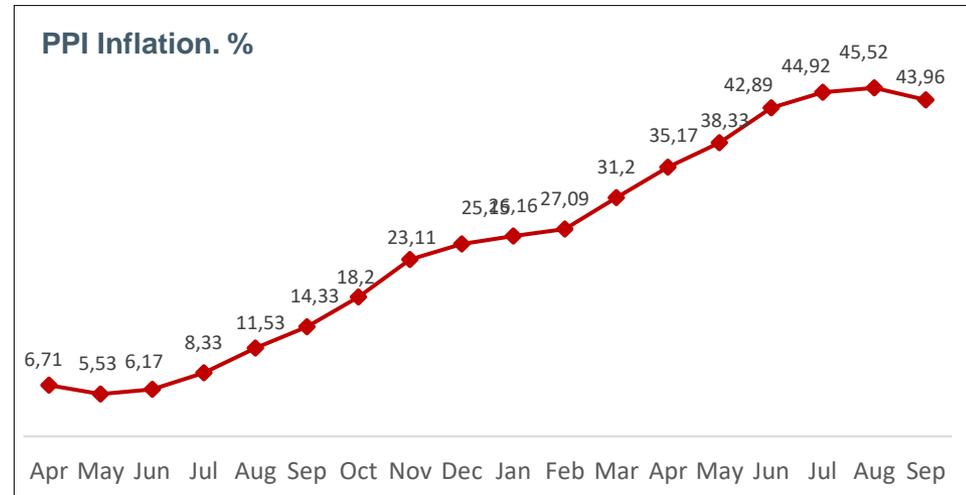
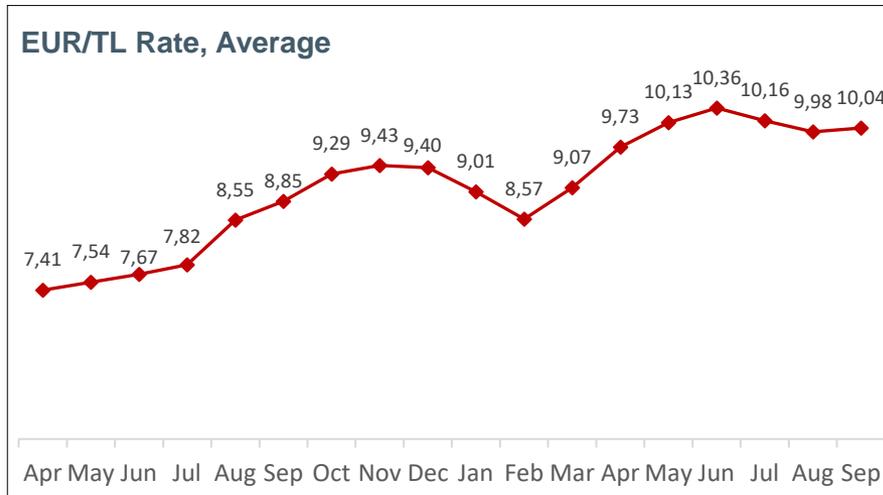
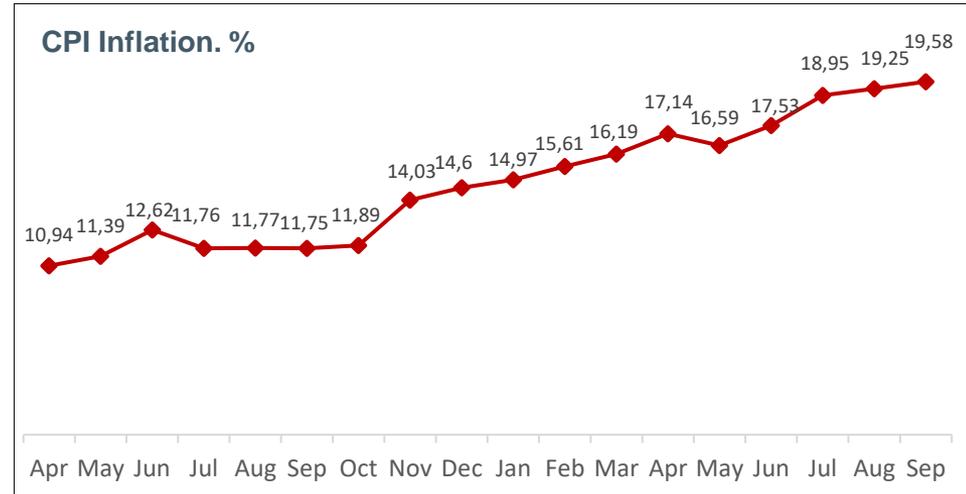
- + Strong export performance despite the temporary 2Q weakness due to the semi-conductor shortage
- + Pricing discipline
- + Ongoing cost reduction measures and OpEx control
- + Exchange impact (average EUR/TRY up 28% in 9M21 YoY and 20% in 3Q21 YoY).
- + Cost-plus export contracts

### Challenges:

- TL volatility
- Increasing costs

# Cost Dynamics

	9M21/9M20	3Q21/3Q20
Production Volume	24%	11%
Raw Material Costs	68%	53%
€ / TL Average	28%	20%



Source: Ford Otosan, CBT, Turkstat

# Debt Profile & Financial Ratios

Cash Position (TL mn)	30.09.2021	31.12.2020
Cash & Cash Equivalents	13.588	8.124
Total Financial Debt	-13.212	-8.081
Net Financial Cash	375	43
Financial Ratios	30.09.2021	31.12.2020
Current ratio	1,41	1,41
Liquidity ratio	1,09	1,13
Net Debt / Tangible Net Worth	-0,05	-0,01
Net Debt / EBITDA*	-0,05	-0,01
Current Assets / Total Assets	0,76	0,72
Current Liabilities / Total Liabilities	0,73	0,72
Total Liabilities / Total Liabilities and Equity	0,74	0,71
Return on Equity**	69,8%	59,6%
Margins	30.09.2021	30.09.2020
Gross Margin	12,9%	11,9%
EBITDA Margin	11,7%	12,1%
EBITDA Margin (excl.other items)	11,2%	10,4%
Operating Margin	10,1%	9,7%
Net Margin	10,3%	8,0%

\* Capped at 3.5x. EBITDA is calculated on a rolling 4-quarter basis.

\*\* Annualized Net Income / Shareholders Equity

# 2021 Guidance

	2020A	2021F
Turkish Industry Volume	791 K	825 K – 875 K
Ford Otosan Retail Sales Volume	98 K	80 K – 90 K
Exports	254 K	305 K – 315 K
Wholesale Volume	355 K	385 K – 405 K
Production Volume	328 K	365 K – 385 K
Capex (fixed assets)	€ 130 mn	€350 – 400 mn

- Ford Otosan provides guidance 4 times a year as part of quarterly financial statements.
- This is the last guidance issued for 2021 as part of 9M21 results in October.
- While demand is strong in the commercial vehicle market and for Ford branded vehicles, the ongoing global semiconductor shortage is negatively impacting our production, leading to a downward revision in our guidance.

# Q & A

