

FORD OTOSAN



2018 Financial Results

- **2018 Evaluation**
- **European Industry & Ford**
- **Financial Results**
- **Q & A**

2018 Evaluation

2018 Highlights

| | |
|--|--|
|  Record Production | 373,702 units |
|  Record exports | 328,892 units |
|  Turkey's export champion | 4th 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

International expansion on track

35 Countries

Export volume growth

39% YoY



Ford Otosan Strengthens Position in CV Segment

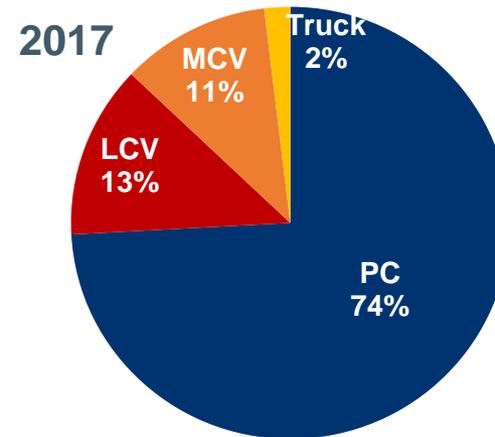
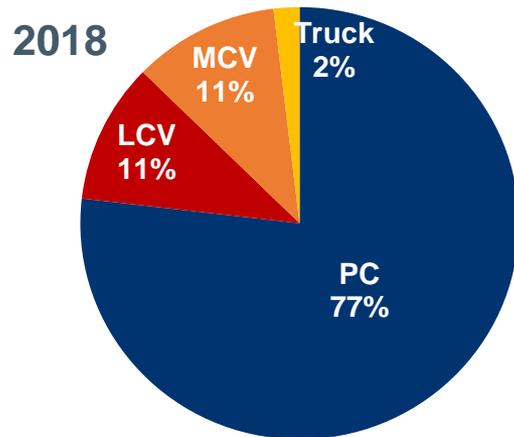
2018
Domestic Sales

| 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 |

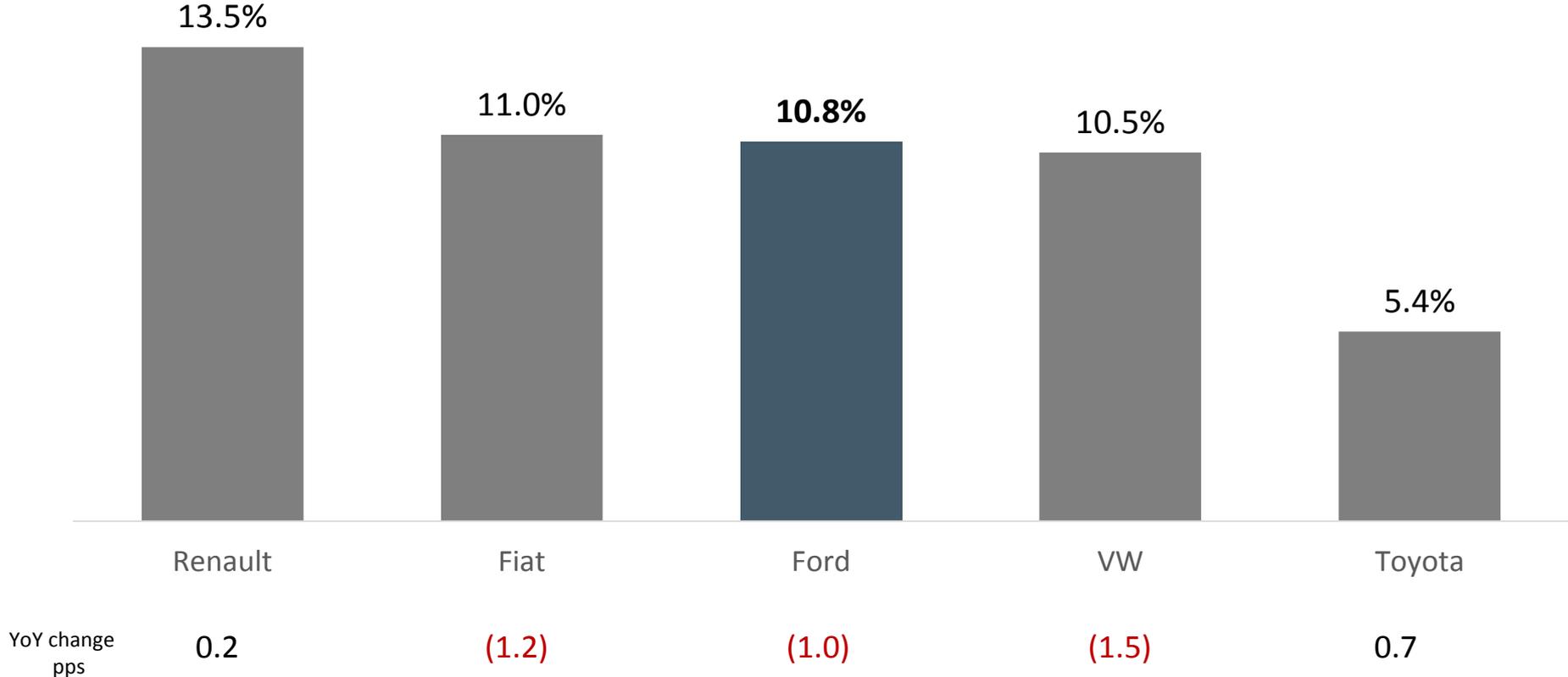
Ford's 4th
largest in
Europe

PC Industry Share Rose YoY

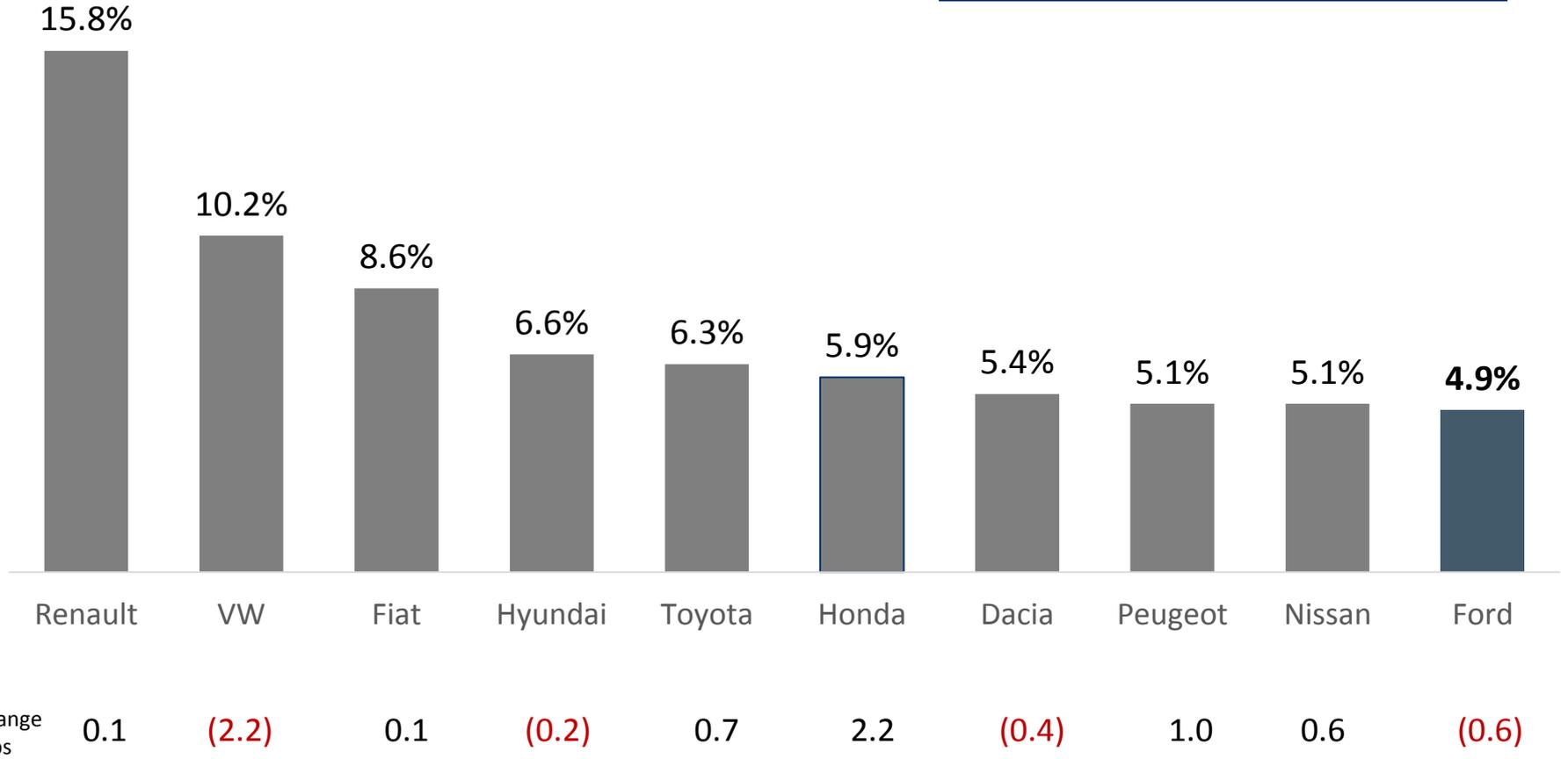
| Segments | 2018 | 2017 | % Change |
|-------------------|----------------|----------------|-------------|
| Passenger Cars | 486.321 | 722.759 | -33% |
| Light Commercial | 66.448 | 126.111 | -47% |
| Medium Commercial | 68.168 | 107.324 | -36% |
| Truck | 11.984 | 18.745 | -36% |
| Total | 634.540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



Total Industry Market Shares, 2018



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)

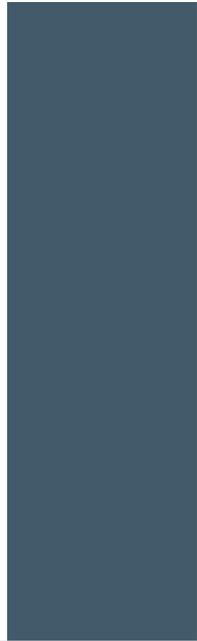
1.8

2.7

(0.8)

0.5

34.7%



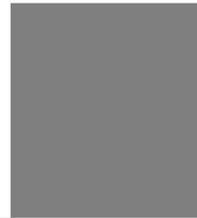
Ford

14.8%



VW

11.7%



Mercedes

Strategy: Profitable growth

Higher market share than
the next 3 brands combined

5.6%



Renault

5.5%



Fiat

YoY change
pps

(1.9)

(1.9)

3.3

(0.1)

(1.5)

Strategy: Profitable growth

33.7%

28.5%

11.2%

9.8%

5.9%

Mercedes

Ford

MAN

Scania

Volvo

YoY change
pps

(9.3)

0.8

2.0

0.6

1.9

European Industry & Ford

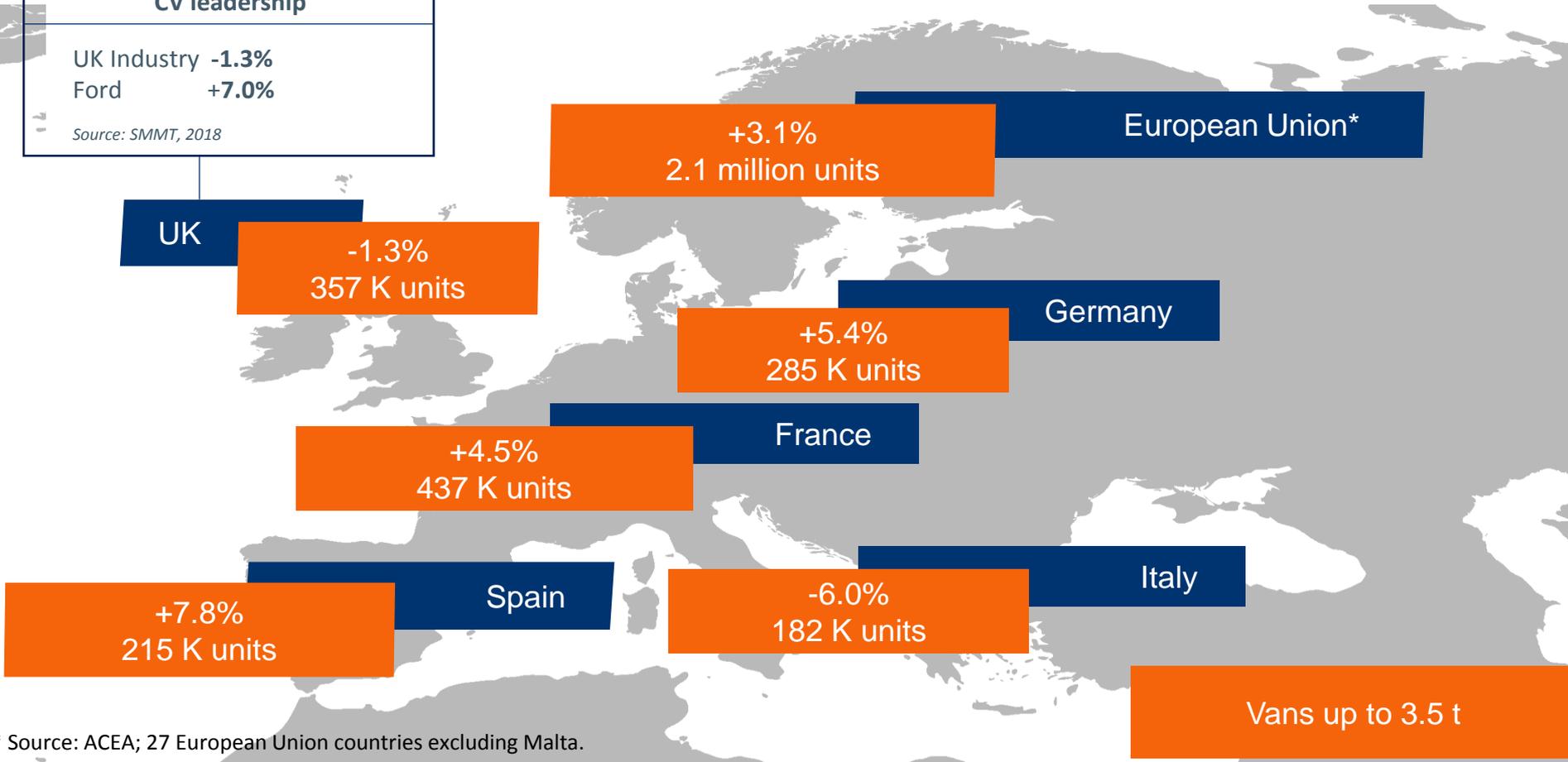
EU Van Registrations Grew 3.1% in 2018

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

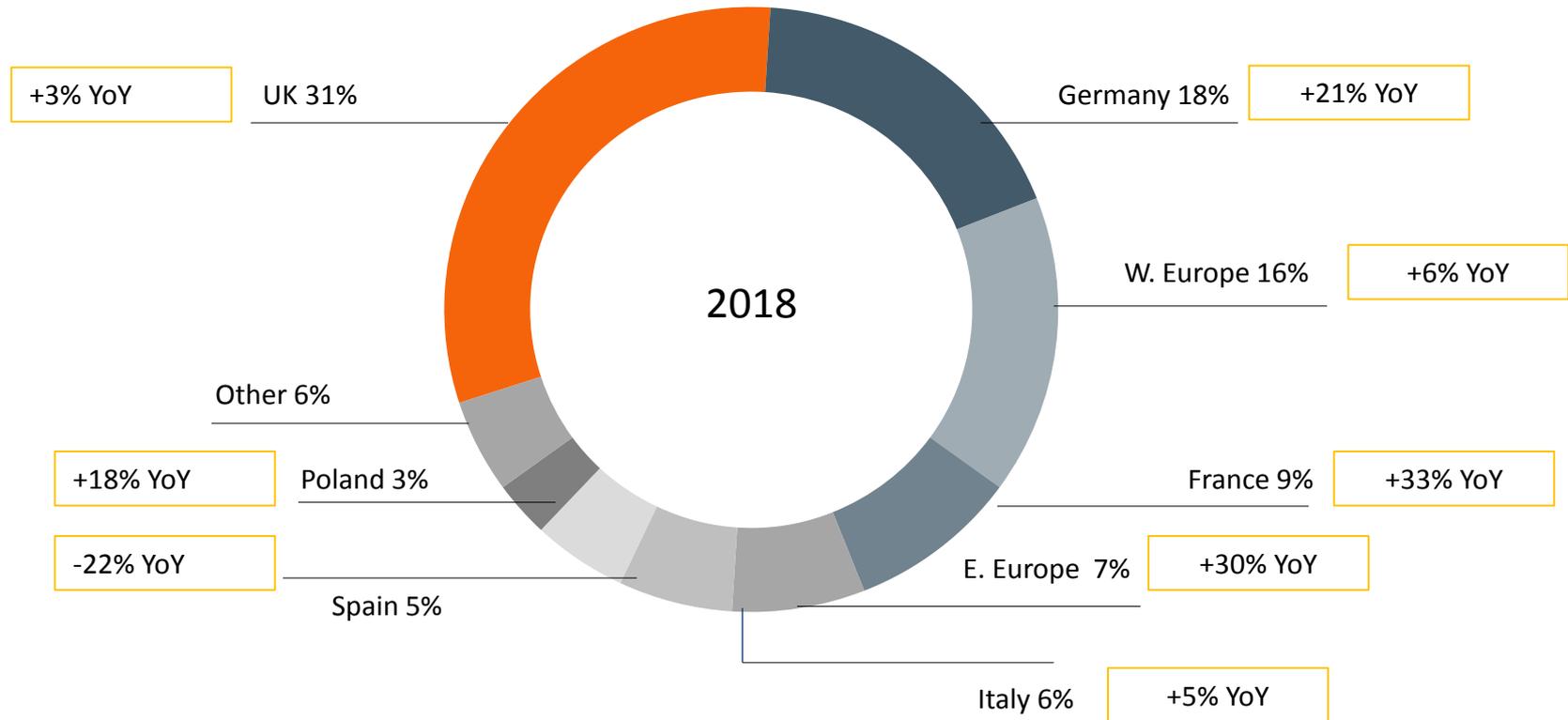


Vans up to 3.5 t

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

Record Export Volume

Export breakdown (units)



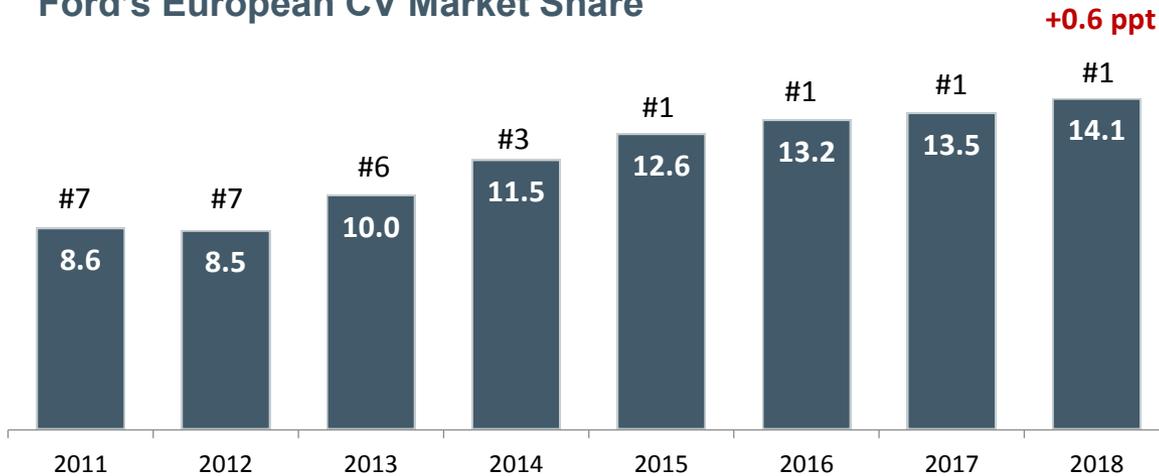
Change in Ford Otosan's unit exports to the relevant market

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

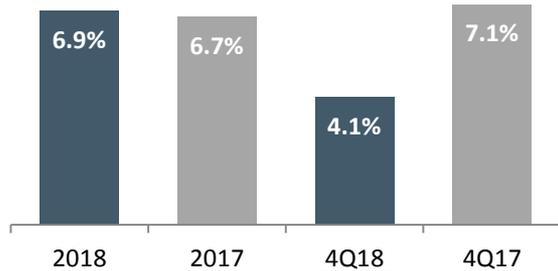
Record

Main Financial Indicators

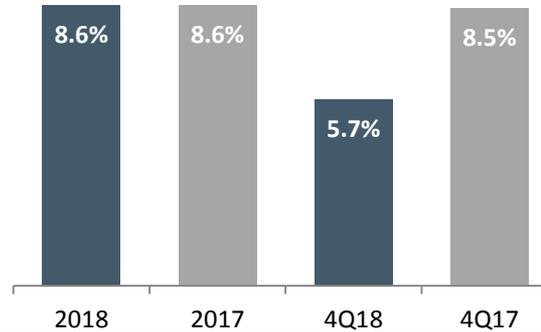
| Million TL | 2018 | 2017 | YoY % | 4Q18 | 4Q17 | YoY % |
|------------------------------|--------|--------|-------|--------|-------|-------|
| Total Revenues | 33.292 | 25.341 | 31% | 10.048 | 8.203 | 22% |
| Export | 27.303 | 17.830 | 53% | 8.524 | 5.419 | 57% |
| Domestic | 5.989 | 7.511 | -20% | 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



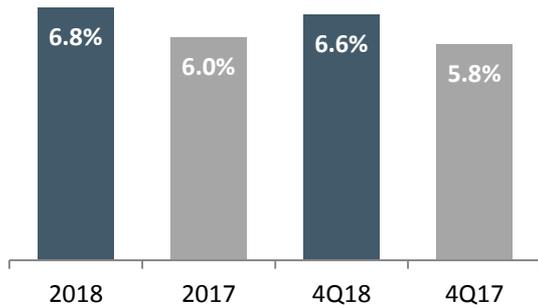
EBITDA Margin



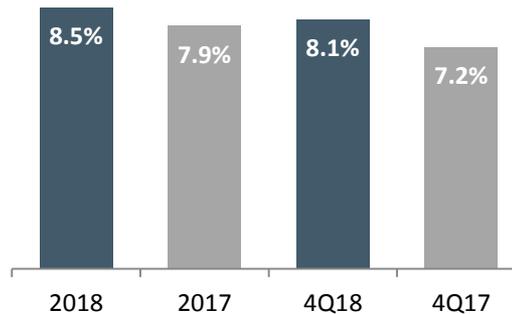
Drivers:

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

Operating Margin (excl. Other items)



EBITDA Margin (excl. Other items)



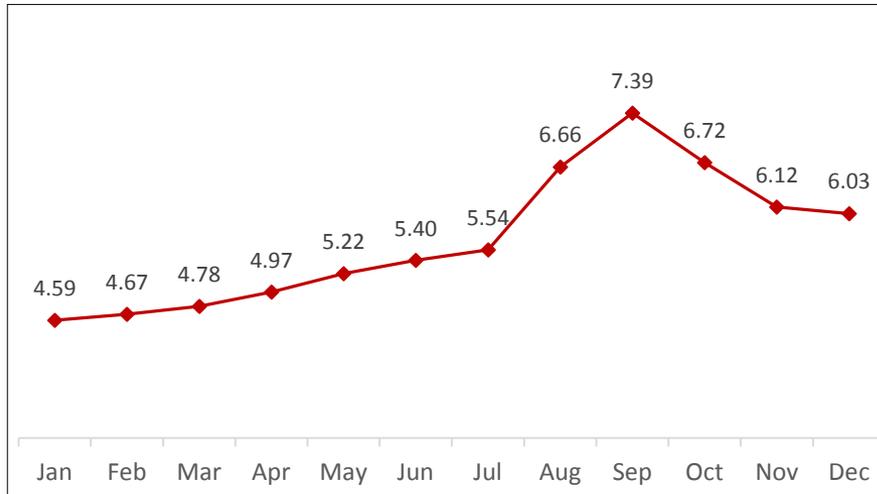
Challenges:

- 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

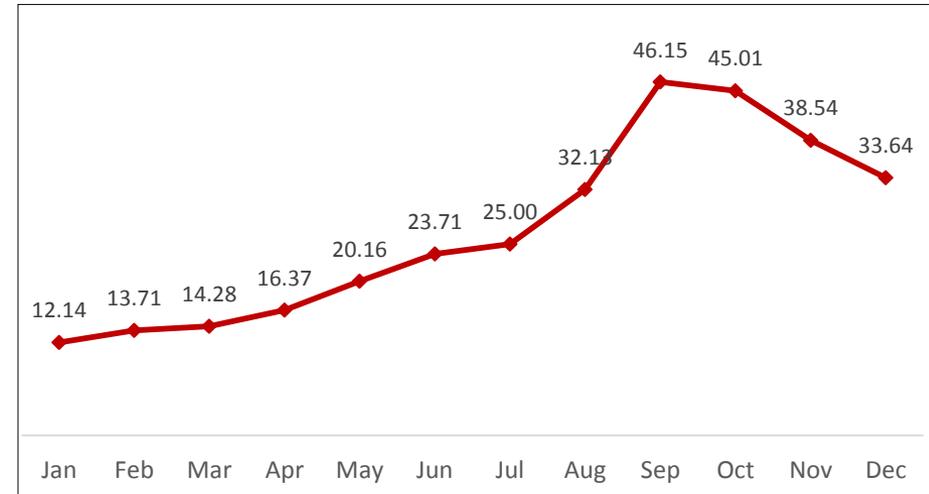
| YoY change | 2018/2017 | 4Q18/4Q17 |
|--------------------|-----------|-----------|
| Production Volume | 0% | -15% |
| Raw Material Costs | 40% | 30% |
| € / TL Average | 38% | 41% |

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 |

