

**Highlights**

<u>Financial Results</u>	<u>Million TL</u>	<u>YoY Change</u>
Revenues	39.209	18%
Export Revenues	33.375	22%
Domestic Revenues	5.834	-3%
Operating Profit	2.422	6%
EBITDA	3.198	12%
EBITDA excluding other income/expense	3.350	18%
Profit Before Tax	1.950	11%
Net Income	1.959	16%

<u>Volumes</u>	<u>Units</u>	<u>YoY Change</u>
Total Wholesale Volume	382.919	-3%
Export Volume	334.455	2%
Domestic Wholesale Volume	48.464	-26%
Domestic Retail Volume	49.473	-28%
Market Share	10,1%	-0.7 pps
Production	369.027	-1,3%
Capacity Utilization Rate	81%	-1.0 pps

Decline in CUR due to  
1)Transit facelift transition in  
2Q19 and 2) supplier issue  
causing temporary delays in  
production schedule in 4Q19.

Summary Income Statement, Million TL	31.12.2019	31.12.2018	% Change
<b>Revenues</b>	39.209	33.292	18%
Export	33.375	27.303	22%
Domestic	5.834	5.989	-3%
<b>Gross Profit</b>	4.015	3.459	16%
<b>Operating Profit</b>	2.422	2.285	6%
Financial Income/(Expense)	-471	-520	-10%
<b>Profit Before Tax</b>	1.950	1.761	11%
<b>Net Income</b>	1.959	1.683	16%
<b>Other Financial Data</b>			
Depreciation and Amortization	776	569	36%
EBITDA	3.198	2.854	12%
EBITDA excluding other income/expense	3.350	2.840	18%
Capital Expenditures	-1.053	-1.190	-12%

**Revenues**

Turkish auto industry contracted 23% in 2019 to 487,671 units. Sales declined across all segments YoY: PC -20%, LCV -27%, MCV -37% and Heavy Trucks -37%. PC industry share was 79.4% (2018: 76.6%). LCV industry share was 10% (2018: 10.5%). Ford Otosan maintained its CV leadership with 34% record market share. Total industry ranking was #3 with 10.1% market share and 49,473 unit retail sales.

FY Domestic Revenues were TL 5,834 million. Ongoing focus on high margin products (PC share down 5 pps; MCV and Truck share up 1 pps each, YoY, in our domestic sales mix) and pricing discipline limited the revenue decline to a mere 3% despite 26% lower volumes. In 4Q19, our Domestic Revenues increased by 60% driven by 54% volume growth.

FY Export Revenues rose 22% YoY to TL 33,375 million, driven by industry growth, ongoing strong demand for our products and currency impact. Due to a supplier issue causing temporary delays in Transit production schedule in 4Q19, export volumes declined by 5% in the quarter. Export volumes grew 2% YoY to 334,455 units, highest on record. Share of exports in total revenues was 85% (2018: 82%). Total Revenues were up 18% YoY to TL 39,209 million driven by the strong export performance.

**Profitability**

Profitability was strong in FY19 despite the weak domestic market and ongoing cost pressures resulting from the currency and high inflation (lag effect). Meanwhile i- rising export demand, ii- sales mix and pricing discipline, iii- cost reduction actions and strong OpEx control resulting in consistently good OpEx/Sales performance supported profitability. The domestic market recovery in 4Q had a significant contribution to profitability.

Revenues (TL 39,209 million) were up 18% YoY. Gross Profit (TL 4,015 million) grew by 16% YoY. EBITDA grew 12% YoY to TL 3,198 million and **EBITDA per vehicle grew for the 3rd consecutive year** to EUR 1,376. EBITDA excluding the currency impact was up 18% YoY to TL 3,350 million. Operating Profit rose by 6% YoY mainly explained by an increase of net other expense due to growing non-cash financial expenses on trade payables of material purchases driven by higher interest rates (reported under Unearned Financial Expense).

Net Financial Expenses declined 10% YoY driven by lower Net FX Loss, mainly explained by lower devaluation than 2018. Profit Before Tax increased 11% YoY to TL 1,950 million. Net Income for 2019 was TL 1,959 million, up 16% and higher than PBT due to Tax Income Resulting from Deferred Tax Asset.

FY Margins: Gross 10.2% (-0.1 pps YoY); EBITDA 8.2% (-0.4 pps YoY); EBITDA excluding other income 8.5% (flat YoY); Operating 6.2% (-0.7 pps YoY); and Net 5.0% (-0.1 pps YoY).

4Q19 Margins: Gross 10.0% (+0.5 pps YoY); EBITDA 9.2% (+3.6 pps YoY); EBITDA excluding other income 8.5% (+0.4 pps YoY); Operating 7.4% (+3.3 pps YoY); and Net 5.4% (+1.3 pps YoY).

<b>Sales Volume by Model, units</b>	<b>31.12.2019</b>	<b>31.12.2018</b>	<b>% Change</b>
<b>Domestic Sales</b>	<b>48.464</b>	<b>65.768</b>	<b>-26%</b>
Passenger Car	11.460	18.987	-40%
Transit Courier	16.768	19.659	-15%
Transit Connect	208	1.060	-80%
Light Commercial Vehicle	16.976	20.719	-18%
Transit	12.972	16.350	-21%
Transit Custom	3.394	4.690	-28%
Ranger	821	1.496	-45%
Medium Commercial Vehicle	17.187	22.536	-24%
Truck	2.841	3.526	-19%
<b>Export Sales</b>	<b>334.455</b>	<b>328.892</b>	<b>2%</b>
Transit Custom	175.985	168.174	5%
Transit	116.805	120.154	-3%
Transit Courier	38.941	38.553	1%
Truck	2.671	1.817	47%
Other	53	194	-73%
<b>Total Wholesale Volume</b>	<b>382.919</b>	<b>394.660</b>	<b>-3%</b>

Total Domestic Automotive Industry	487.671	634.540	-23%
Ford Otosan Retail Sales	49.473	68.838	-28%
Ford Otosan Market Share	10,1%	10,8%	-0.7 pps

<b>Summary Balance Sheet, Million TL</b>	<b>31.12.2019</b>	<b>31.12.2018</b>	<b>% Change</b>
Current Assets	10.157	7.395	37%
Current Liabilities	8.645	7.220	20%
Property, Plant and Equipment - Net	4.437	3.923	13%
Total Assets	16.406	13.184	24%
Total Liabilities	11.741	9.291	26%
Shareholders' Equity	4.665	3.893	20%

<b>Financial Ratios</b>	<b>31.12.2019</b>	<b>31.12.2018</b>
Current Ratio	1,17	1,02
Liquidity Ratio	0,87	0,64
Net Debt / Tangible Equity	0,78	1,01
Net Debt / EBITDA	0,94	1,08
Current Assets / Total Assets	0,62	0,56
Current Liabilities / Total Liabilities	0,74	0,78
Total Liabilities / Total Liabilities and Equity	0,72	0,70
Return on Equity	42,0%	43,2%
	<b>31.12.2019</b>	<b>31.12.2018</b>
Gross Margin	10,2%	10,4%
EBITDA Margin	8,2%	8,6%
EBITDA Margin excluding other income/expense	8,5%	8,5%
Operating Margin	6,2%	6,9%
Net Income Margin	5,0%	5,1%

<b>Summary Cash Flow Statement, Million TL</b>	<b>31.12.2019</b>	<b>31.12.2018</b>	<b>% Change</b>
Beginning Balance of Cash & Equivalents	1.391	1.803	-23%
Net Cash Generated from Operating Activities	3.008	2.176	38%
Net Cash Used in Investing Activities	-1.049	-1.145	-8%
Net Cash Used in Financing Activities	-150	-1.444	-90%
End of Period Balance of Cash & Equivalents	3.200	1.391	130%

<b>2020 Guidance</b>	
Total Industry Volume	580 K - 630 K
Ford Otosan:	
Retail Sales Volume	60 K - 70 K
Export Volume	330 K - 340 K*
Wholesale Volume	390 K - 410 K
Production Volume	370 K - 380 K
Capex (fixed assets)	€180 -200 million

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\* Includes the impact of Courier derivative deletion to comply with emission requirements