



## 1H23 Earnings Presentation

28 July 2023

# Agenda

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- **1H23 Evaluation**
- **Domestic Sales Performance**
- **Export Performance**
- **Since We Last Met**
- **Financial Results**





## 1H23 Evaluation

# 1H23 Highlights

Rank #3 in total with 9.8% and #1 in CV with 29% share in domestic market

**LCV: 29.1%**

**MCV: 29.7%**

**Truck: 29.2%**

Strong domestic performance in 1H23

**58% rise in volumes and 130% increase in revenues**

Export volume growth supported by the volumes from the Craiova Plant

**68% rise in volumes and 114% increase in revenues**

Total CUR: 94% - High capacity utilization across all production plants

**Gölcük 82%**

**Yeniköy 134%**

**Eskişehir 111%**

**Craiova 103%**

Solid profitability per vehicle

**EBITDA p.v. € 2,265**

**PBT p.v. € 1,861**

As of July 26th, Ford Otosan is the most valuable company of BIST100

**Mcap mn \$ 12,036**





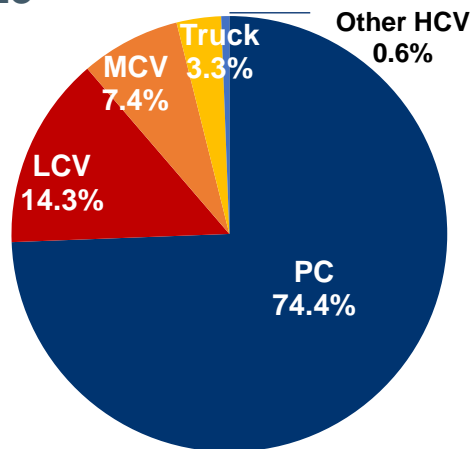


## Domestic Sales Performance

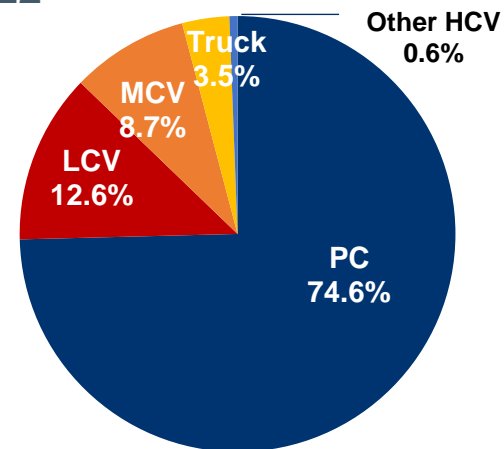
# LCV Segment Share Rose YoY

Segments	1H23	1H22	Δ
Passenger Cars	430,372	278,282	55%
Light Com. Vehicle	82,976	47,060	76%
Medium Com. Vehicle	43,021	32,562	32%
Truck (>16 t)	19,335	12,991	49%
Other HCV (6-16t)	2,970	2,177	36%
<b>Total*</b>	<b>578,674</b>	<b>372,849</b>	<b>55%</b>

1H23



1H22



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

# Domestic Sales Performance - I

Rank	Brand	1H23	1H22	Market Share % in 1H23	Δ, pps
		Sales	Sales		
Total Industry					
1	Fiat	101,167	62,154	17.5	0.8
2	Renault	60,047	49,330	10.4	-2.8
3	Ford	56,457	35,660	9.8	0.2
4	Peugeot	40,892	15,148	7.1	3
5	VW	39,718	29,083	6.9	-0.9
Passenger Cars					
1	Fiat	70,160	41,151	16.3	1.5
2	Renault	51,905	43,813	12.1	-3.7
3	Opel	31,999	14,544	7.4	2.2
4	VW	31,321	25,463	7.3	-1.9
5	Peugeot	30,726	11,006	7.1	3.2
11	Ford	13,875	5,615	3.2	1.2

No:  
03



PC strategy: Profitability over market share

# Domestic Sales Performance - II

Rank	Brand	1H23	1H22	Market Share % in 1H23	Δ, pps
		Sales	Sales		
LCV					
1	Fiat	27,438	19,854	33.1	-9.1
2	Ford	24,144	13,953	29.1	-0.6
3	Peugeot	7,883	2,849	9.5	3.4
4	Citroen	7,394	1,981	8.9	4.7
5	Opel	5,295	1,712	6.4	2.7
MCV					
1	Ford	12,784	12,818	29.7	-9.6
2	VW	4,278	2,204	9.9	3.2
3	Mercedes	3,640	2,200	8.5	1.7
4	Fiat	3,569	1,149	8.3	4.8
5	Toyota	3,148	3300	7.3	-2.8
Truck					
1	Mercedes	7,126	5,708	36.9	-7.1
2	Ford	5,654	3,274	29.2	4.0
3	Scania	1,621	591	8.4	3.8
4	Renault	1,340	1,053	6.9	-1.2
5	Iveco	1,244	878	6.4	-0.3

**CV Strategy: Profitable growth**

No:  
**02**

No:  
**01**

No:  
**02**

**29%**

Market Share  
in Total CV



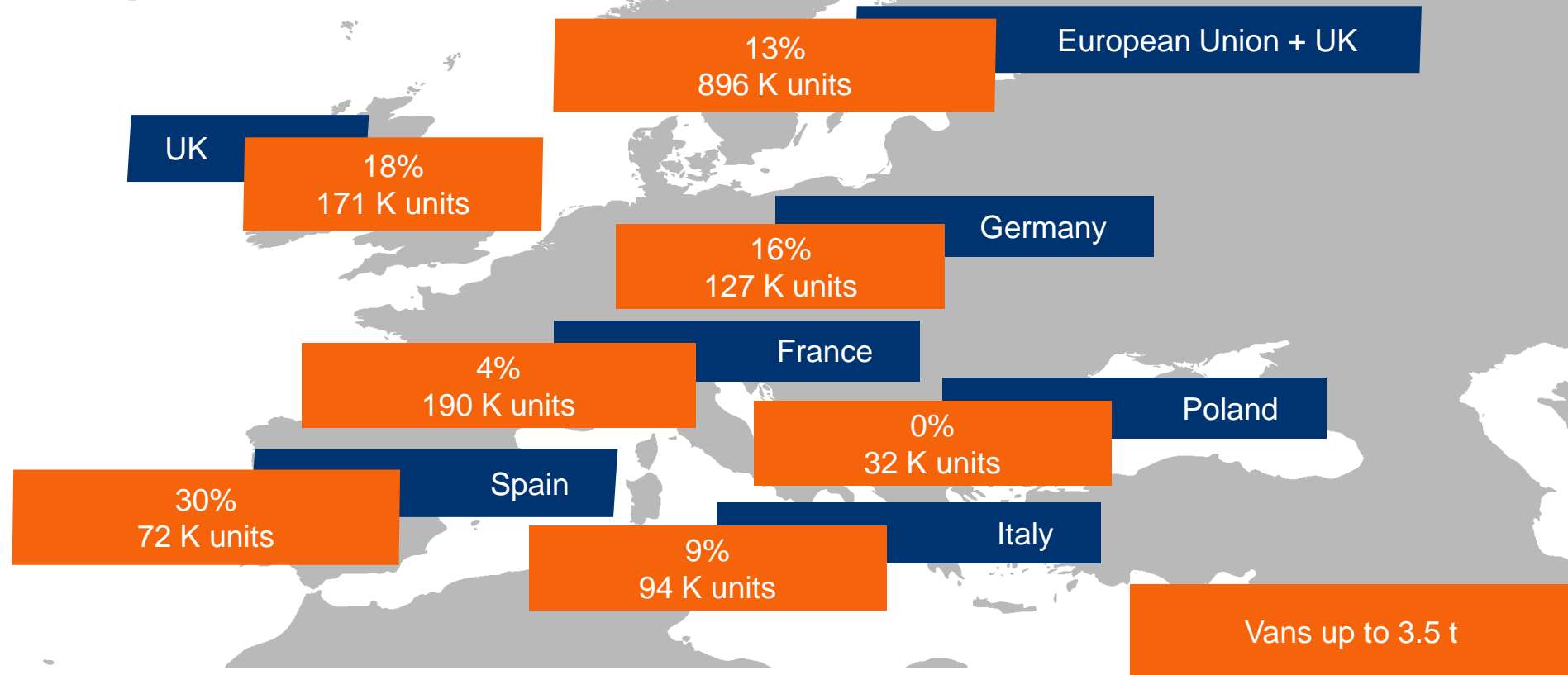




## Export Performance

# European Van Market Grew by 13%YoY in 1H23

European new van registrations saw an increase of 13%, mainly due to easiness in supply chain and low base impact



Source: ACEA; 26 European markets + UK

Ford is Europe's No.1 CV brand for 8 consecutive years and strong demand for Ford Products has continued. Ford Otosan leads the production for CV across Europe for Ford Pro, supporting the growth and leadership of the market.



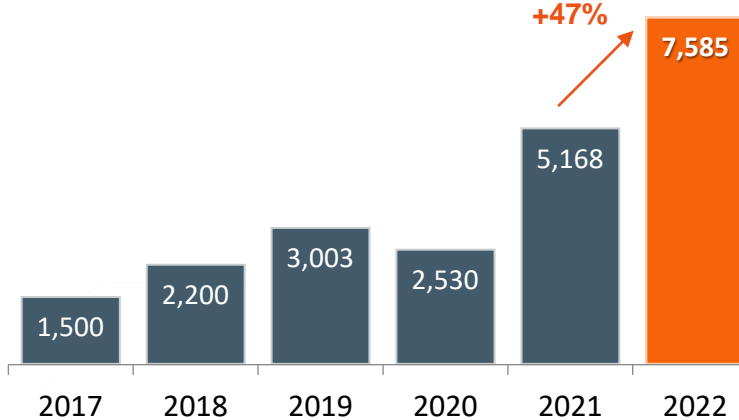
# International Expansion Continued w/ Denmark in 2Q

Public  
11

TRUCKS

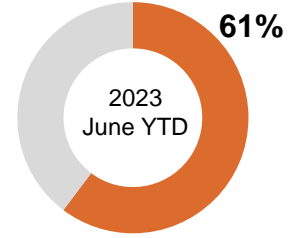
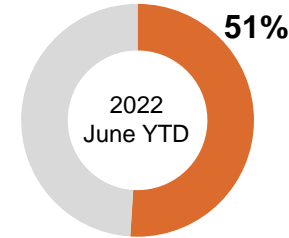
All Time High International Sales in 2022, up 47%

International Sales (Units)



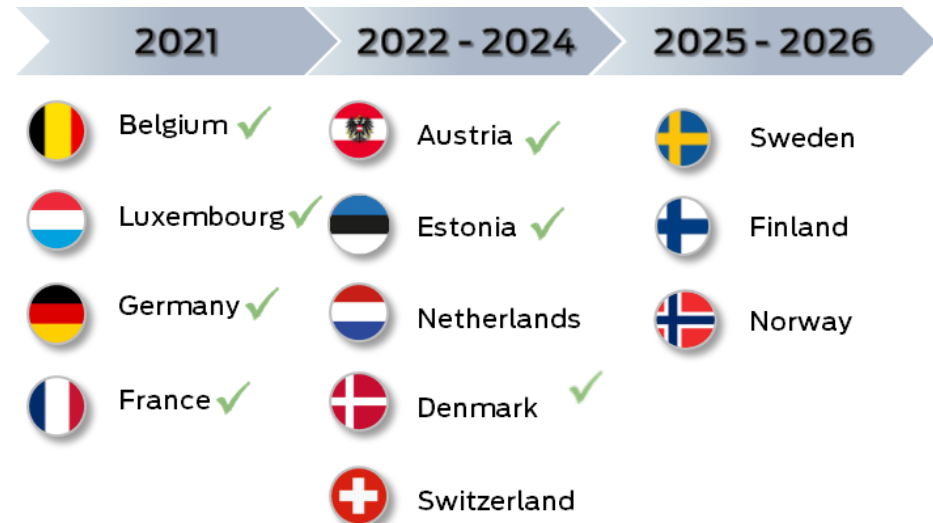
Volumes	June'22 YTD	Jun'23 YTD	YoYΔ
International Markets Industry	147,790	160,039	14%
Ford Trucks' International Sales	3,458	3,558	3%

Share of W. Europe  
in Ford Trucks  
International Sales



2024 **50**  
COUNTRIES

NOW **48**  
COUNTRIES







Since We Last Met

# Ford Otosan Supports Decarbonisation in Turkey w/ E-Transit

E-Transit, the first electric vehicle produced by Ford Otosan, became the first electric vehicle used in the urban logistics operations by joining Algida Türkiye's Fleet



Algida started to electrify its fleet by adding 20 All-Electric E-Transit by August 2023 and aims to expand this transformation into the entire distribution network in the next 5 years.

Ford Otosan is taking strong, comprehensive and determined steps towards becoming the pioneer of transformation in the automotive ecosystem with its long-term sustainability strategy 'Future. Now.'





## 1H23 Results



# Financial Highlights in 1H23

**TL 139,855 million**

**Revenues, +130% YoY**

- Total volumes +69%
- Export volumes +68%
- Domestic volumes +73%

**TL 102,419 million**

**Export Revenues\*, +114% YoY**

- 68% volume increase  
(supported by the inclusion of Craiova Plant)
- Exchange impact

**TL 37,437 million**

**Domestic Revenues, +190% YoY**

- 73% volume increase
- Strong demand for vehicles in the inflationary environment
- Improvement in vehicle availability

**TL 18,660 million**

**EBITDA, +141% YoY**

- Strong domestic volumes
- Solid export volumes
- Pricing discipline
- Cost reduction measures and OpEx control
- Exchange impact on our export business  
(average EUR/TRY up 32% in 1H23 YoY)

**TL 15,164 million**

**EBITDA excl. Currency impact,  
+113% YoY**

**TL 12,461 million**

**PBT, +120% YoY**

- TL 74 mn Net Interest Income in 1H22 turned to TL 747 mn Net Interest Expenses and Net FX Loss was TL 4,347 mn, up 153% (balanced with export business related part of Net FX Gain from Operating Activities as part of our cash flow hedge mechanism).

**TL 12,080 million**

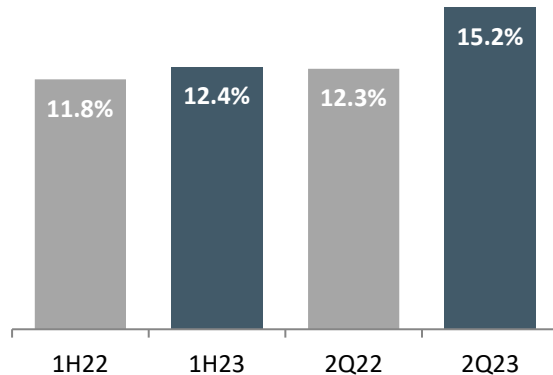
**Net Income, +86% YoY**

- The impact of «Tax Income Resulting from Deferred Tax Asset in 1H23» on Net Income was partially offset by «additional tax related to earthquake».

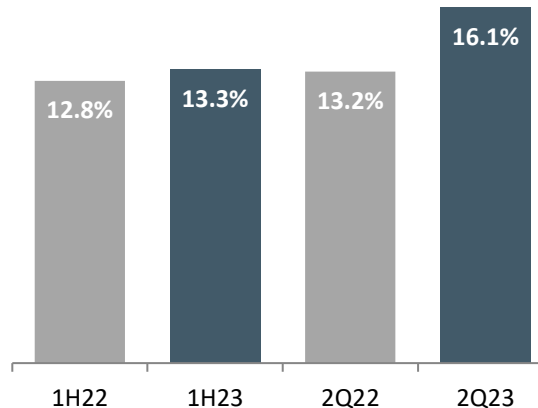
(\*) Export revenues and volumes include exports from Ford Otosan and Ford Romania SRL

# Margins

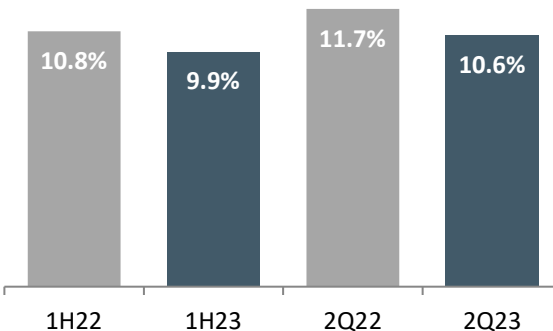
Operating Margin



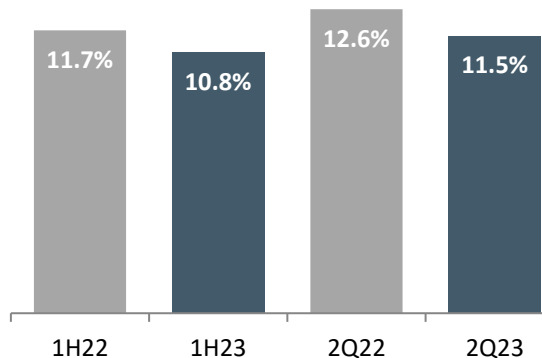
EBITDA Margin



Operating Margin (excl. Other items)



EBITDA Margin (excl. Other items)



Solid EBITDA and PBT per Vehicle

EBITDA, EUR	1H	2Q
2021	1,969	2,169
2022	2,367	2,628
2023	2,265	2,421

PBT, EUR	1H	2Q
2021	1,791	1,681
2022	1,880	2,135
2023	1,861	2,093

## Drivers:

- + Strong domestic volumes
- + Solid export volumes
- + Pricing discipline
- + Ongoing cost reduction measures and OpEx control
- + Exchange impact on our export business (average EUR/TRY up 32% in 1H22 YoY)

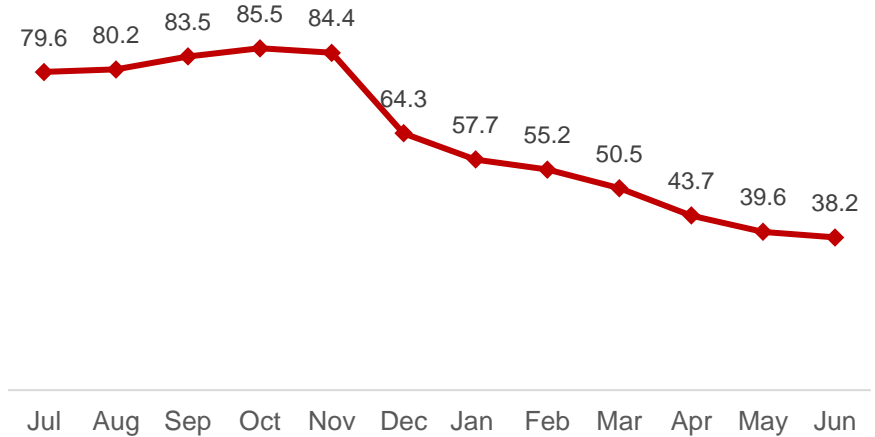
## Challenges:

- TL volatility

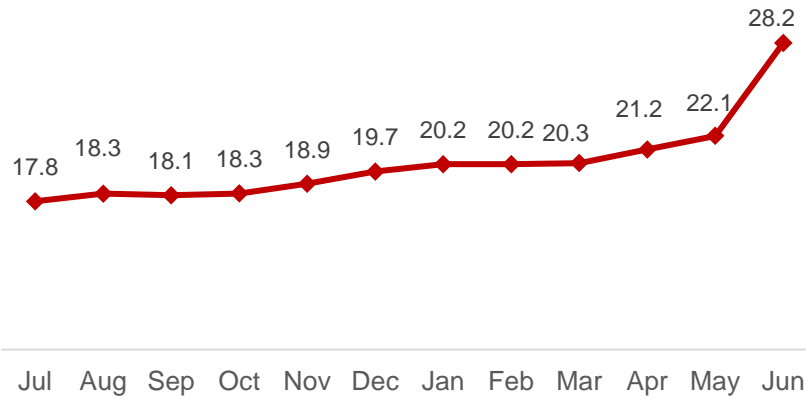
# Cost Dynamics

	1H23/1H22	2Q23/2Q22
Production Volume	62%	60%
Raw Material Costs	119%	109%
€ / TL Average	32%	34%

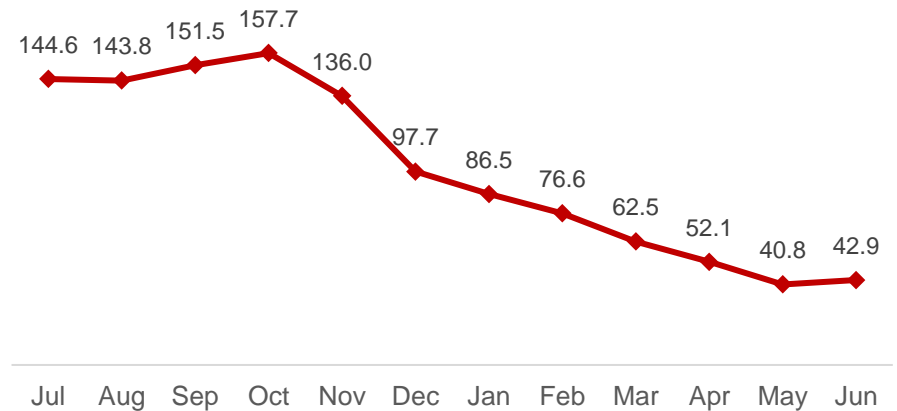
CPI Inflation, %



EUR/TL Rate, Average



PPI Inflation, %



Source: Ford Otosan, CBT, Turkstat



# Debt Profile & Financial Ratios

Cash Position (TL mn)	30.6.2023	31.12.2022
Cash & Cash Equivalents	25,988	10,115
Total Financial Debt	-60,749	-37,918
Net Financial Debt	-34,760	-27,804
Financial Ratios	30.6.2023	31.12.2022
Current ratio	1.18	1.19
Liquidity ratio	0.84	0.81
Net Debt / EBITDA*	1.09	1.32
Current Assets / Total Assets	0.59	0.57
Current Liabilities / Total Liabilities	0.63	0.62
Total Liabilities / Total Liabilities and Equity	0.80	0.78
Return on Equity	88.5%	86.9%
Margins	30.6.2023	30.06.2022
Gross Margin	14.3%	14.6%
EBITDA Margin	13.3%	12.8%
EBITDA Margin (excl.other items)	10.8%	11.7%
Operating Margin	12.4%	11.8%
Net Margin	8.6%	10.7%

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

# Sales Volume by Model

	1H23	1H22	YoY%	2Q23	2Q22	YoY%
<b>Total Domestic</b>	<b>59,456</b>	<b>34,323</b>	<b>73%</b>	<b>32,794</b>	<b>19,244</b>	<b>70%</b>
<b>PC</b>	<b>14,452</b>	<b>3,729</b>	<b>288%</b>	<b>9,562</b>	<b>1,713</b>	<b>458%</b>
<b>LCV</b>	<b>25,342</b>	<b>15,629</b>	<b>62%</b>	<b>12,363</b>	<b>9,107</b>	<b>36%</b>
Transit Courier	25,088	15,412	63%	12,273	8,974	37%
Transit Connect	254	217	17%	90	133	-32%
<b>MCV</b>	<b>13,663</b>	<b>11,564</b>	<b>18%</b>	<b>7,875</b>	<b>6,792</b>	<b>16%</b>
Transit	10,254	8,867	16%	5,769	5,238	10%
Transit Custom	2,194	2,396	-8%	1,992	1,359	47%
Ranger	215	301	-29%	114	195	-42%
<b>Truck</b>	<b>5,771</b>	<b>3,261</b>	<b>77%</b>	<b>2,983</b>	<b>1,521</b>	<b>96%</b>
<b>Rakun</b>	<b>138</b>	<b>140</b>	<b>-1%</b>	<b>11</b>	<b>111</b>	<b>-90%</b>
<b>Total Export</b>	<b>253,337</b>	<b>150,976</b>	<b>68%</b>	<b>121,959</b>	<b>74,529</b>	<b>64%</b>
Transit Custom	70,816	75,387	-6%	30,937	37,279	-17%
Transit	71,585	59,022	21%	35,129	30,739	14%
Transit Courier	14,097	13,166	7%	6,107	5,081	20%
Truck	3,520	3,395	4%	1,489	1,424	5%
Other	35	6	483%	18	6	200%
<b>Total Wholesale</b>	<b>312,793</b>	<b>185,299</b>	<b>69%</b>	<b>154,753</b>	<b>93,773</b>	<b>65%</b>

(\*) Export volumes include exports from Ford Otosan and Ford Romania SRL

# Main Financial Indicators

Million TL	1H23	1H22	YoY %	2Q23	2Q22	YoY %
Total Revenues <sup>(1)</sup>	139,855	60,730	130%	73,553	32,854	124%
Export <sup>(2)</sup>	102,419	47,818	114%	51,640	25,350	104%
Domestic	37,437	12,912	190%	21,913	7,504	192%
Gross Profit	19,945	8,872	125%	11,455	5,153	122%
Operating Profit	17,365	7,169	142%	11,201	4,046	177%
EBITDA	18,660	7,753	141%	11,862	4,336	174%
EBITDA excluding other income/expense	15,164	7,120	113%	8,449	4,149	104%
Profit Before Tax	12,461	5,656	120%	7,302	3,371	117%
Net Income	12,080	6,506	86%	6,727	3,704	82%
<b>Other Financial Data</b>						
Depreciation & Amortization	1,296	584	122%	661	290	128%
Financial Income / (Expense)	-4,902	-1,501	227%	-3,900	-676	477%

(1) In 1H23, Ford Romania SRL contributed TL 30,199,461 thousand to Total Revenues and TL 12,488 thousand to Net Profit

(2) Export revenues and volumes include exports from Ford Otosan and Ford Romania SRL

# Summary Balance Sheet & Cash Flow Statement

Balance Sheet, Million TL	30.6.2023	31.12.2022	YoY Δ
Current Assets	82,692	55,124	50%
Current Liabilities	70,335	46,206	52%
Property, Plant and Equipment - Net	26,508	20,145	32%
Total Assets	139,528	96,052	45%
Total Liabilities	112,237	74,650	50%
Shareholders' Equity	27,291	21,402	28%

Cash Flow Statement, Million TL	30.6.2023	30.6.2022	YoY Δ
Beginning Balance of Cash & Equivalents	10,110	14,106	-28%
Net Cash from Operating Activities	22,463	7,163	214%
Net Cash Used in Investing Activities	-8,271	-12,456	-34%
Net Cash Used in Financing Activities	1,796	4,721	-62%
End of Period Balance of Cash & Equivalents	25,890	13,535	91%



# 2023 Guidance

## 2023 Guidance

	2022A	2023 Old Guidance	2023 New Guidance (*)
Total Industry Volume	822 K	800 K- 850 K	1,000 K- 1,100 K
Ford Otosan:			
Retail Sales Volume	85 K	90 K- 100 K	110 K- 120 K
Export Volume	391 K	550 K - 570 K	550 K - 570 K
Turkey	298 K	355 K- 365 K	355 K- 365 K
Romania	93 K	195 K - 205 K	195 K - 205 K
Wholesale Volume	476 K	640 K - 670 K	660 K - 690 K
Total Production Volume	466 K	630 K - 660 K	630 K - 660 K
Turkey	374 K	430 K- 450 K	430 K- 450 K
Romania	92 K	200 K- 210 K	200 K- 210 K
Capex (fixed assets)	€ 818 million	€ 1,000-1,050 million	€ 1,000-1,050 million
General Investments	€ 52 million	€ 90-100 million	€ 90-100 million
Product Related Investments	€ 766 million	€ 910-950 million	€ 910-950 million

(\*) Total industry volume and Ford Otosan's retail sales volume guidance are updated mainly due to the strong demand outlook in the domestic market.

- Ford Otosan provides guidance 4 times a year as part of quarterly financial statements.
- This is the third guidance issued for 2023 as part of 1H23 results in July. Next update will be in October 2023 as part of 9M23 results





Thank You