



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

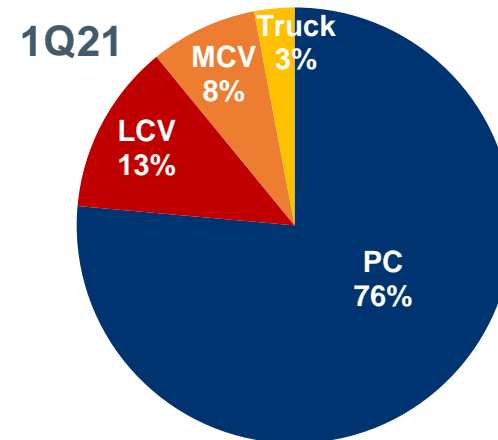
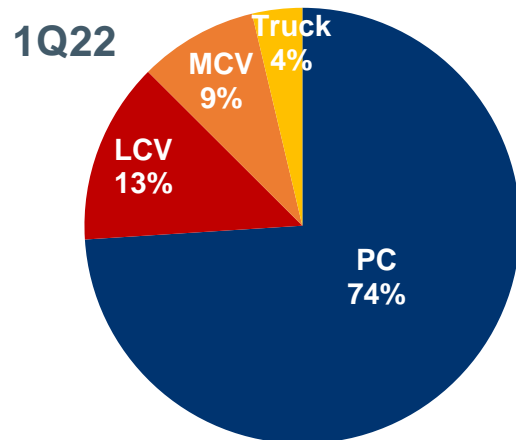
Commitment to dividends: TL 4.6 billion dividend payment

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 |

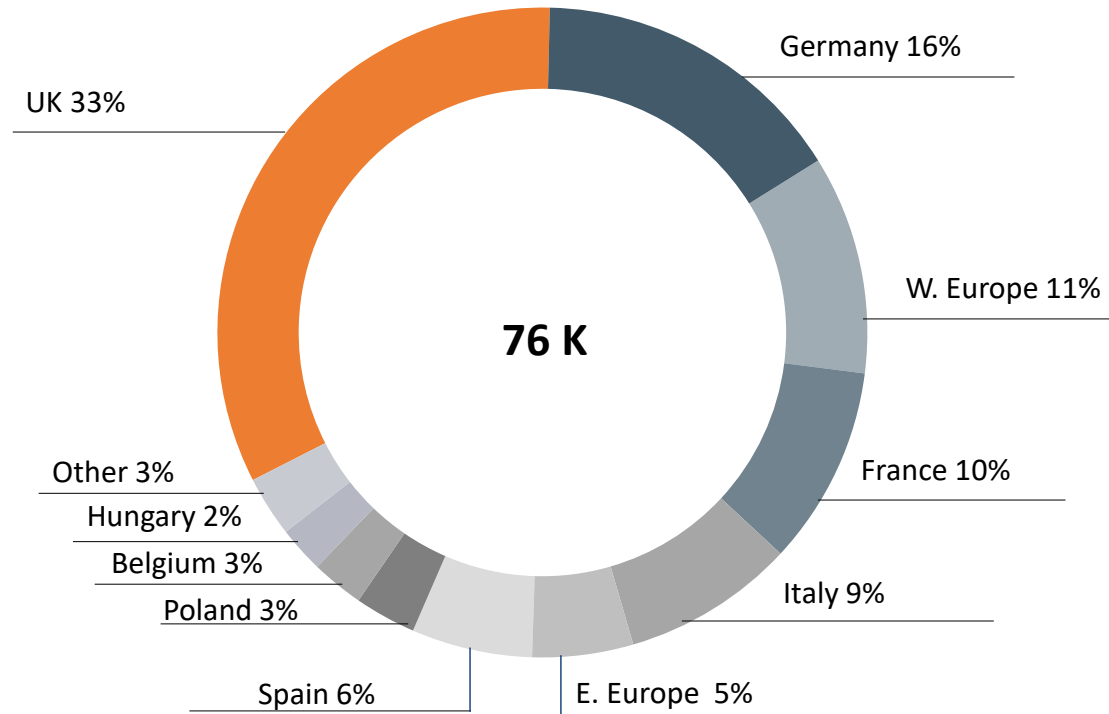
CV Strategy: Profitable growth



Export Performance

Turkey's Export Champion

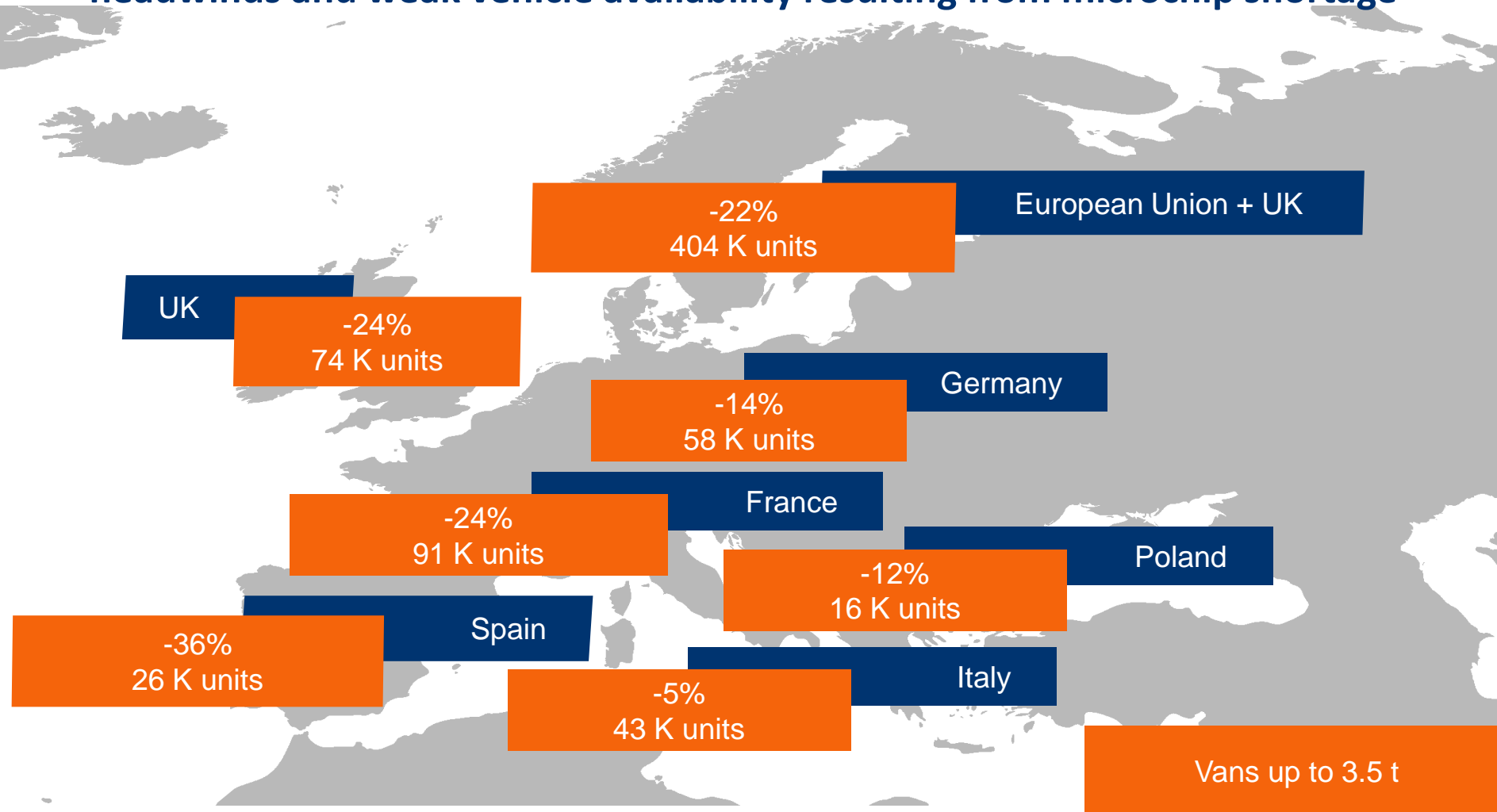
Export breakdown (1Q22, units)



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



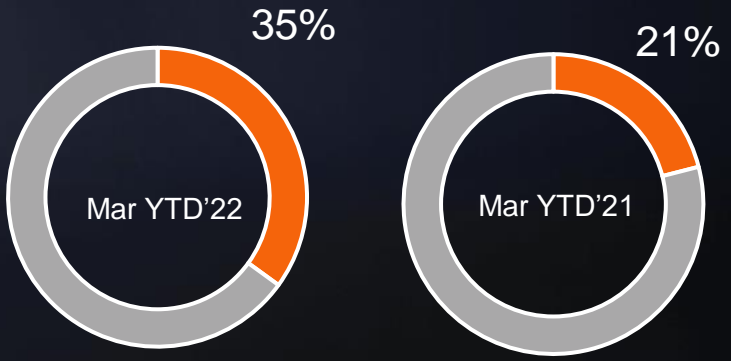
Source: ACEA; 26 European markets + UK

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



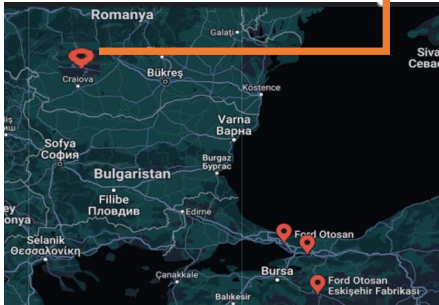
The main driver of strong performance is the rising volumes from Western Europe as a result of the international expansion strategy

*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



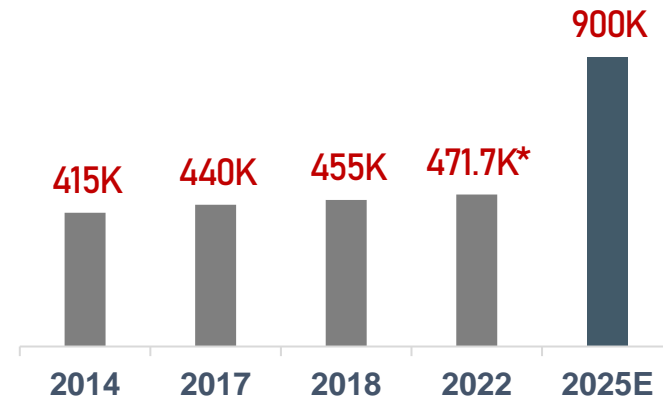
✓ Become an International Manufacturing Company

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



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

900K
↑



*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.

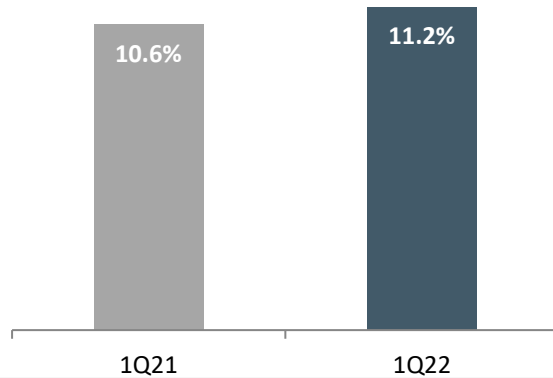
Summary Balance Sheet & Cash Flow Statement

| 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% |

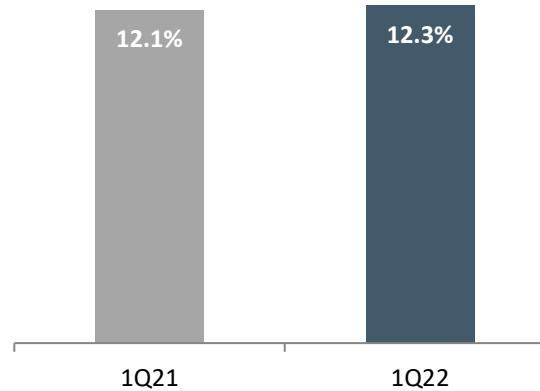
| Cash Flow Statement, Million TL | 31.3.2022 | 31.3.2021 | YoY Δ |
|---|-----------|-----------|-------|
| Beginning Balance of Cash & Equivalents | 14,106 | 8,074 | 75% |
| Net Cash from Operating Activities | 3,962 | 1,338 | 196% |
| Net Cash Used in Investing Activities | -2,257 | -327 | 589% |
| 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 |

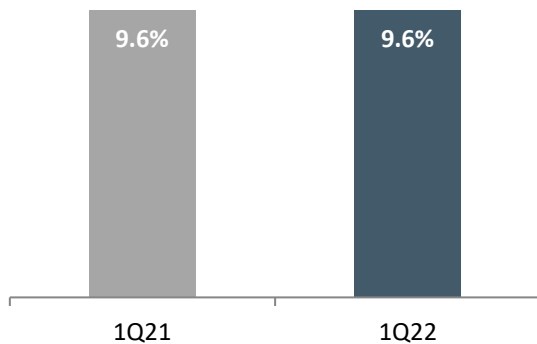
Drivers:

- + 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)

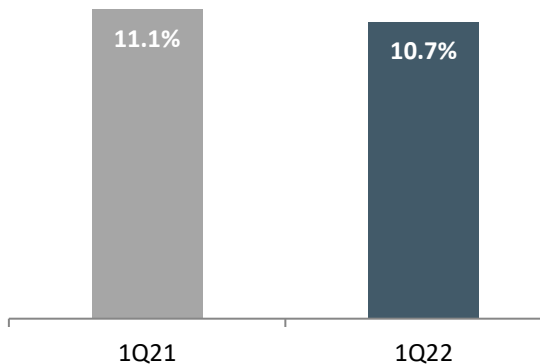
Challenges:

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

Operating Margin (excl. Other items)



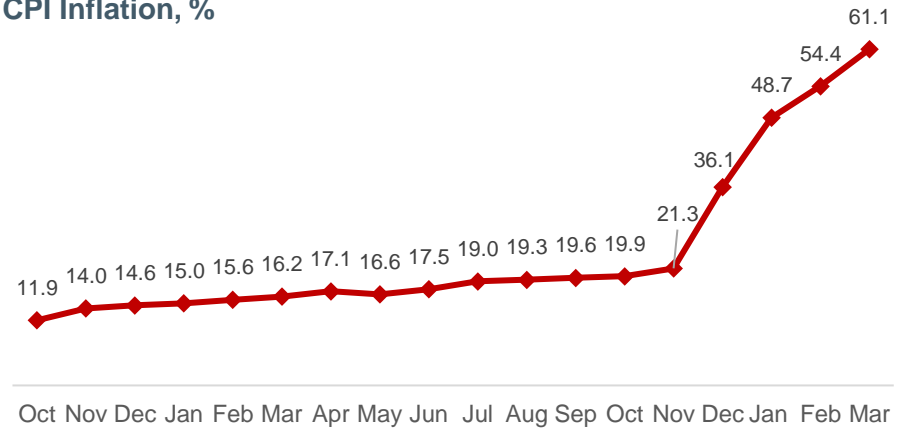
EBITDA Margin (excl. Other items)



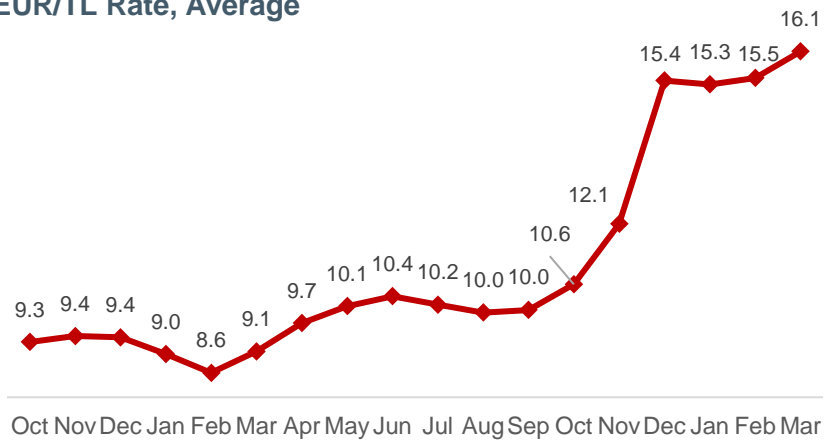
Cost Dynamics

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

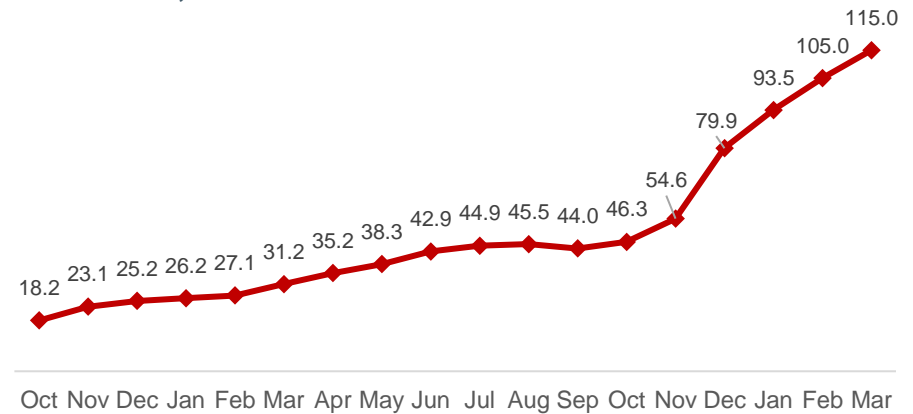
CPI Inflation, %



EUR/TL Rate, Average



PPI Inflation, %



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

