

FORD OTOSAN



1Q19 Financial Results Meeting – 30 April 2019

Agenda

- **1Q19 Evaluation**
- **European Industry & Ford**
- **Financial Results**
- **Q & A**

1Q19 Evaluation

1Q19 Highlights

	Record 1Q exports	89,193 units
	Ford continued to lead European CVs	14.5% market share
	Ford Otosan remained Turkey's CV market leader	38% market share
	Operational efficiency remained high	87% CUR
	Maximum dividend policy continued	TL 853 million

Ford Otosan Strengthens Position in CV Segment

1Q19
Domestic Sales

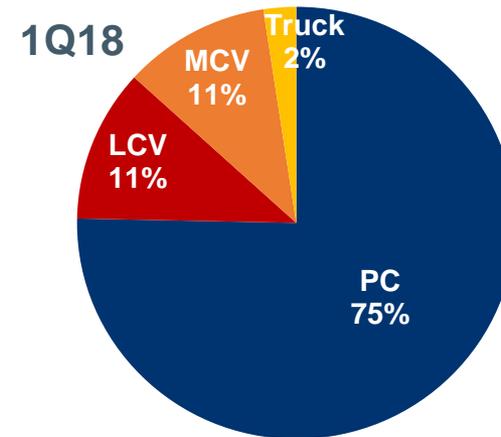
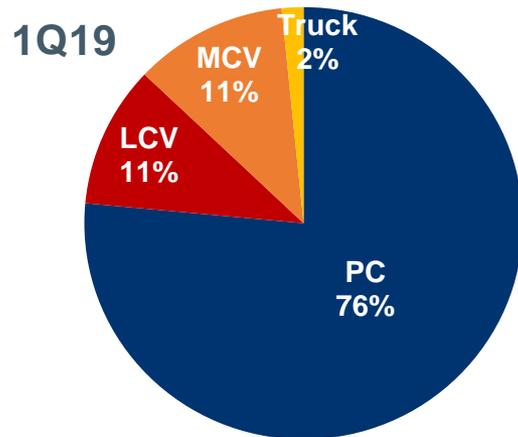
Segments	Industry	Ford Otosan	% Share	Ranking
Commercial Vehicles	21,090	8,002	37.9%	1
Light Commercial	9,502	2,916	30.7%	1
Medium Commercial	10,155	4,741	46.7%	1
Truck	1,433	345	24.1%	2
Passenger Cars	68,812	2,464	3.6%	11
Total	90,048*	10,466	11.6%	3

Ford's 3rd
largest in
Europe

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

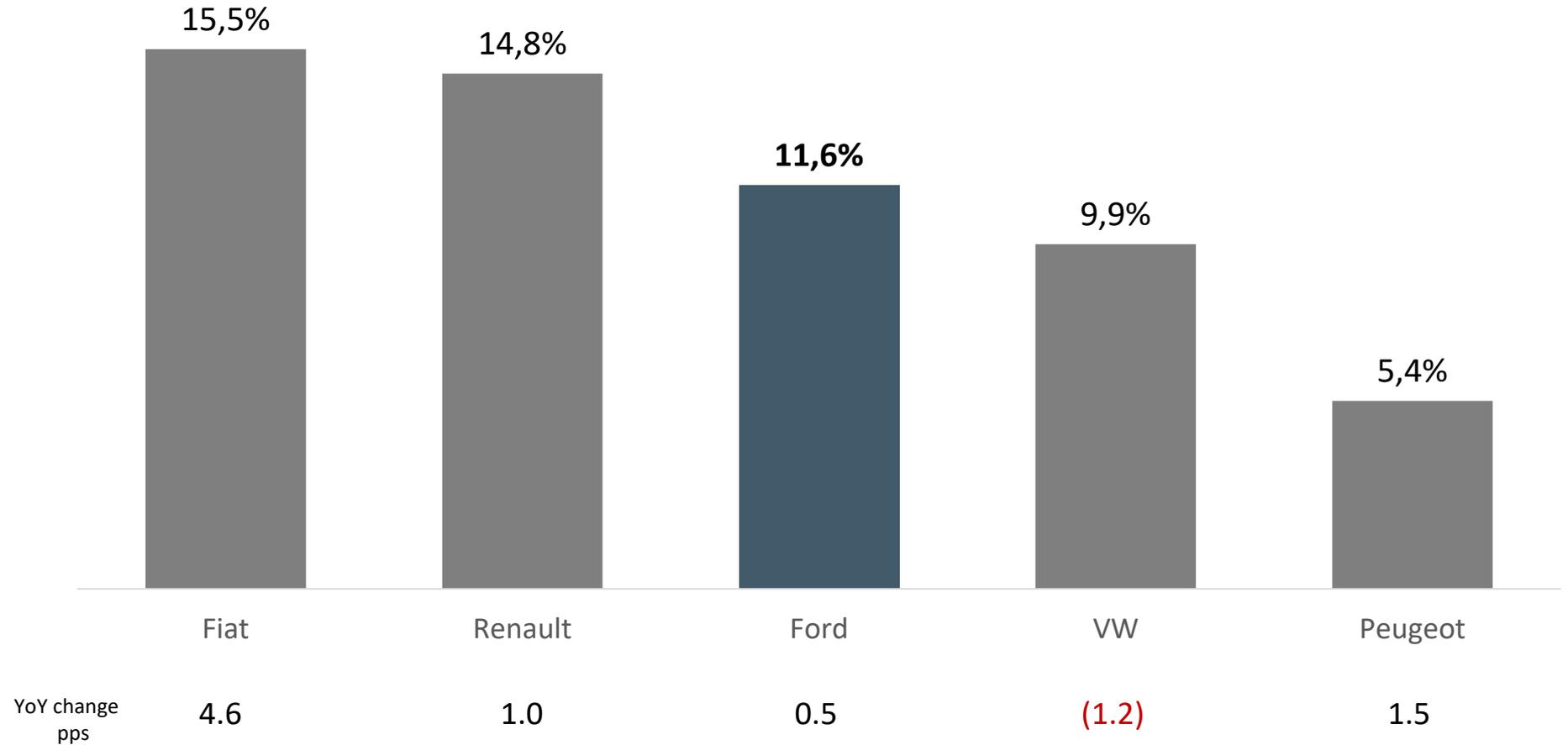
PC Industry Share Rose YoY

Segments	1Q19	1Q18	% Change
Passenger Cars	68.812	122.310	-44%
Light Commercial	9.502	18.498	-49%
Medium Commercial	10.155	17.622	-42%
Truck	1.433	3.873	-63%
Total*	90.048	162.852	-45%



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

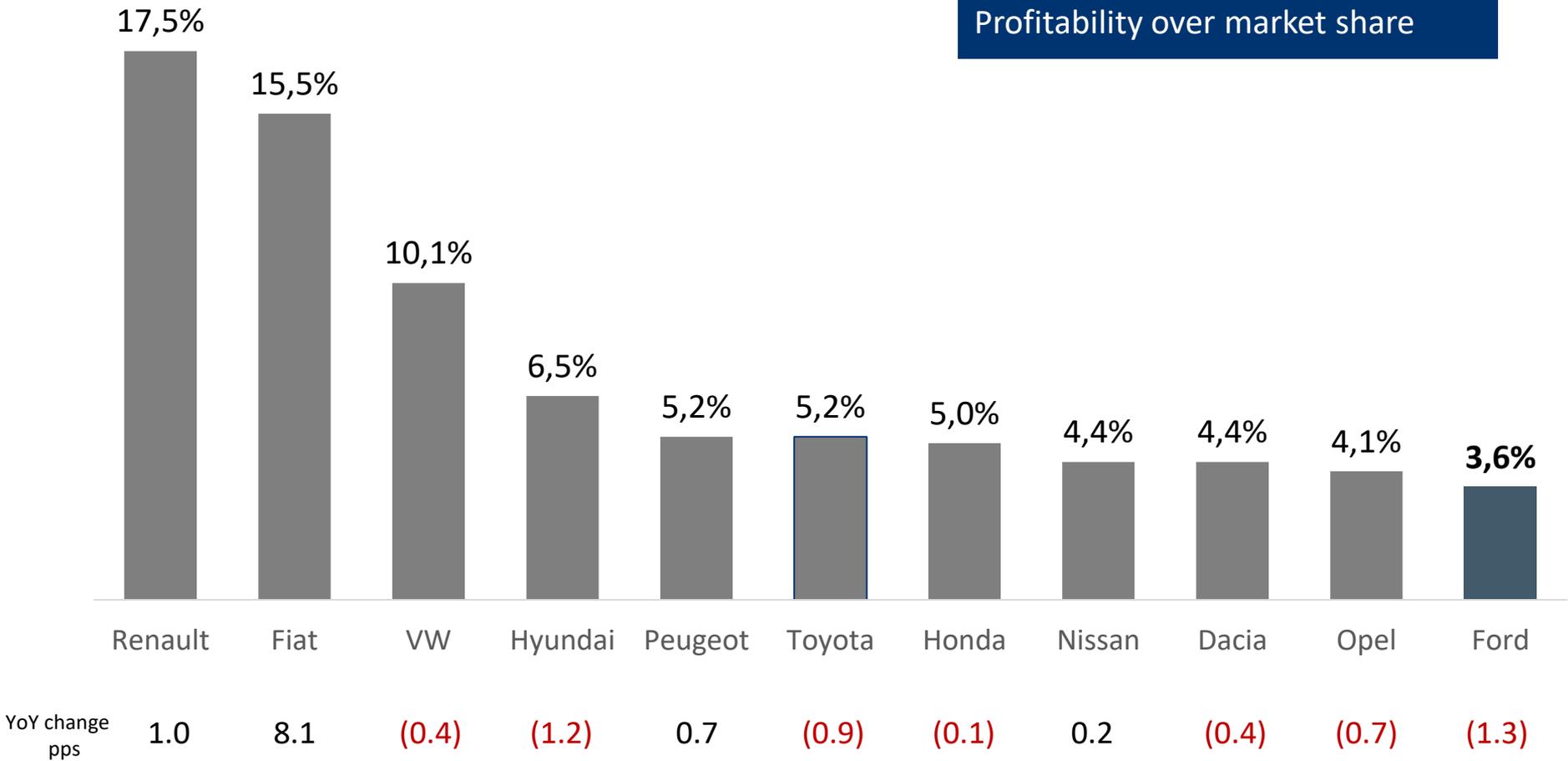
Total Industry Market Shares, 1Q19



PC Market Shares, 1Q19

Strategy:

Profitability over market share



LCV Market Shares, 1Q19

Strategy: Profitable growth

30,7%

30,1%

11,4%

9,3%

7,9%

Ford

Fiat

Peugeot

Renault

VW

YoY change
pps

4.5

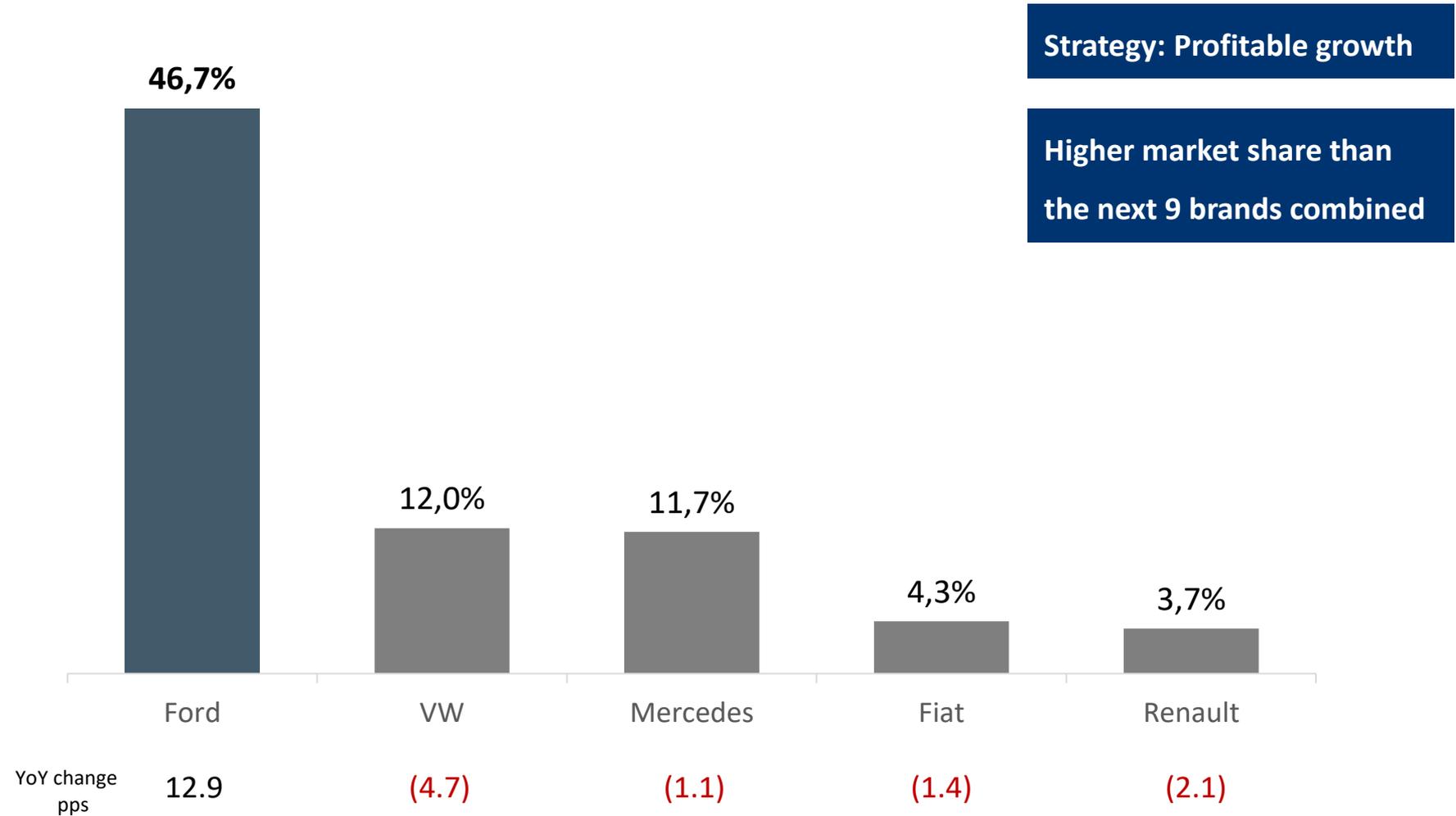
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8.2

1.9

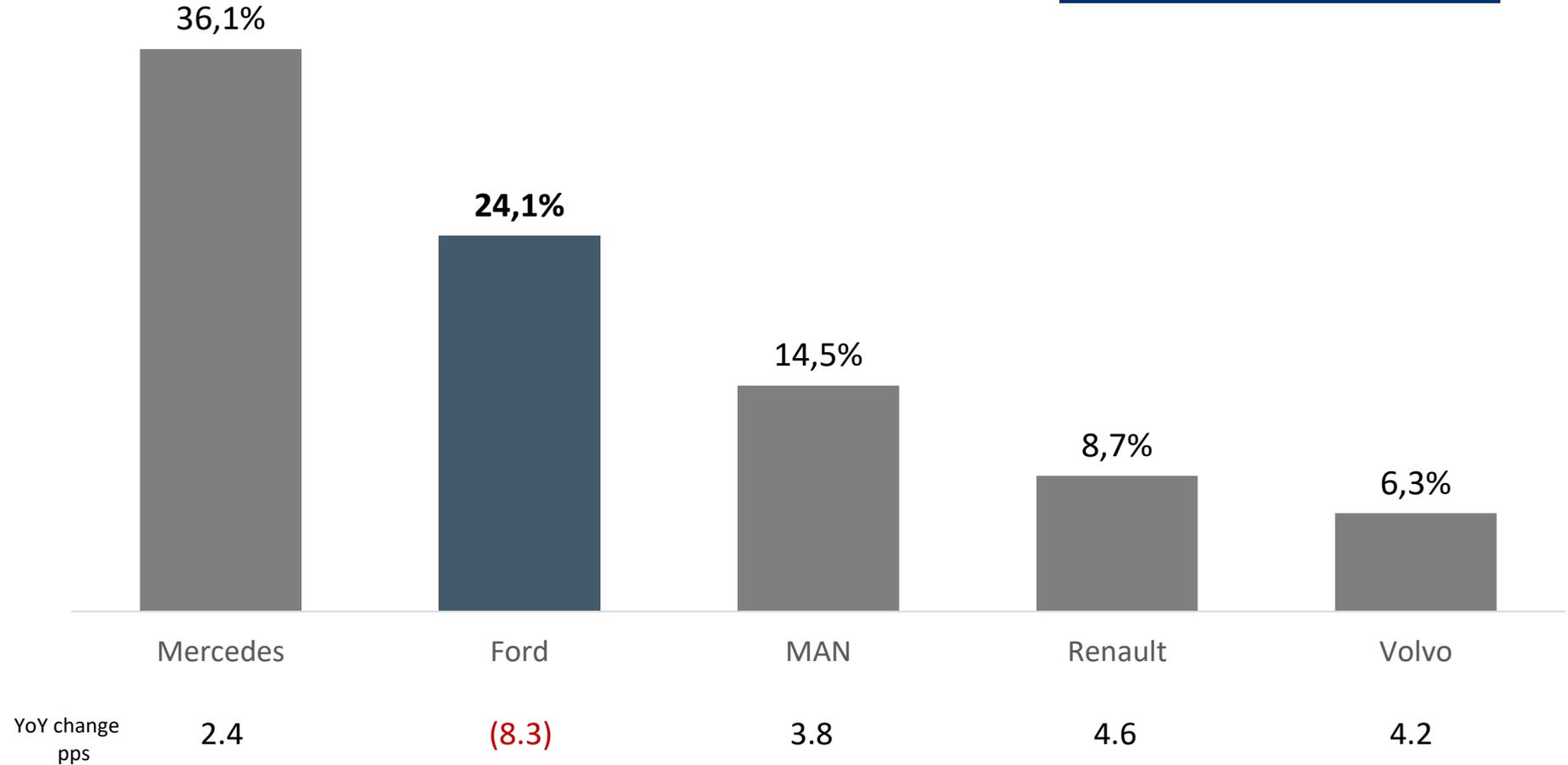
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MCV Market Shares, 1Q19



Truck Market Shares, 1Q19

Strategy: Profitable growth



Ford Otosan 2019 Product Launches (Turkey)

Passenger Vehicles

March '19



Edge MCA

June '19



Focus Active



Mondeo ICA

Commercial Vehicles

May '19



Connect MCA

July '19



Ranger ICA



Transit MCA

Oct '19



Raptor

Custom PHEV Due for Export Market Launch in 4Q19



- Cost effective
- Ecoblue diesel mild hybrid technology
- Zero emission driving
- Rechargeable; No range anxiety

Ford Announced Further Electrification Plans

Ford Goes Electric in Europe

FORD HYBRID



MILD HYBRID
(mHEV)



HYBRID
(HEV)



PLUG-IN HYBRID
(PHEV)



BATTERY
ELECTRIC VEHICLE



Ford commits to electric future in Europe,
announcing 16 new hybrid and all-electric models —
across entire line up

8 electrified vehicles will be on the road by the end of 2019.



400 ionity stations set for the end of next year



BMW
GROUP

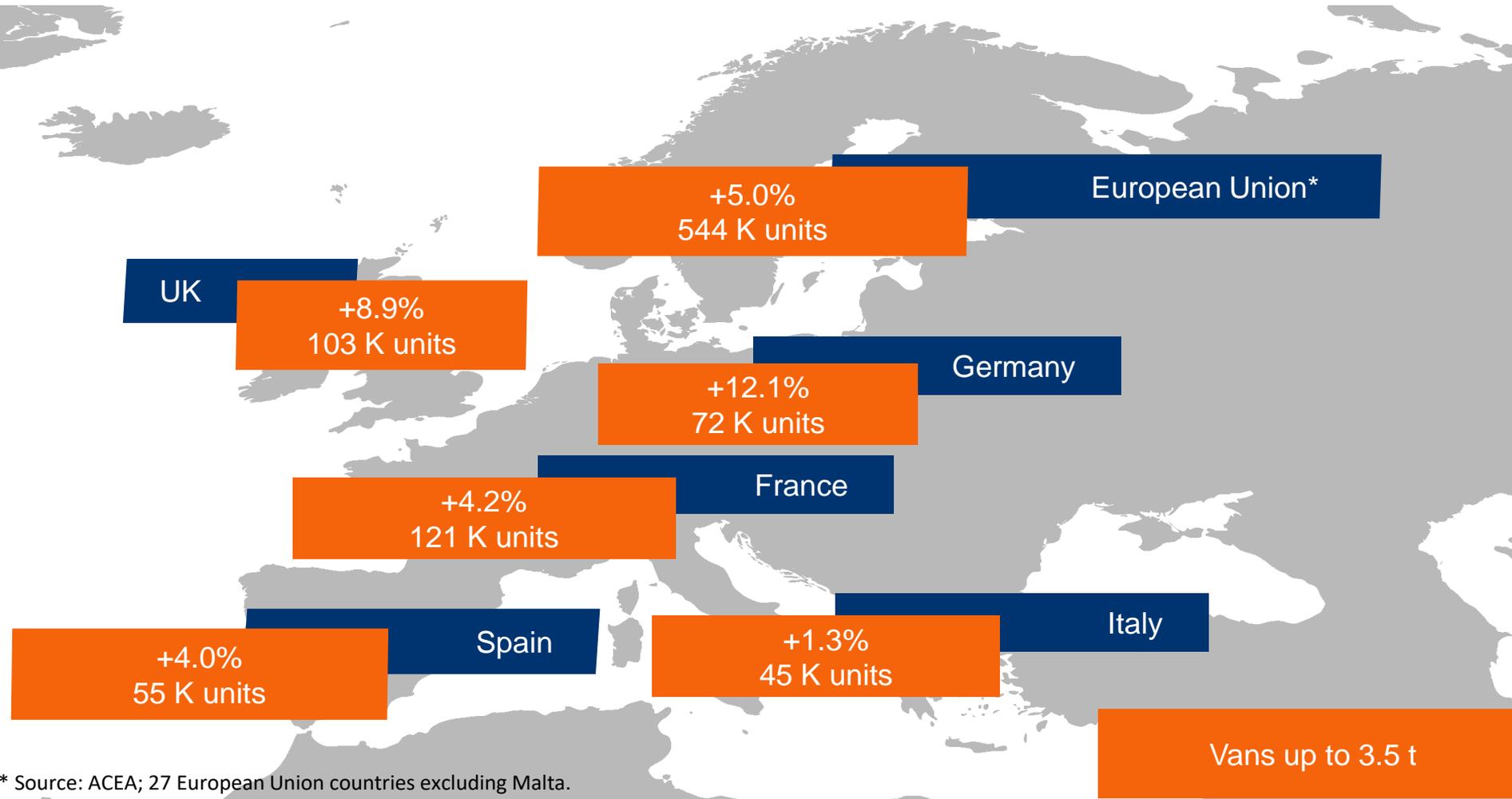
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European Industry & Ford

EU Van Registrations Grew 5.0% in 1Q19

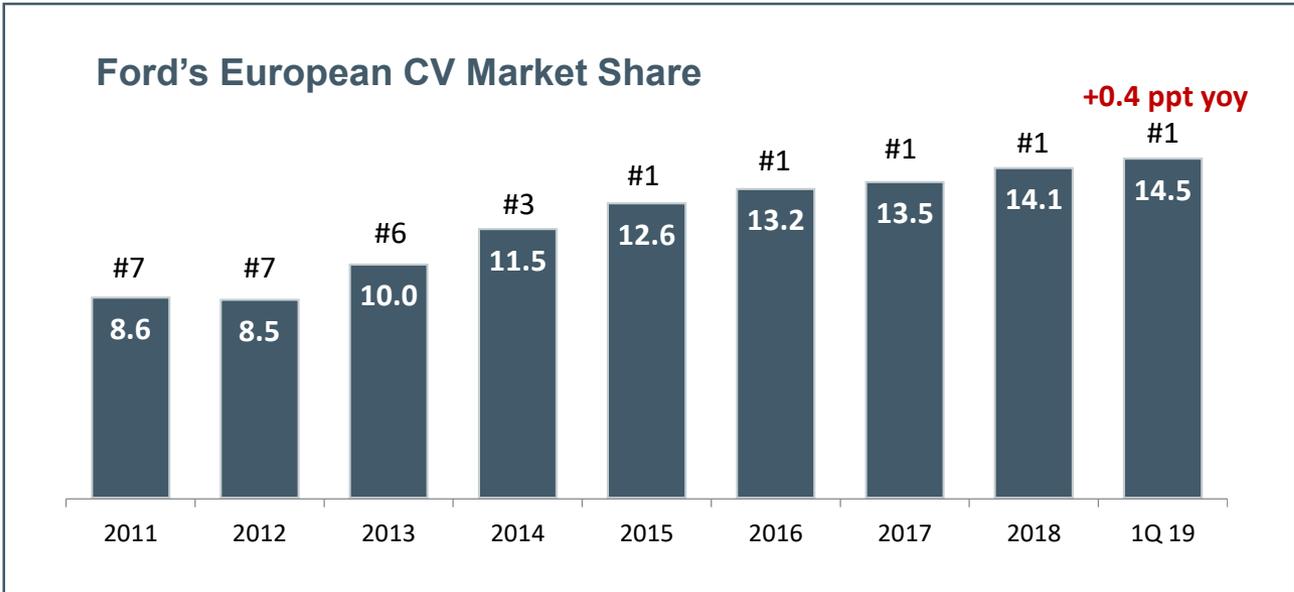
Industry growth supported mainly by e-commerce



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

Ford is Europe's Top-Selling CV Brand

Ford's commercial vehicle business gaining momentum in major markets



Best sales performance
in the 1st quarter
since 1993.

Ford continues to
strengthen its position as
Europe's No. 1
commercial vehicle
brand.

9.3%

Jan-Mar YoY change
in Ford's CV sales

Ford's 1Q19 CV sales growth versus 1Q18:

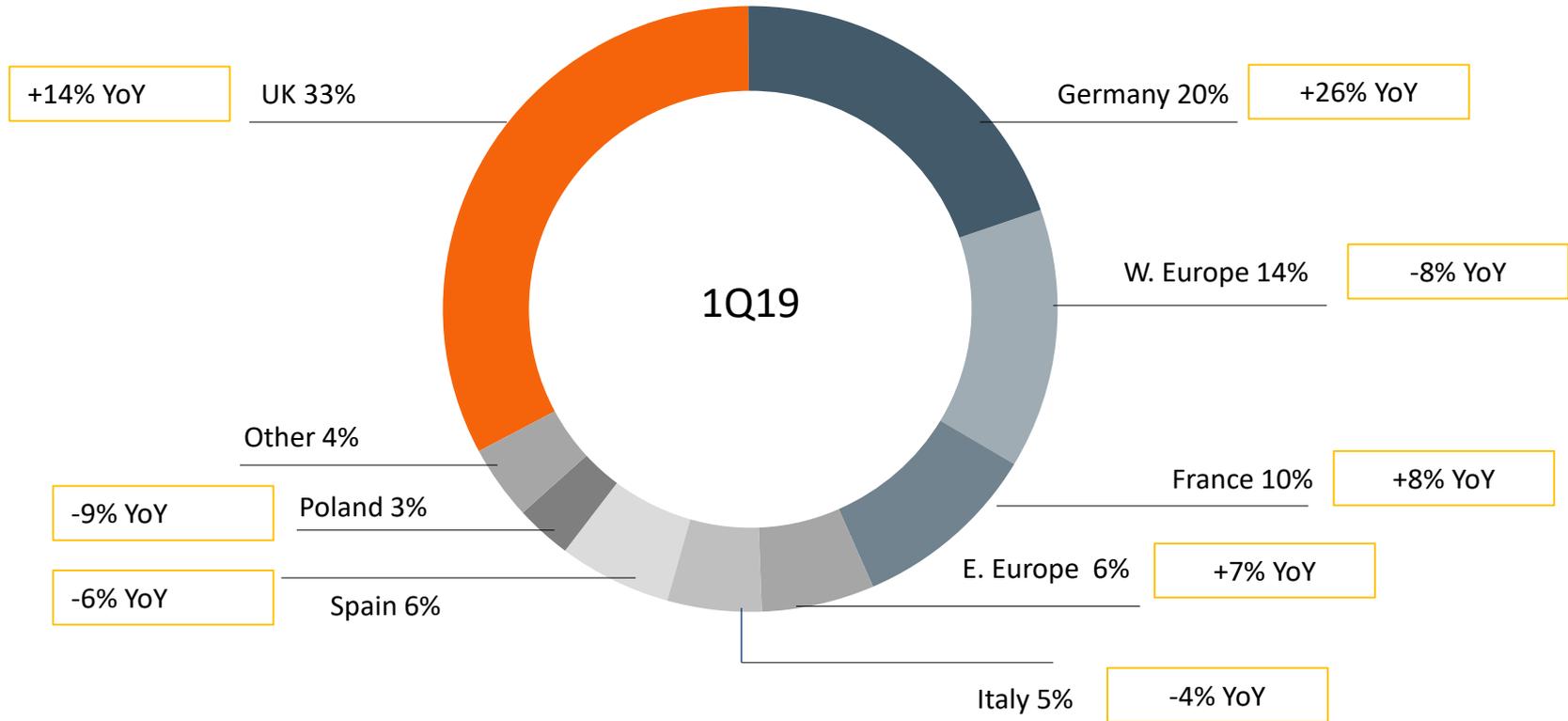
- 25.9%** in Germany
- 20.1%** in France
- 14.3%** in Italy
- 3.3%** in the UK

Source: Ford of Europe 1Q19 Sales Release, reporting sales for its 20 European traditional markets. In line with the new Ford global standard, the sales reports will be published quarterly.



Record 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 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

83%

of Transit Family vans
sold in Europe

1Q19 Results

1Q19 Financial Results

TL 9,284 million

Revenues, +27% YoY

- Robust export performance

TL 781 million

EBITDA, +22% YoY

- Strong OpEx control
- Cost reduction actions

TL 8,141 million

Export Revenues, +42% YoY

- Record volumes
- Currency impact

TL 477 million

Profit Before Tax, +8% YoY

- Pressure from 78% rise in net financial expenses driven by 83% more net fx loss mainly explained by prior period fx losses from cash flow hedge reserve

TL 1,143 million

Domestic Revenues, -26% YoY

- 46% volume decline due to market contraction and profitability focus
- Pricing discipline and focus on high margin products limited further decline

TL 478 million

Net Income, +11% YoY

Volume & Revenue Analysis

	1Q19/1Q18		2018/2017	
	Volume	Revenue	Volume	Revenue
Total	-3%	27%	-4%	31%
Robust export performance limited the impact of domestic market contraction				
Export	7%	42%	11%	53%
Record volumes and currency weakness pushed revenue growth				
Domestic	-46%	-26%	-43%	-20%
Pricing discipline and profitability focus limited revenue decline				

Sales Volume by Model

	1Q19	1Q18	YoY%
Total Domestic	10.441	19.162	-46%
PC	2.045	5.304	-61%
LCV	3.354	6.774	-50%
Transit Courier	3.266	6.541	-50%
Transit Connect	88	233	-62%
MCV	4.602	5.822	-21%
Transit	3.130	4.469	-30%
Transit Custom	1.236	1.154	7%
Ranger	236	199	19%
Truck	440	1.262	-65%
Total Export	89.193	83.068	7%
Transit Custom	46.392	40.303	15%
Transit	32.521	30.046	8%
Transit Courier	9.715	12.290	-21%
Truck	543	369	47%
Other	22	60	-63%
Total Wholesale	99.634	102.230	-3%

Record

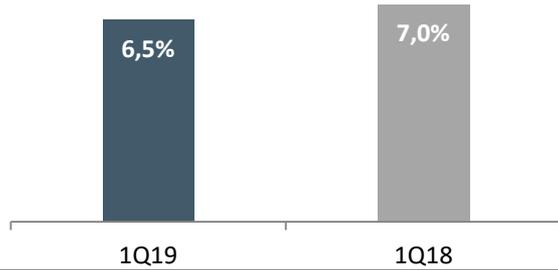
Main Financial Indicators

Million TL	1Q19	1Q18	YoY %
Total Revenues	9.284	7.282	27%
Export	8.141	5.728	42%
Domestic	1.143	1.554	-26%
Gross Profit	944	757	25%
Operating Profit	603	513	18%
EBITDA	781	642	22%
Profit Before Tax	477	441	8%
Net Income	478	432	11%
Other Financial Data			
Depreciation & Amortization*	178	128	39%
Financial Income / (Expense)	-126	-71	78%

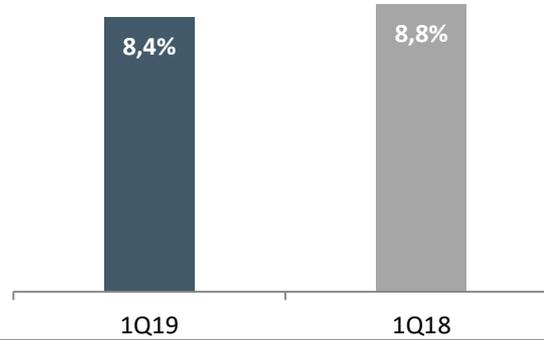
*1Q19 numbers include TL 11 million impact from IFRS16 due to classification from manufacturing overhead and operating expenses to depreciation and amortization. Please refer to footnotes 2,10,11,33 of the financial statements for further details.

1Q19 Margins

Operating Margin



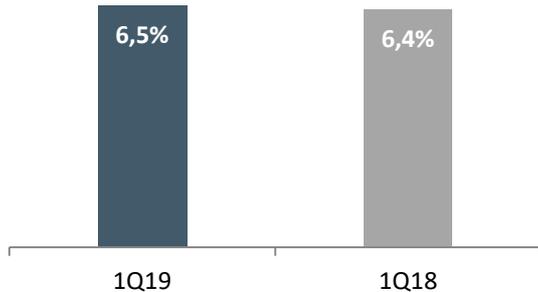
EBITDA Margin



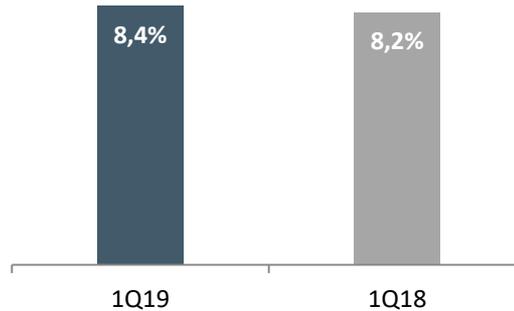
Drivers:

- + Rising export demand
- + Cost reduction actions
- + Strong OpEx control
- + Pricing discipline

Operating Margin (excl. Other items)



EBITDA Margin (excl. Other items)



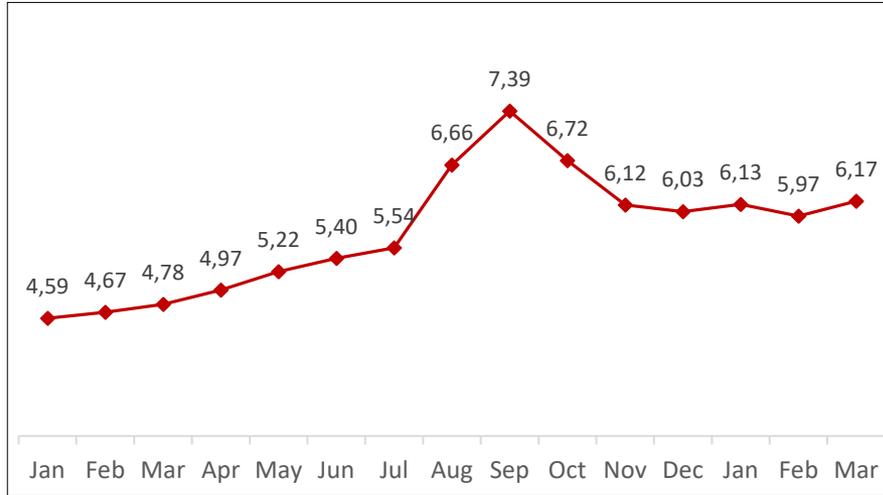
Challenges:

- Considerable cost pressure resulting from weaker €/TL (+30% YoY) and high inflation
- Contracting domestic volumes due to domestic market decline

Ongoing Cost Pressure

YoY change	1Q19/1Q18	2018/2017
Production Volume	-3%	0%
Raw Material Costs	28%	40%
€ / TL Average	30%	38%

EUR/TL Rate, Average



Source: CBT

PPI Inflation. %



Source: CBT

Debt Profile & Financial Ratios

Cash Position (TL mn)	31.03.2019	31.12.2018
Cash & Cash Equivalents	2.105	1.393
Total Financial Debt	-5.234	-4.483
Net Financial Debt	-3.129	-3.090
Financial Ratios	31.03.2019	31.12.2018
Current ratio	0,97	1,02
Liquidity ratio	0,62	0,64
Net Debt / Tangible Net Worth	1,21	1,01
Net Debt / EBITDA*	1,08	1,08
Current Assets / Total Assets	0,60	0,56
Current Liabilities / Total Liabilities	0,81	0,78
Total Liabilities / Total Liabilities and Equity	0,77	0,77
Return on Equity	54,8%	43,2%
Margins	31.03.2019	31.03.2018
Gross Margin	10,2%	10,4%
EBITDA Margin	8,4%	8,8%
EBITDA Margin (excl.other items)	8,4%	8,2%
Operating Margin	6,5%	7,0%
Net Margin	5,1%	5,9%

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

2019 Guidance

Ford Otosan provides guidance 4 times a year as part of quarterly financial statements.
Guidance updated in April 2019 with 1Q19 results. Next update will be in August 2019 as part of 2Q19 results.

	2018A	2019F
Turkish Industry Volume	635 K	380 K – 430 K
Ford Otosan Retail Sales Volume	69 K	40 K – 50 K
Exports	329 K	340 K – 350 K
Wholesale Volume	395 K	380 K – 400 K
Production Volume	374 K	375 K – 385 K
Capex (fixed assets)	€ 166 mn	€160 – 180 mn

Q & A

