



1Q22 Financial Results Meeting

28 April 2022

Agenda

- **1Q22 Evaluation**
- **Domestic Sales Performance**
- **Export Performance**
- **Since We Last Met**
- **Financial Results**
- **Q & A**

1Q22 Evaluation

1Q22 Highlights

Rank #1 in CV segment with 32.8% market share

LCV: 28.2%

MCV: 41.7%

Truck: 28.6%

Robust international sales performance in Truck business

56% YoY growth

Strong capacity utilization despite ongoing microchip shortage impact on auto sector

Total 84%

Gölcük 83%

Yeniköy 87%

Eskişehir 84%

Solid profitability

EBITDA p.v. €2,076

PBT p.v. €1,597

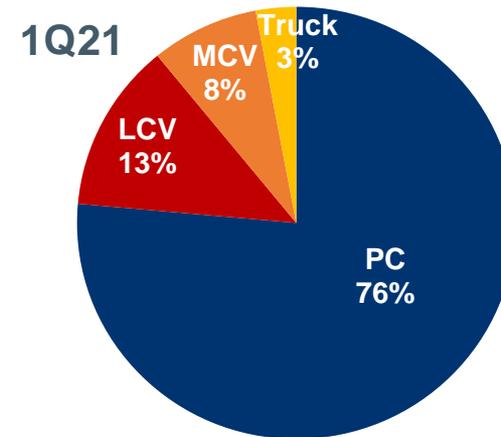
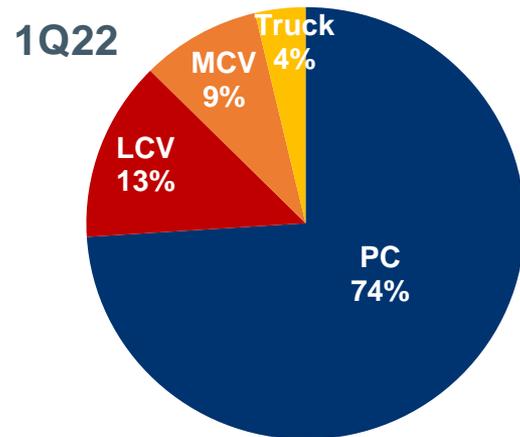
Commitment to dividends: TL 4.6 billion dividend payment

USD 4.8 billion dividends paid since 2004

Domestic Sales Performance

CV Industry Share Rose YoY

Segments	1Q22	1Q21	Δ
Passenger Cars	116.834	156.464	-25%
Light Commercial	21.300	25.938	-18%
Medium Commercial	13.916	16.258	-14%
Truck	5.859	6.100	-4%
Total*	158.562	205.176	-23%



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

Domestic Sales Performance - I

Rank	Brand	1Q22 Sales	1Q21 Sales	Market Share %	YoY Δ
Total Industry					
1	Fiat	22,427	28,460	14.1	0.2
2	Renault	20,618	20,111	13.0	3.2
3	Ford	15,863	21,773	10.0	-0.6
4	Hyundai	11,616	6,529	7.3	4.1
5	VW	10,581	21,259	6.7	-3.7
Passenger Cars					
1	Renault	18,464	18,630	15.8	3.9
2	Fiat	12,886	19,323	11.0	-1.3
3	Hyundai	11,402	5,975	9.8	6.0
4	Dacia	9,030	6,547	7.7	3.5
5	VW	8,511	17,808	7.3	-4.1
15	Ford	2,387	4,953	2.0	-1.2



PC strategy: Profitability over market share

Domestic Sales Performance - II

Rank	Brand	1Q22 Sales	1Q21 Sales	Market Share %	YoY Δ
LCV					
1	Fiat	8,983	8,113	42.2	10.9
2	Ford	6,002	8,236	28.2	-3.6
3	Renault	1,584	946	7.4	3.8
4	Peugeot	1,443	2,074	6.8	-1.2
5	Opel	989	1,127	4.6	0.3
MCV					
1	Ford	5,797	6,726	41.7	0.3
2	Toyota	1,247	1,295	9.0	1.0
3	VW	1,224	1,782	8.8	-2.2
4	Mercedes	919	1,206	6.6	-0.8
5	Iveco	602	616	4.3	0.5
Truck					
1	Mercedes	2,779	1,960	47.4	15.3
2	Ford	1,678	1,858	28.6	-1.9
3	Renault	432	392	7.4	1.0
4	MAN	289	609	4.9	-5.1
5	Volvo	244	302	4.2	-0.8

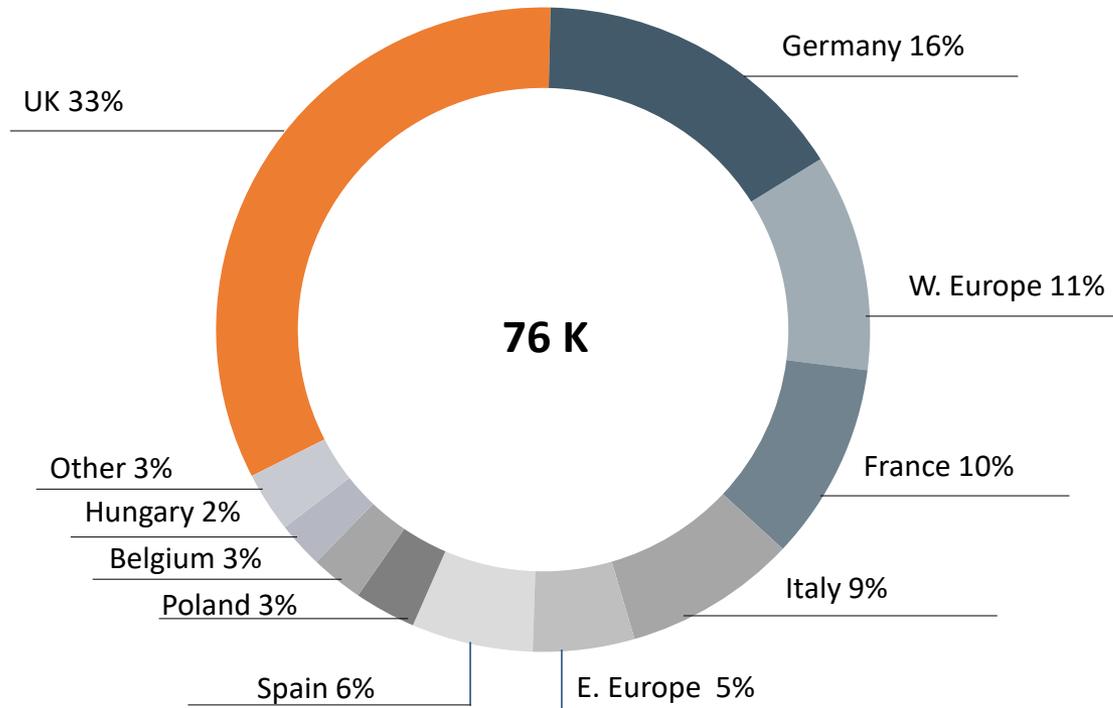
CV Strategy: Profitable growth



Export Performance

Turkey's Export Champion

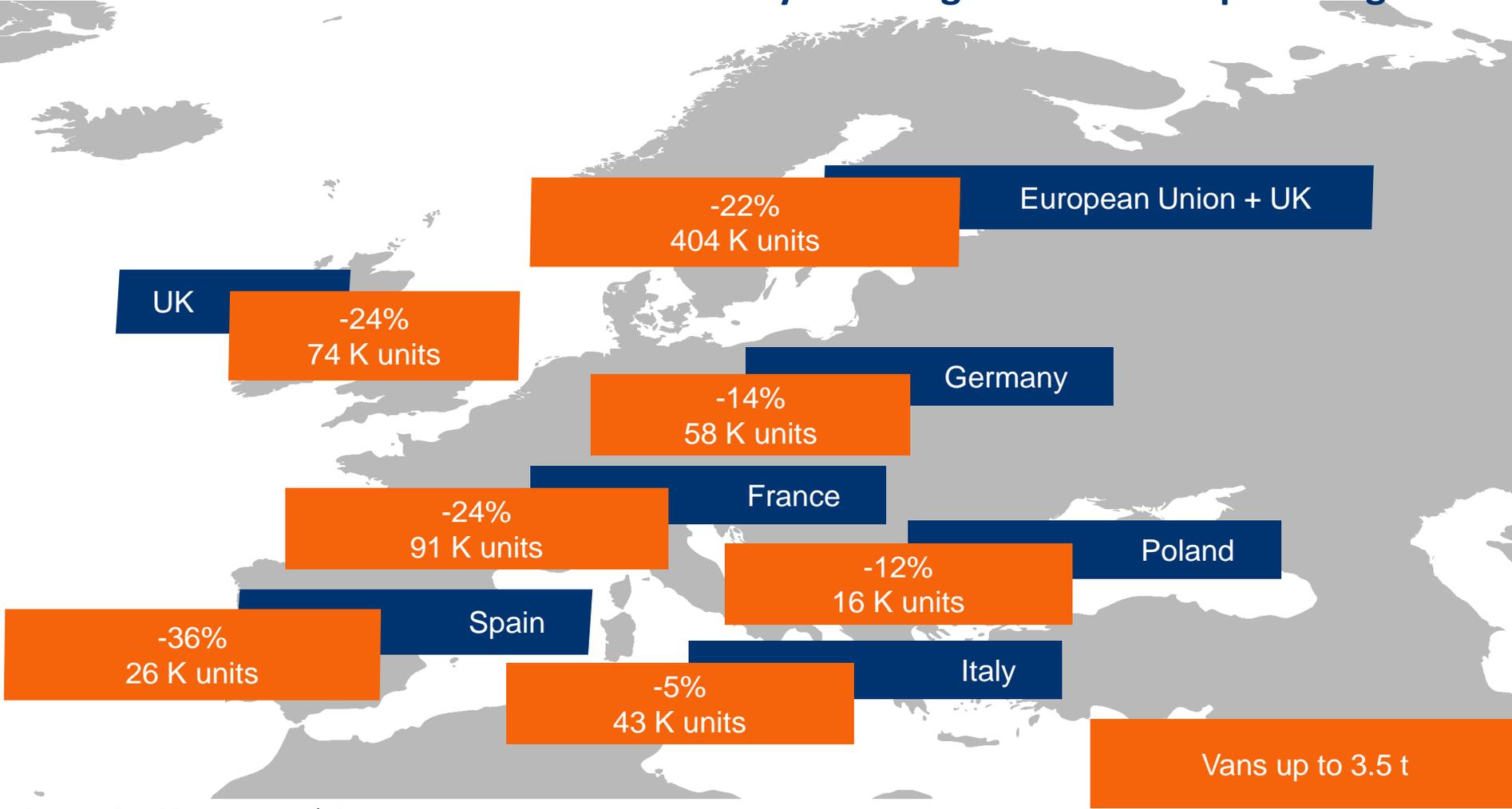
Export breakdown (1Q22, units)



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

European Van Registrations Down 22%YoY in 1Q22

Contraction in European van registrations has continued due to economic headwinds and weak vehicle availability resulting from microchip shortage



Source: ACEA; 26 European markets + UK



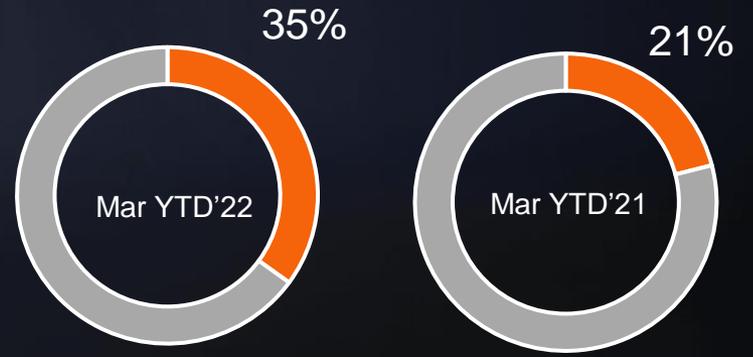
Robust Performance in the International Markets

56% growth in International Sales in Mar'22 YTD



Volumes (Ford Trucks)	Mar YTD'22	Mar YTD'21	YoY Growth
International Markets Industry*	73.972	49.796	49%
Ford Trucks' International Sales	1.231	790	56%

Share of Western Europe in Ford Trucks International Sales



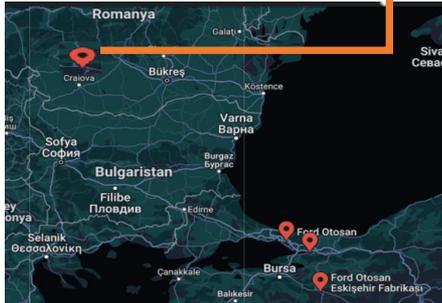
The main driver of strong performance is the rising volumes from Western Europe as a result of the international expansion strategy

*Not realized for all regions

Since We Last Met

Share Purchase Agreement Signed for Acquiring Ford's Craiova Plant

Craiova Plant



Production Capacity:

250K Vehicle



365K Engine



Puma



Ford's best-selling passenger vehicle in Europe



Ecosport



Discontinued production by the end of 2022



1.0-litre EcoBoost

Award winning engine

✓ EUR 575 mio to be paid for the purchase of all shares between **2022 and 2028**

✓ Conditional amount of **EUR 140 mio** to be paid in **2028** subject to Romania plant CUR in 2028-2034

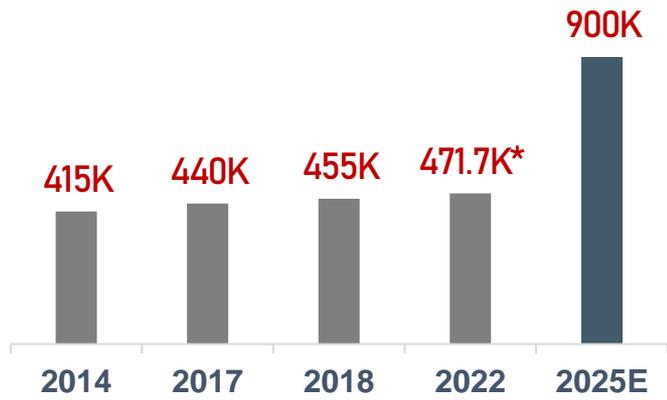
Expanded Our Operations Internationally

✓ **Become an International Manufacturing Company**

Production of Next Generation Courier will be moved from Yeniköy Plant to Craiova Plant in 2023.



✓ **Increasing Production Capacity to 900K & Reaching more than 20,000 employment**



*Total manufacturing capacity will increase to 721.7K following the completion of Craiova Plant acquisition in 3Q22.

Increased Our Role in Ford's Electrification Plans

Ford Otosan will build 6 out of 9 all-electric vehicles of Ford

Ford in Europe: Nine All-Electric vehicles by 2024



Launched E-Transit As Promised

First E-Transit models roll off production line

- **An important milestone for our critical role in Ford's electrification strategy**
Ford Otosan has started manufacturing E-Transit in the Kocaeli Plant, 100% electricity procured from renewable energy
- **Strong early demand:** Customer orders already exceed 6,000 units



1Q22 Results

Highlights

TL 27,876 million

Revenues, +72% YoY

- Total volumes down 14%
- Positive sales mix
- Exchange impact

TL 22,469 million

Export Revenues, +79% YoY

- 11% volume contraction
- Positive sales mix
- Exchange impact

TL 5,408 million

Domestic Revenues, +45% YoY

- 29% volume decline
- Positive sales mix
- Ongoing pricing discipline

TL 3,417 million

EBITDA, +73% YoY

- Pricing discipline
- Ongoing cost reduction measures and OpEx control
- Cost-plus export contracts
- Exchange impact on our export business (average EUR/TRY up 76% YoY)

TL 2,971 million

**EBITDA excl. Currency impact,
+64% YoY**

TL 2,285 million

PBT, +26% YoY

TL 2,802 million

Net Income, +54% YoY

- Higher than PBT due to Tax Income Resulting from Deferred Tax Asset in 1Q22.

Volume & Revenue Analysis (1Q22/1Q21)

	Volume	Revenue
Total	-14%	72%
Revenues supported by positive sales mix and exchange impact despite volume contraction		
Export	-11%	79%
Positive sales mix and exchange impact		
Domestic	-29%	45%
Positive sales mix and ongoing pricing discipline		

Sales Volume by Model

	1Q22	1Q21	YoY%
Total Domestic	15,079	21,170	-29%
PC	2,016	3,923	-49%
LCV	6,522	8,944	-27%
Transit Courier	6,438	8,763	-27%
Transit Connect	84	181	-54%
MCV	4,772	6,456	-26%
Transit	3,629	5,406	-33%
Transit Custom	1,037	952	9%
Ranger	106	98	8%
Truck	1,740	1,847	-6%
Rakun	29	-	-
Total Export	76,447	85,519	-11%
Transit Custom	38,108	50,416	-24%
Transit	28,283	28,564	-1%
Transit Courier	8,085	5,661	43%
Truck	1,971	860	129%
Other	-	18	-100%
Total Wholesale	91,526	106,689	-14%

Main Financial Indicators

Million TL	1Q22	1Q21	YoY %
Total Revenues	27,876	16,254	72%
Export	22,469	12,537	79%
Domestic	5,408	3,718	45%
Gross Profit	3,719	2,068	80%
Operating Profit	3,123	1,721	81%
EBITDA	3,417	1,973	73%
EBITDA excluding other income/expense	2,971	1,812	64%
Profit Before Tax	2,285	1,817	26%
Net Income	2,802	1,819	54%
Other Financial Data			
Depreciation & Amortization*	294	252	17%
Financial Income / (Expense)	-825	94	N/M

*1Q22 numbers include TL 10 million (1Q21: TL 8 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.

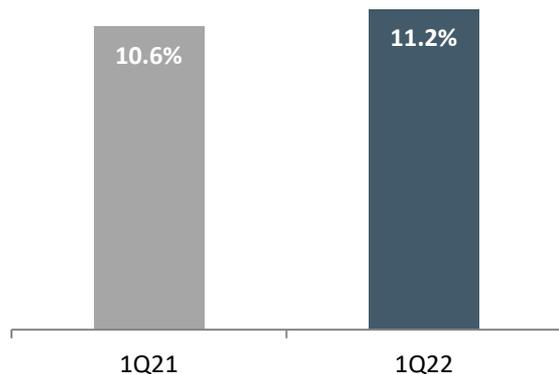
Summary Balance Sheet & Cash Flow Statement

Balance Sheet, Million TL	31.3.2022	31.12.2021	YoY Δ
Current Assets	32,530	32,814	-1%
Current Liabilities	26,228	20,782	26%
Property, Plant and Equipment - Net	5,359	5,149	4%
Total Assets	50,034	42,793	17%
Total Liabilities	41,739	32,644	28%
Shareholders' Equity	8,295	10,149	-18%

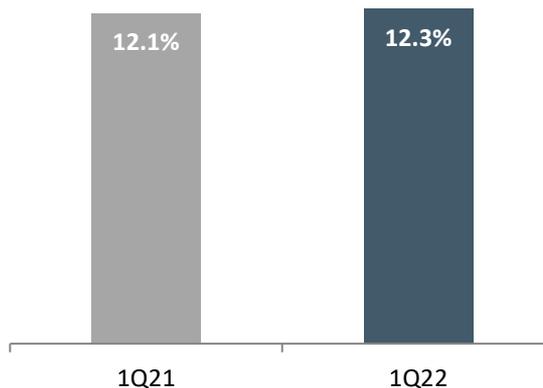
Cash Flow Statement, Million TL	31.3.2022	31.3.2021	YoY Δ
Beginning Balance of Cash & Equivalents	14,106	8,074	75%
Net Cash from Operating Activities	3,962	1,338	196%
Net Cash Used in Investing Activities	-2,257	-327	589%
Net Cash Used in Financing Activities	-642	107	N/M
End of Period Balance of Cash&Equivalents	15,170	9,192	65%

Margins

Operating Margin



EBITDA Margin



Growing EBITDA and PBT per Vehicle

EUR	EBITDA	PBT
1Q22	2,076	1,597
1Q21	1,908	1,914
1Q20	1,633	1,115

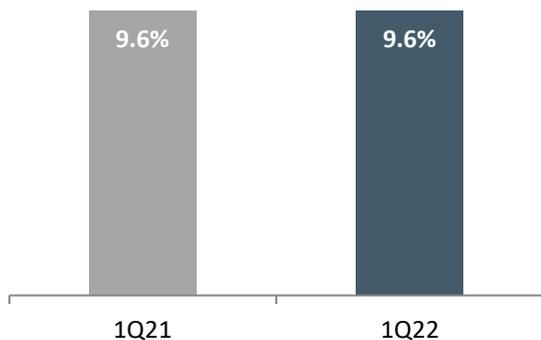
Drivers:

- + Pricing discipline
- + Ongoing cost reduction measures and OpEx control
- + Cost-plus export contracts
- + Exchange impact on our export business (average EUR/TRY up 76% in 1Q22 YoY)

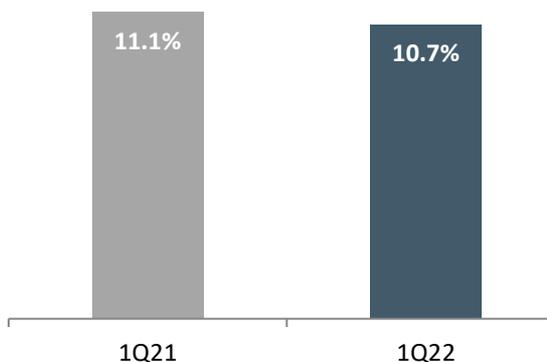
Challenges:

- TL volatility
- Increasing manufacturing costs
- Commodity price hikes
- Inflationary environment
- Extended global chip shortage
- Geopolitical risks

Operating Margin (excl. Other items)

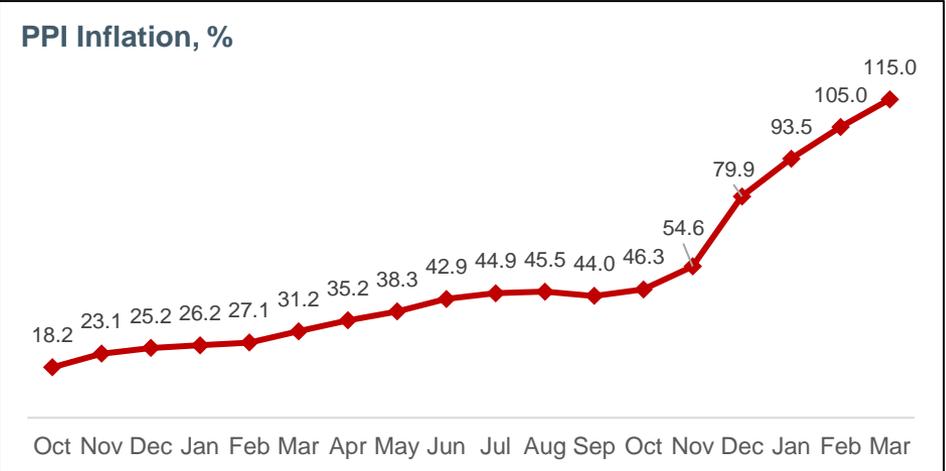
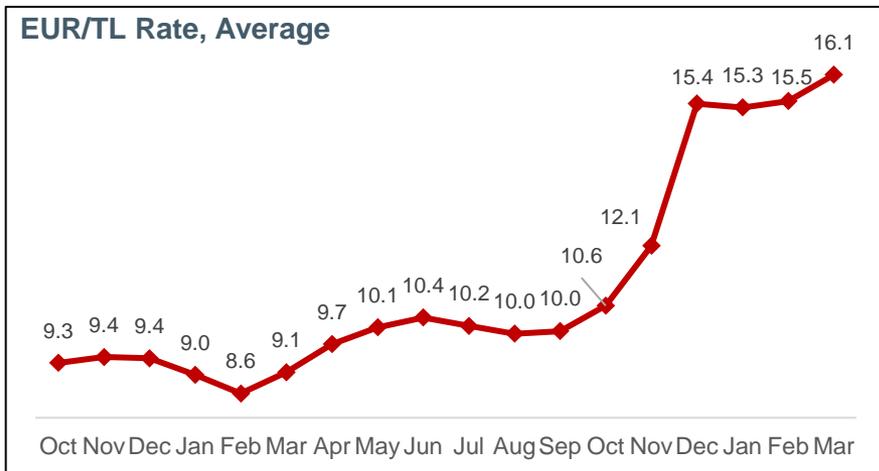
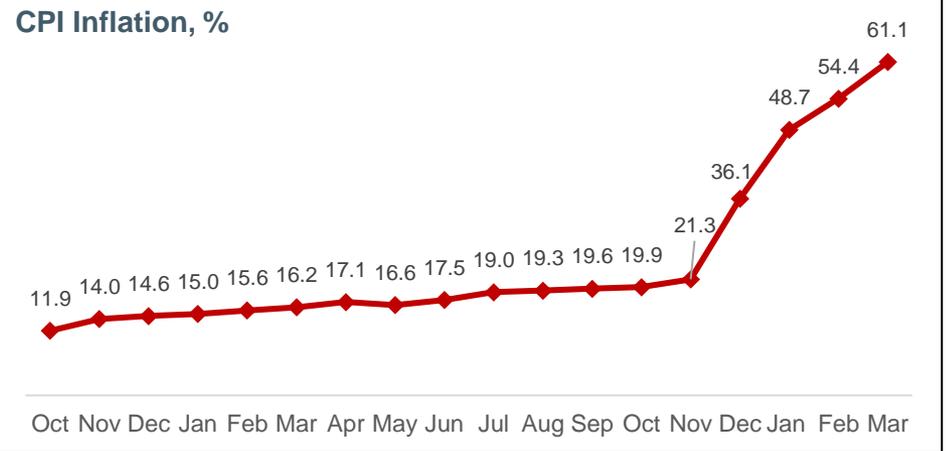


EBITDA Margin (excl. Other items)



Cost Dynamics

	1Q22/1Q21
Production Volume	-5%
Raw Material Costs	85%
€ / TL Average	76%



Source: Ford Otosan, CBT, Turkstat

Debt Profile & Financial Ratios

Cash Position (TL mn)	31.03.2022	31.12.2021
Cash & Cash Equivalents	15,175	14,174
Total Financial Debt	-25,067	-19,056
Net Financial Debt	- 9,892	- 4,882
Financial Ratios	31.03.2022	31.12.2021
Current ratio	1,43	1,58
Liquidity ratio	1,02	1,25
Net Debt / Tangible Net Worth	1,52	0,56
Net Debt / EBITDA*	0,83	0,47
Current Assets / Total Assets	0,75	0,77
Current Liabilities / Total Liabilities	0,63	0,64
Total Liabilities / Total Liabilities and Equity	0,83	0,76
Return on Equity	135.1%	86.7%
Margins	31.03.2022	31.03.2021
Gross Margin	13.3%	12.7%
EBITDA Margin	12.3%	12.1%
EBITDA Margin (excl.other items)	10.7%	11.1%
Operating Margin	11.2%	10.6%
Net Margin	10.1%	11.2%

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

2022 Guidance

	2021A	2022F
Turkish Industry Volume	766 K	800 K – 850 K
Ford Otosan Retail Sales Volume	74 K	90 K – 100 K
Exports	289 K	350 K – 360 K
Wholesale Volume	362 K	440 K – 460 K
Production Volume	348 K	430 K – 440 K
Capex (fixed assets)	€ 309 mn	€ 620 – 670 mn

- Ford Otosan provides guidance 4 times a year as part of quarterly financial statements.
- Guidance updated in April 2022 with 1Q22 results. Next update will be in August 2022 as part of 1H22 results.

Q & A

