

FORD OTOSAN



2018 Financial Results

- **2018 Evaluation**
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2018 Evaluation

2018 Highlights

Record Production	373,702 units
Record exports	328,892 units
Turkey's export champion	4 th consecutive year
Turkey's CV market leader	31% market share
Best selling LCV in Turkey	Ford Transit
Maximum dividend policy continued	Record 1.2 billion TL
Capacity expansion completed	455,000 in 3 plants



New Custom



New Courier

Ford Trucks



International expansion on track

35 Countries



Export volume growth

39% YoY



Ford Otosan Strengthens Position in CV Segment

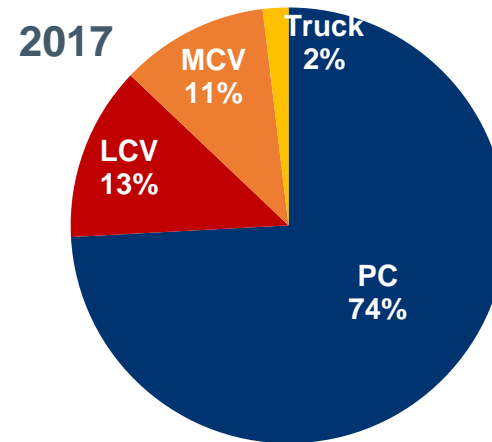
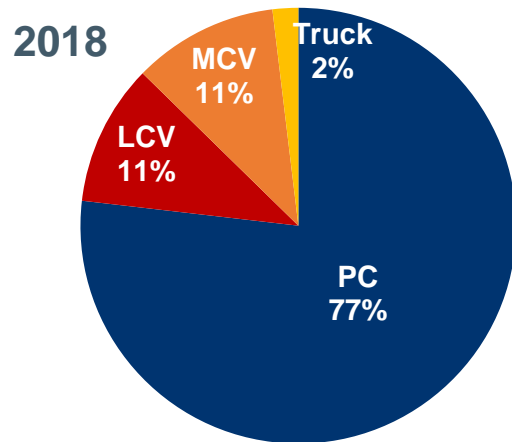
2018
Domestic Sales

Segments	Industry	Ford Otosan	% Share	Ranking
Commercial Vehicles	146,600	45,090	30.8%	1
Light Commercial	66,448	17,999	27.1%	2
Medium Commercial	68,168	23,681	34.7%	1
Truck	11,984	3,410	28.5%	2
Passenger Cars	486,321	23,748	4.9%	10
Total	634,540	68,838	10.8%	3

Ford's 4th
largest in
Europe

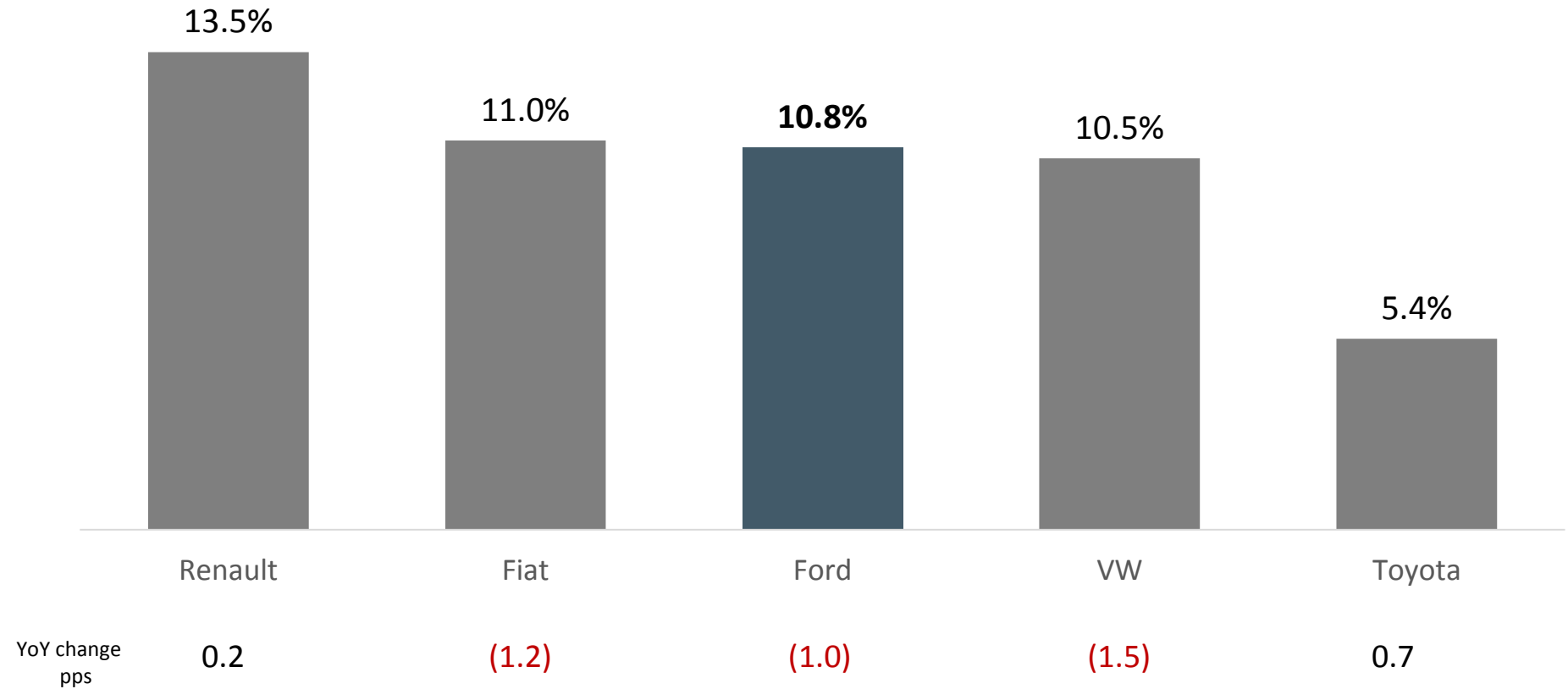
PC Industry Share Rose YoY

Segments	2018	2017	% Change
Passenger Cars	486.321	722.759	-33%
Light Commercial	66.448	126.111	-47%
Medium Commercial	68.168	107.324	-36%
Truck	11.984	18.745	-36%
Total	634.540	977.483	-35%



Total Industry Market Shares, 2018

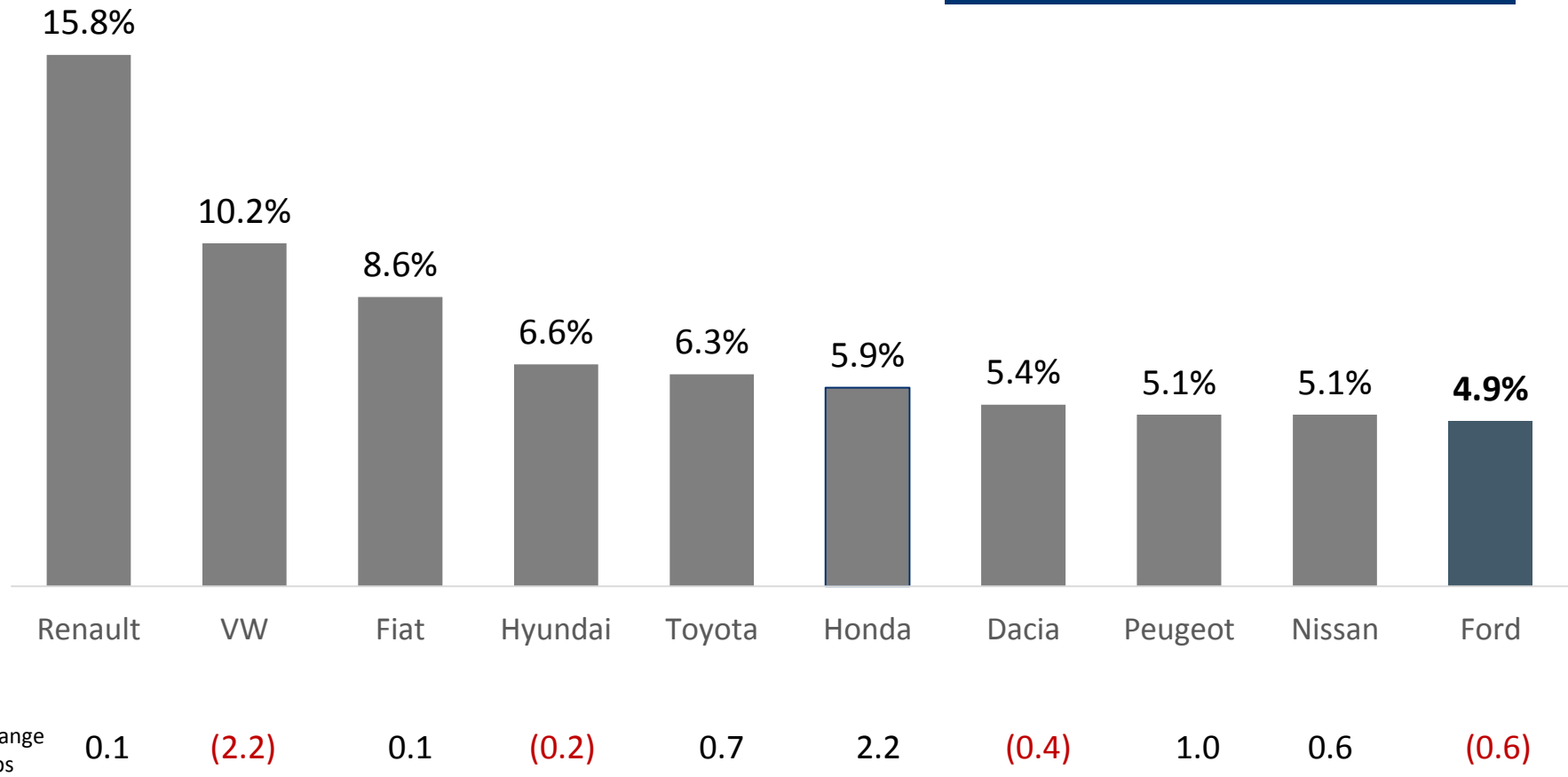
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PC Market Shares, 2018

9

Strategy:
Profitability over market share



Strategy: Profitable growth

37.1%

27.1%

10.5%

7.7%

6.2%

Fiat

Ford

VW

Renault

Citroen

YoY change
pps

(3.5)

1.8

2.7

(0.8)

0.5

34.7%

Strategy: Profitable growth

Higher market share than
the next 3 brands combined

14.8%

11.7%

5.6%

5.5%

Ford

VW

Mercedes

Renault

Fiat

YoY change
pps

(1.9)

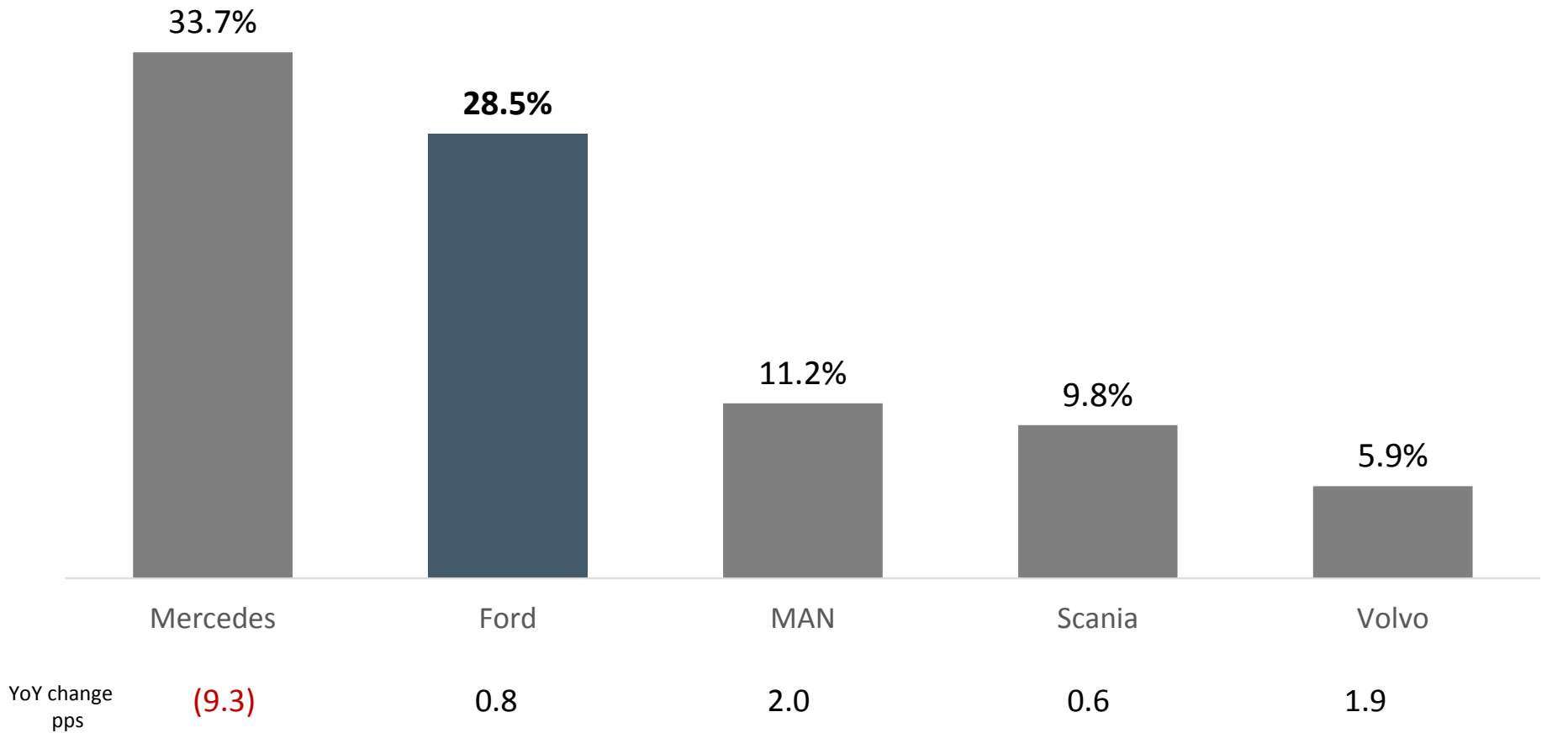
(1.9)

3.3

(0.1)

(1.5)

Strategy: Profitable growth



European Industry & Ford

EU Van Registrations Grew 3.1% in 2018

14

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

Ford is UK's No. 1 brand,
achieving 53rd consecutive year of
CV leadership

UK Industry -1.3%
Ford +7.0%

Source: SMMT, 2018

UK

-1.3%
357 K units

+3.1%
2.1 million units

European Union*

Germany

+5.4%
285 K units

France

+4.5%
437 K units

Spain

+7.8%
215 K units

Italy

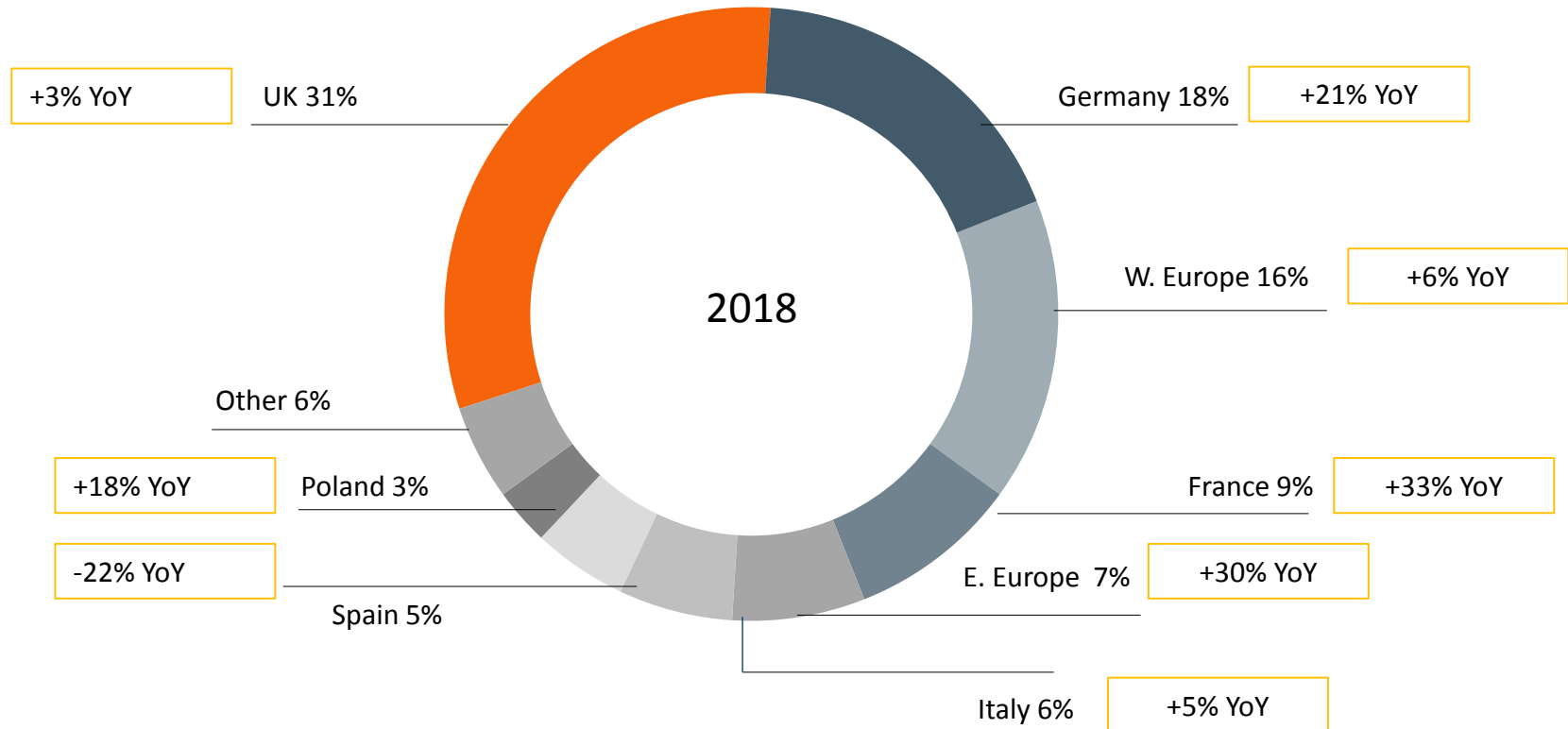
-6.0%
182 K units

Vans up to 3.5 t

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

Record Export Volume

Export breakdown (units)



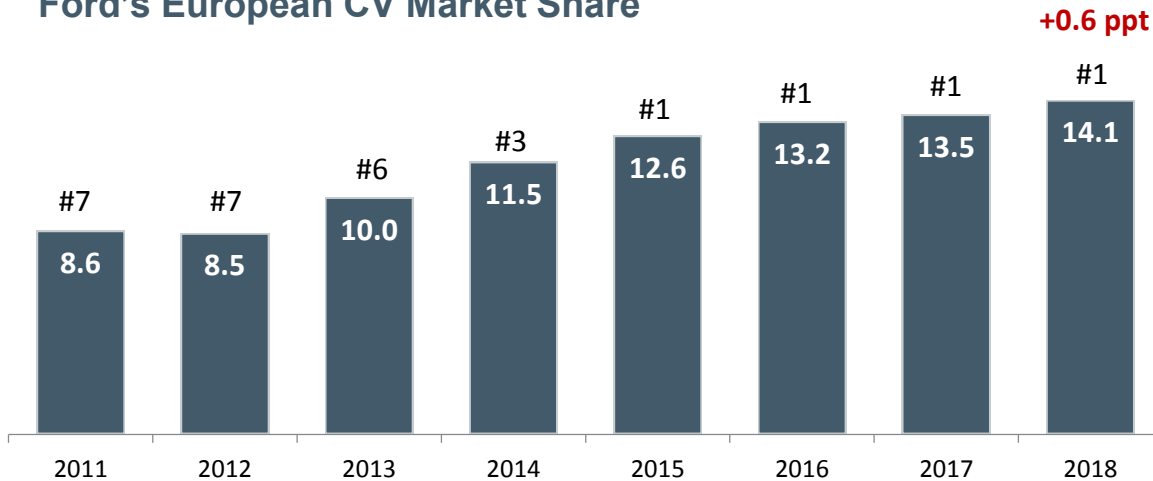
Change in Ford Otosan's unit exports to the relevant market

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

Ford is Europe's Top-Selling CV Brand

Offering an unrivalled selection of vehicles that cater for every requirement

Ford's European CV Market Share



Ford delivered its
**best commercial vehicle
sales volume
in 25 years**

Ford is Europe's
**No. 1 commercial vehicle
brand for the
fourth consecutive year**

7.0%

**Dec YoY change
in Ford's CV sales**

9.0%

**Jan-Dec YoY change
in Ford's CV sales**

Source: Ford of Europe Full Year Sales 2018, reporting sales for its 20 European traditional 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

2018 Results

2018 Financial Results

TL 33,292 million

Revenues, +31% YoY

- Robust export performance

TL 2,854million

EBITDA, +31% YoY

- Strong OpEx control
- Cost reduction actions

TL 27,303 million

Export Revenues, +53% YoY

- Record volumes
- Currency impact

TL 1,761 million

Profit Before Tax, +19% YoY

- Pressure from 132% rise in net financial expenses driven by 127% more net fx loss mainly explained by prior period fx losses from cash flow hedge reserve

TL 5,989 million

Domestic Revenues, -20% YoY

- 43% volume decline due to market contraction and profitability focus
- Pricing discipline and focus on high margin products limited further decline

TL 1,683 million

Net Income, +13% YoY

- Impact of deferred tax asset calculation

Volume & Revenue Analysis

	2018/2017		4Q18/4Q17	
	Volume	Revenue	Volume	Revenue
Total	-4%	31%	-18%	22%
Robust export performance limited the impact of domestic market contraction				
Export	11%	53%	6%	57%
Record volumes and currency weakness pushed revenue growth				
Domestic	-43%	-20%	-68%	-45%
Pricing discipline and profitability focus limited revenue decline				

Sales Volume by Model

	2018	2017	YoY%	4Q18	4Q17	YoY%
Total Domestic	65.768	115.462	-43%	13.296	41.092	-68%
PC	18.987	33.543	-43%	3.777	10.764	-65%
LCV	20.719	37.296	-44%	3.638	13.772	-74%
Transit Courier	19.659	35.549	-45%	3.300	13.284	-75%
Transit Connect	1.060	1.747	-39%	338	488	-31%
MCV	22.536	39.433	-43%	5.237	14.625	-64%
Transit	16.350	29.080	-44%	3.998	10.844	-63%
Transit Custom	4.690	7.642	-39%	872	2.670	-67%
Ranger	1.496	2.711	-45%	367	1.111	-67%
Truck	3.526	5.190	-32%	644	1.931	-67%
Total Export	328.892	297.396	11%	90.434	85.701	6%
Transit Custom	168.174	157.502	7%	48.465	45.233	7%
Transit	120.154	100.181	20%	32.208	26.567	21%
Transit Courier	38.553	37.864	2%	9.076	13.179	-31%
Truck	1.817	1.309	39%	660	684	-4%
Other	194	540	-64%	25	38	-34%
Total Wholesale	394.660	412.858	-4%	103.730	126.793	-18%

Record

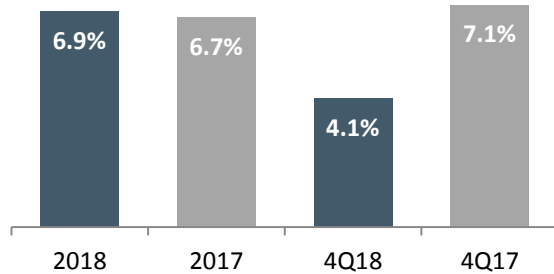
Record

Main Financial Indicators

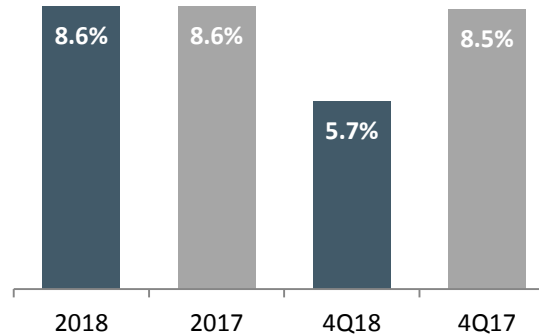
Million TL	2018	2017	YoY %	4Q18	4Q17	YoY %
Total Revenues	33.292	25.341	31%	10.048	8.203	22%
Export	27.303	17.830	53%	8.524	5.419	57%
Domestic	5.989	7.511	-20%	1.524	2.784	-45%
Gross Profit	3.459	2.637	31%	958	837	14%
Operating Profit	2.285	1.708	34%	417	580	-28%
EBITDA	2.854	2.182	31%	568	700	-19%
Profit Before Tax	1.761	1.481	19%	331	495	-33%
Net Income	1.683	1.490	13%	411	510	-19%
Other Financial Data						
Depreciation & Amortization	569	474	20%	151	120	26%
Financial Income / (Expense)	-520	-224	132%	-85	-83	2%

2018 Margins

Operating Margin



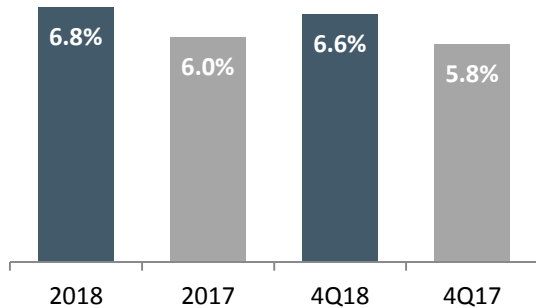
EBITDA Margin



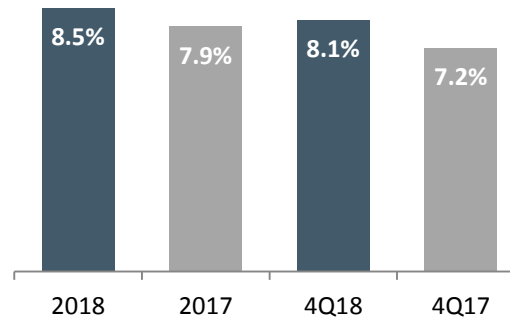
Drivers:

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

Operating Margin (excl. Other items)



EBITDA Margin (excl. Other items)



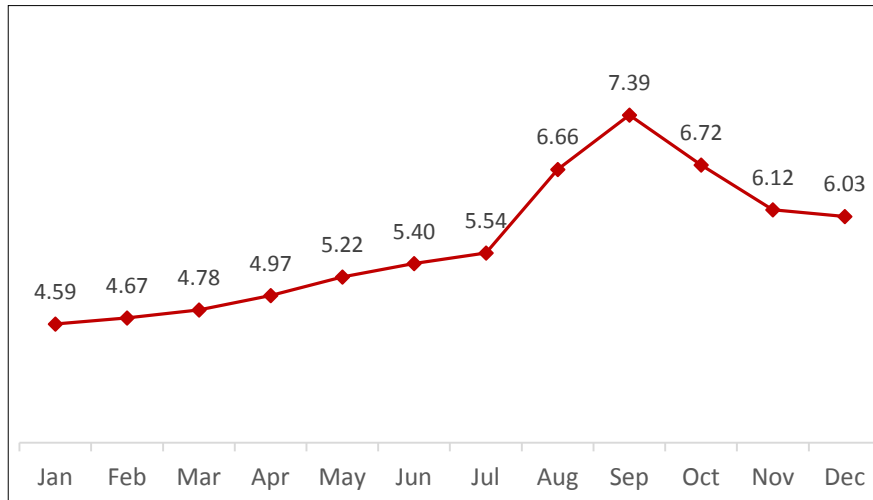
Challenges:

- considerable cost pressure resulting from weaker €/TL (+38% YoY in 2018 and 41% YoY in 4Q18) and high inflation
- contracting domestic volumes due to domestic market decline

Ongoing Cost Pressure

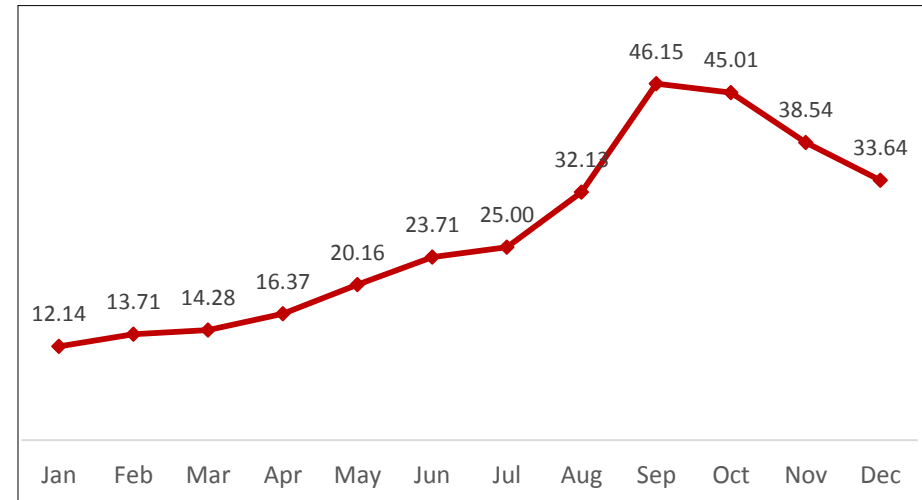
YoY change	2018/2017	4Q18/4Q17
Production Volume	0%	-15%
Raw Material Costs	40%	30%
€ / TL Average	38%	41%

EUR/TL Rate, Average



Source: CBT

PPI Inflation. %



Source: CBT

Debt Profile & Financial Ratios

Cash Position (TL mn)	31.12.2018	31.12.2017
Cash & Cash Equivalents	1.393	1.806
Total Financial Debt	-4.483	-3.604
Net Financial Debt	-3.090	-1.798
Financial Ratios	31.12.2018	31.12.2017
Current ratio	1,02	1,13
Liquidity ratio	0,64	0,87
Net Debt / Tangible Net Worth	1,01	0,60
Net Debt / EBITDA	1,08	0,82
Current Assets / Total Assets	0,56	0,57
Current Liabilities / Total Liabilities	0,78	0,73
Total Liabilities / Total Liabilities and Equity	0,70	0,69
Return on Equity	43,2%	40,3%
Margins	31.12.2018	31.12.2017
Gross Margin	10,4%	10,4%
EBITDA Margin	8,6%	8,6%
EBITDA Margin (excl.other items)	8,5%	7,9%
Operating Margin	6,9%	6,7%
Net Margin	5,1%	5,9%

Ford Otosan provides guidance 4 times a year as part of quarterly financial statements.
Guidance updated in February 2019 with FY18 results. Next update will be in April 2019 as part of 1Q19 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	320 K – 330 K
Wholesale Volume	395 K	360 K – 380 K
Production Volume	374 K	350 K – 360 K
Capex (fixed assets)	€ 166 mn	€160 – 180 mn

