



1H21 Financial Results Meeting

9 August 2021

Agenda

- **1H21 Evaluation**
- **Domestic Sales Performance**
- **Export Performance**
- **Since We Last Met**
- **Financial Results**
- **Q & A**

1H21 Evaluation

1H21 Highlights

Rank #1 in CV segment with 30.7% market share

LCV: 30.6%

MCV: 33.9%

Truck: 23.5%

Strong Capacity Utilization Rate despite suspension of production for 41 days at Gölcük Plant and 21 days at Eskişehir Plant.

Total 69%

Gölcük 75%

Eskişehir 75%

14.8% Ford CV market share in Europe

+0.4 pps YoY

Strong Profitability

EBITDA p.v. €1,969

PBT p.v. €1,799

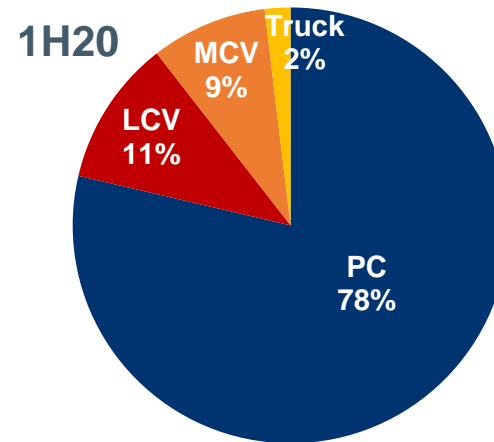
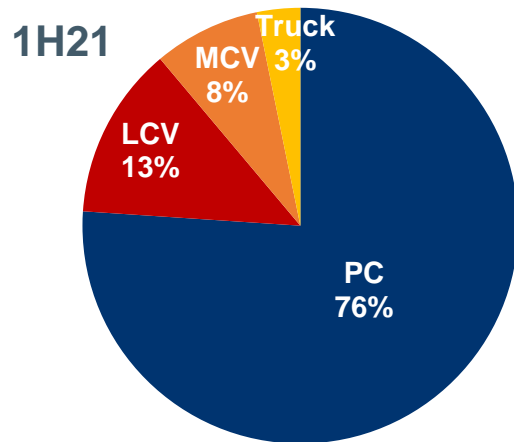
Resilient foreign share in free float

71% as of 1H

Domestic Sales Performance

CV Industry Share Rose YoY

Segments	1H21	1H20	Δ
Passenger Cars	310.325	203.595	52%
Light Commercial	52.141	28.102	86%
Medium Commercial	32.235	22.371	44%
Truck	13.174	4.818	173%
Total*	408.946	259.471	58%



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

Domestic Sales Performance - I

Rank	Brand	1H21 Sales	1H20 Sales	Market Share %	YoY Δ
Total Industry					
1	Fiat	61.295	39.557	15,0	-0,3
2	VW	43.358	23.756	10,6	1,4
3	Renault	40.947	37.444	10,0	-4,4
4	Ford	38.778	26.425	9,5	-0,7
5	Toyota	31.007	11.977	7,6	3,0
Passenger Cars					
1	Fiat	41.110	25.212	13,2	0,9
2	Renault	38.278	36.305	12,3	-5,5
3	VW	34.690	18.885	11,2	1,9
4	Toyota	27.590	11.626	8,9	3,2
5	Skoda	17.577	7.649	5,7	1,9
14	Ford	8.800	6.997	2,8	-0,6

PC strategy: Profitability over market share



Domestic Sales Performance - II

Rank	Brand	1H21 Sales	1H20 Sales	Market Share %	YoY Δ
LCV					
1	Fiat	18.071	12.484	34,7	-9,8
2	Ford	15.946	7.753	30,6	3,0
3	VW	4.401	2.359	8,4	0,0
4	Dacia	3.819	1.821	7,3	0,8
5	Peugeot	3.318	1.535	6,4	0,9
MCV					
1	Ford	10.931	10.236	33,9	-11,8
2	VW	4.267	2.512	13,2	2,0
3	Mercedes	2.963	2.067	9,2	0,0
4	Mitsubishi	2.231	1.143	6,9	1,8
5	Fiat	2.114	1.861	6,6	-1,8
Truck					
1	Mercedes	5.072	1.904	38,5	-1,0
2	Ford	3.101	1.439	23,5	-6,3
3	Scania	1.635	261	12,4	7,0
4	MAN	1.170	402	8,9	0,5
5	Renault	787	337	6,0	-1,0

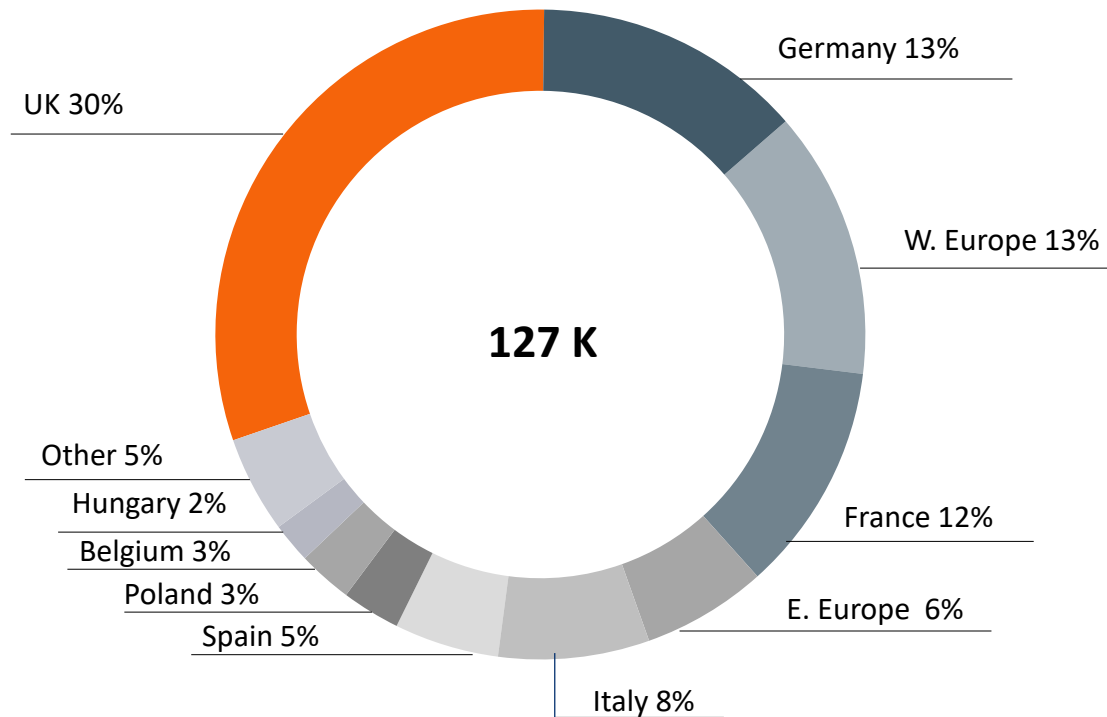
CV Strategy: Profitable growth



Export Performance

Turkey's Export Champion

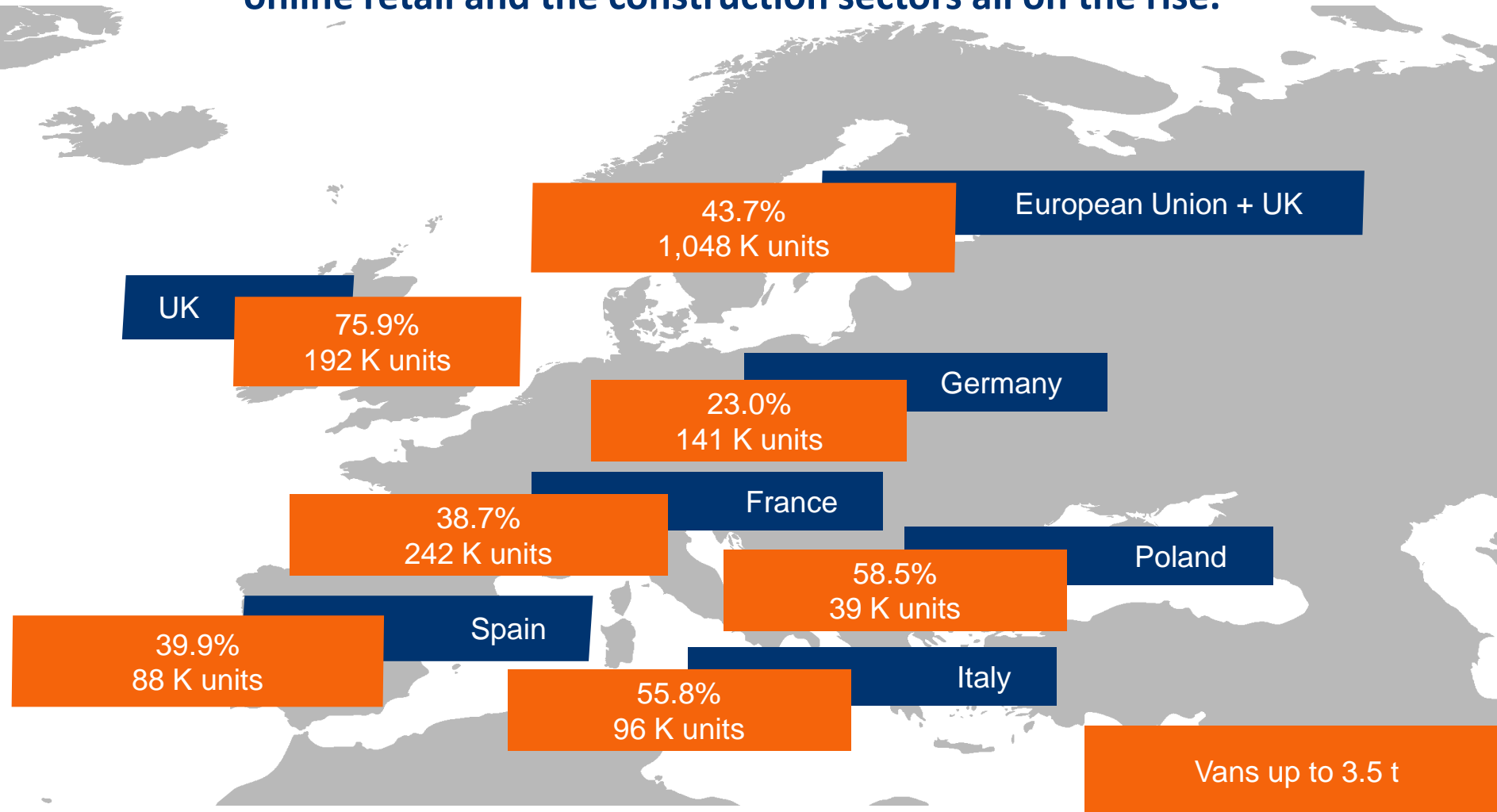
Export breakdown (1H21, units)



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

EU Van Registrations Grew by 44% in 1H21

Commercial Vehicle market continued to perform well, with pent up demand, online retail and the construction sectors all on the rise.



Source: ACEA; 26 European markets + UK

Strong Recovery in European Vans

Van registrations grew 44% vs 27% growth in PCs in June YTD

Vans up to 3.5 tons: Ford Otosan's export segment

% Change	Jan		Feb		Mar		Apr		May		Jun		YTD	
Year	'21	'20	'21	'20	'21	'20	'21	'20	'21	'20	'21	'20	'21	'20
UK	2	6	22	-2	86	-54	799	-86	289	-74	14	-25	76	-45
Germany	-19	-3	-2	-4	36	-25	71	-47	48	-46	28	-18	23	-25
Italy	-9	-2	11	-6	269	-71	972	-90	48	-35	2	-5	56	-36
Spain	-31	-20	-18	-6	169	-67	771	-91	89	-59	-5	-20	40	-46
France	7	-9	-5	3	183	-65	471	-84	31	-33	-10	8	39	-31
Poland	5	-18	24	-11	78	-33	163	-56	90	-43	45	-14	59	-30
Total	-6	-8	3	-4	102	-51	250	-72	68	-46	10	-13	44	-34
Total YTD	-6	-8	-2	-6	27	-25	51	-37	54	-39	44	-34		

Registrations (Units):

June '21 YTD: 1,048 K

June '20 YTD: 730 K

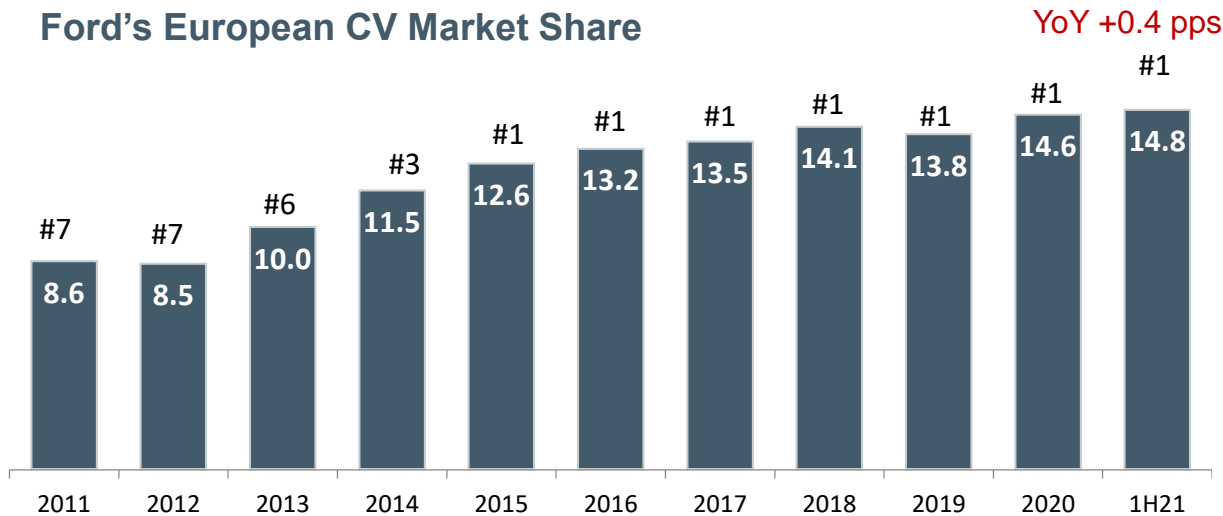
'It's good to see the van market continue to perform well, with **pent up demand**, **online retail** and the **construction sectors** all on the rise. Semiconductor supply issues have extended lead times, but **business confidence is growing** and fleets are embarking on **decarbonisation programmes**' – SMMT chief Mike Hawes

* 26 European markets + UK

Ford Remains Europe's Top-Selling CV Brand

Home delivery trend fosters Ford's success in CV segment and leads to new records.

Ford's European CV Market Share



Ford continued to be **No. 1 CV brand in Europe for the quarter and YTD**

No. 1 CV brand in 8 markets YTD
(UK, ES, DK, FI, IRL, GR, HU, TR)

Ford continued to perform strongly in Q2 and **Ford's CV sales grew 60% YoY.**

Ford Transit Custom remained Britain's best-selling van.

Source: Ford of Europe 1H21 Sales Release, reporting sales for its 20 European traditional markets.
In line with the Ford global standard, the sales reports are published quarterly.

Ford Otosan: Key Driver of Ford's Market Share

and Pillar of profitability for Ford of Europe



Courier



Connect
(Produced in Spain)



Custom



Transit

FORD OTOSAN produces

87%

of Transit Family vans
sold in Europe

W. Europe is the Key Priority

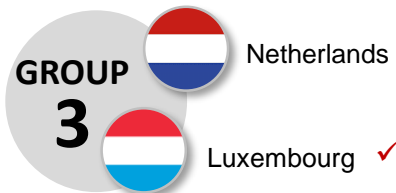
2019

Group 1



2021 – 2022

Group 2&3



2023 – 2024

Group 4&5



151% YoY growth in Ford Trucks' International Sales

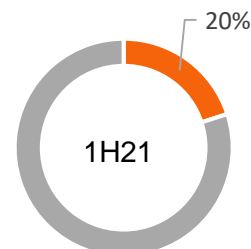
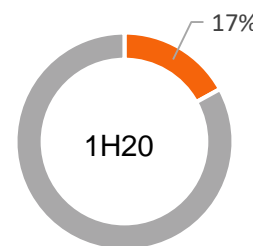
HCV up to 16 tons: Ford Trucks' main export markets

YoY Δ	2018	2019	2020	Jan' 21	Feb' 21	Mar' 21	Apr' 21	May' 21	Jun' 21	YTD 21
Poland	9	-6	-29	10	51	127	295	222	68	106
Italy	5	-10	-11	8	15	75	181	71	47	52
Spain	-4	3	-23	-9	10	96	115	129	27	43
Czech Republic	-1	2	-30	-14	13	59	89	140	65	51
Lithuania	19	-11	-36	59	60	-23	254	583	231	98
Romania	19	-6	-41	-7	19	75	281	161	41	67
Hungary	8	-15	-38	31	-3	86	200	150	101	74
Portugal	-5	-7	-11	-18	34	85	353	159	97	70
Bulgaria	34	-9	-36	-12	8	85	298	256	114	68
Slovakia	0	-20	-44	-9	41	86	347	126	78	78
Russia	2	-1	-7	-17	11	46	110	77		

Source: ACEA and NAPI.

Volumes	1H20	1H21	YoY Growth
Ford Trucks' International Markets	62.771	101.752	62%
Ford Trucks' International Sales	867	1.865	151%

Share of WE in F-Trucks
International Sales



Since We Last Met

EBRD Loan Agreement to finance 1-Ton New Generation CV Investment

The financing, shared by the EBRD and commercial lenders, is part of the Bank's drive to fund the green transition and supports Ford's aim of leading the electrification of the automotive industry for a climate-friendly, more sustainable future.

- €650 million loan agreement signed with EBRD on July 14, 2021
 - ✓ € 175 million will be funded by EBRD
 - ✓ € 475 million will be delivered by a syndicate of lenders (Akbank AG, Bank of China Limited, BNP Paribas Fortis Sa-Nv Brussels, Emirates NBD Bank PJSC, Green for Growth Fund Southeast Europe S.A. SICAV-SIF, HSBC Bank Middle East Limited, Industrial and Commercial Bank of China Limited, Mediobanca – Banca di Credito Finanziario S.p.A., MUFG Bank Ltd, Qatar National Bank (Q.P.S.C.), Société Générale.)
- € 325 million has a 5-year term with 2-years grace period at Euribor + 2.30%
- € 325 million has a 7-year term with 2-years grace period at Euribor + 2.45%
- The funds are expected to be utilized till January 31, 2022.

Ford accelerated investments and increased planned total spending on electrification, including battery development, to more than \$30 billion by 2025.

Investing in battery technology and equipping Ford to design, engineer and manufacture its own batteries

Ford Ion Park

- Creating **Ford Ion Park**, a global center of battery excellence comprising more than 150 experts in battery chemistries, testing, manufacturing and value-chain management who will boost battery range and lower costs to customers and Ford.

IonBoost+

- Vertically integrating battery technology with an extensive range of EV batteries – **IonBoost** lithium ion; IonBoost Pro lithium iron phosphate for commercial vehicles; and long-range, low-cost solid-state batteries based on Ford's own engineering and know-how from Solid Power, in which the company holds an equity stake.

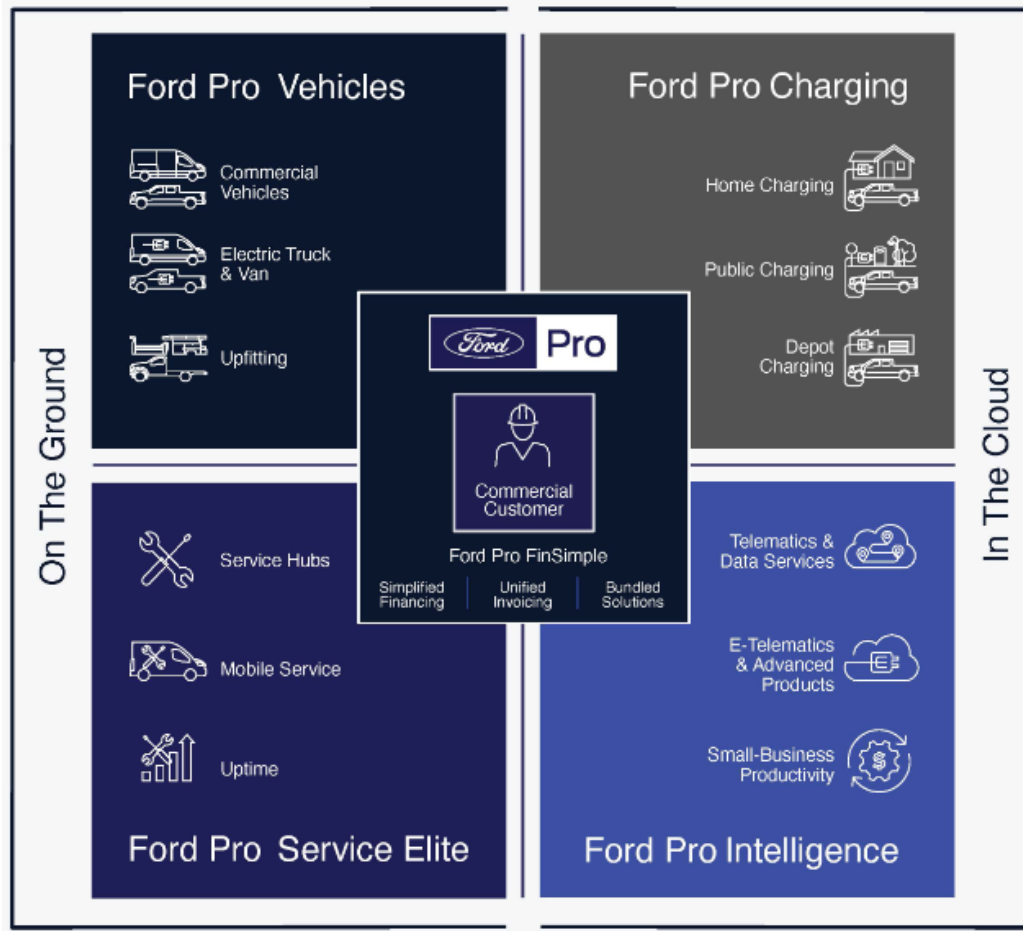


- Forming a joint venture, **BlueOvalSK**, with SK Innovation to manufacture battery cells and arrays at two plants in the U.S. for future Ford and Lincoln vehicles. BlueOvalSK to produce approximately 60 gigawatt hours (GWh) annually with potential to expand, starting mid-decade.

Ford anticipates 40% of Ford's global vehicle volume to be fully electric by 2030.

Creating a Business Dedicated to Commercial Customers

Establishing Ford Pro, a global vehicle services and distribution business within Ford devoted to commercial and government customers.



- Providing customers with greater value and higher productivity through:
 - The industry's most comprehensive and flexible range of electric and internal-combustion commercial vehicles
 - Digital and physical services that can help optimize and maintain customer fleets
 - Public, depot and employee home charging of EVs for the next day's work, and
 - Bundled financing of vehicles, services and charging.
- Increasing the commercial market for hardware and adjacent and new services that's addressable by Ford – with anticipated **company revenue of \$45 billion by 2025, up from \$27 billion in 2019.**

2020 Sustainability Report



We have published our 2020 Sustainability Report in July 2021.

Our Sustainability Report provides information and insights about the strategy, performance, goals and progress in the environmental, social, ethical, and economic areas of Ford Otosan in the period from January 1 to December 31, 2020.

2020 Sustainability Report is available at:

https://www.fordotosan.com.tr/documents/Documents/Surd_Raporlari/sustainabilityreport2020.pdf

Initial Investments from *driventure*

Driventure (2019) is Ford Otosan's Special Purpose Entity in charge of venture capital, seeking strategic value creation for fostering company's future.

Bluedot

Next generation marketing tool for businesses while improving the charging experience by increasing interaction between electric car users and stations.



optiyol

B2B Software solution which helps retailers and carriers for end-to-end optimization of logistics; from planning with advanced algorithms to execution with a driver app. Optiyol reduces fuel costs by 15-20%, fleet size by 5-10% and improves on-time performance by 30%.



1H21 Results

Highlights

TL 26,787 million

Revenues, 77% YoY

- Total volumes 34%
- Export volumes 31%
- Domestic volumes 42%

TL 19,891 million

Export Revenues, 72% YoY

- 31% volume growth
- Cost plus export structure
- Exchange impact
- Positive sales mix

TL 6,896 million

Domestic Revenues, 94% YoY

- 42% volume growth
- Positive sales mix
- Ongoing pricing discipline

TL 3,312 million

EBITDA, 94% YoY

- Strong export performance despite the temporary 2Q weakness due to the semi-conductor shortage
- Robust domestic volumes
- Pricing discipline
- Ongoing cost reduction measures and OpEx control
- Exchange impact (average EUR/TRY up 33% in 1H21 YoY)
- Cost-plus export contracts

TL 3,070 million

EBITDA excl. Currency impact,
101% YoY

TL 2,793 million

PBT, 213% YoY

- Strong cash position and rising interest rates driving 2140% YoY growth in Net Interest Income

TL 2,819 million

Net Income, 210% YoY

- Higher than PBT due to Tax Income Resulting from Deferred Tax Asset in 1H21.

Volume & Revenue Analysis

	1H21/1H20		2Q21/2Q20	
	Volume	Revenue	Volume	Revenue
Total	34%	77%	39%	84%
Strong export performance, robust domestic volumes and pricing discipline				
Export	31%	72%	37%	82%
Volume growth, cost plus export structure, exchange impact and sales mix				
Domestic	42%	94%	43%	88%
Volume growth, positive sales mix and ongoing pricing discipline				

Sales Volume by Model

	1H21	1H20	YoY%	2Q21	2Q20	YoY%
Total Domestic	37.543	26.419	42%	16.373	11.451	43%
PC	6.283	5.997	5%	2.360	2.459	-4%
LCV	17.593	8.921	97%	8.649	4.003	116%
Transit Courier	17.286	8.720	98%	8.523	3.946	116%
Transit Connect	307	201	53%	126	57	121%
MCV	10.501	10.100	4%	4.045	4.197	-4%
Transit	8.060	7.684	5%	2.654	3.034	-13%
Transit Custom	1.644	1.932	-15%	692	774	-11%
Ranger	797	484	65%	699	389	80%
Truck	3.166	1.401	126%	1.319	792	67%
Total Export	126.603	96.452	31%	41.084	29.912	37%
Transit Custom	70.077	51.898	35%	19.661	14.442	36%
Transit	42.802	33.342	28%	14.238	11.827	20%
Transit Courier	11.886	10.323	15%	6.225	3.148	98%
Truck	1.820	886	105%	960	493	95%
Other	18	3	500%	-	2	-100%
Total Wholesale	164.146	122.871	34%	57.457	41.363	39%

Main Financial Indicators

Million TL	1H21	1H20	YoY %	2Q21	2Q20	YoY %
Total Revenues	26.787	15.094	77%	10.533	5.727	84%
Export	19.891	11.539	72%	7.354	4.034	82%
Domestic	6.896	3.555	94%	3.178	1.693	88%
Gross Profit	3.585	1.750	105%	1.517	679	123%
Operating Profit	2.802	1.265	122%	1.082	471	130%
EBITDA	3.312	1.708	94%	1.339	696	92%
EBITDA excluding other income/expense	3.070	1.526	101%	1.258	630	100%
Profit Before Tax	2.793	892	213%	975	280	248%
Net Income	2.819	909	210%	999	280	257%
Other Financial Data						
Depreciation & Amortization*	510	444	15%	258	225	15%
Financial Income / (Expense)	-11	-373	-97%	-105	-190	-45%

*1H21 numbers include TL 18 million (1H20: TL 22 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

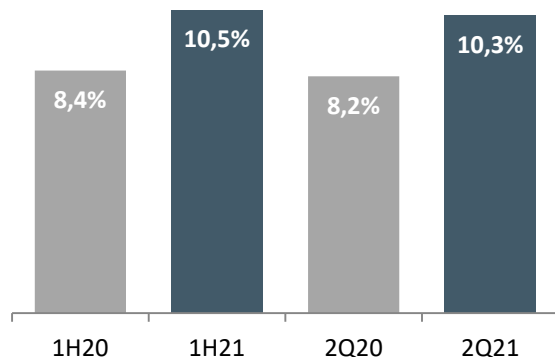
Balance Sheet, Million TL	30.06.2021	31.12.2020	YoY Δ
Current Assets*	16.179	17.605	-8%
Current Liabilities	12.002	12.481	-4%
Property, Plant and Equipment - Net	4.438	4.403	1%
Total Assets	23.656	24.349	-3%
Total Liabilities	16.680	17.305	-4%
Shareholders' Equity*	6.976	7.044	-1%

* Due to doubtful receivable provision regarding past periods, the 2021 Beginning Balances of Trade Receivables and Shareholders' Equity have been restated as detailed in Note 2.5 of the Financial Statements.

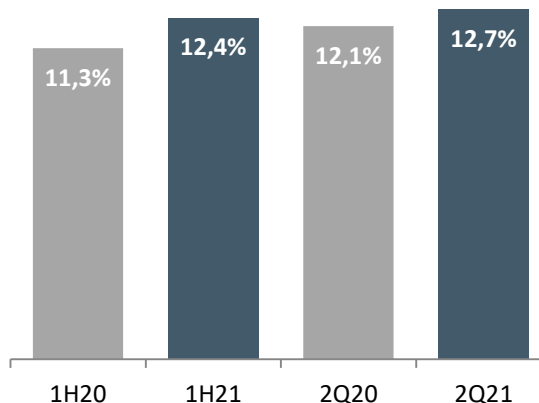
Cash Flow Statement, Million TL	30.06.2021	30.06.2020	YoY Δ
Beginning Balance of Cash & Equivalents	8.074	3.200	152%
Net Cash from Operating Activities	249	1.459	-83%
Net Cash Used in Investing Activities	-994	-340	192%
Net Cash Used in Financing Activities	-2.320	868	-367%
End of Period Balance of Cash&Equivalents	5.008	5.188	-3%

Margins

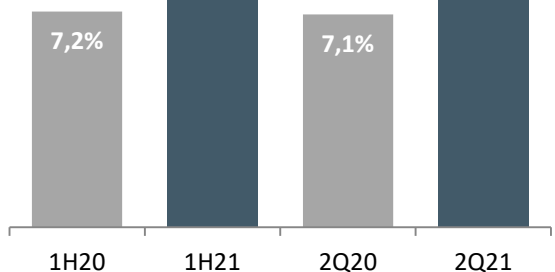
Operating Margin



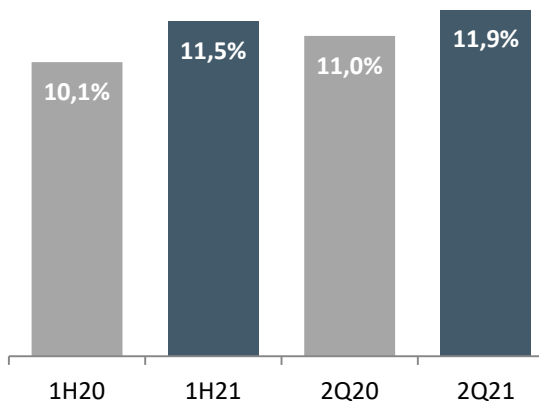
EBITDA Margin



Operating Margin (excl. Other items)



EBITDA Margin (excl. Other items)



Growing EBITDA and PBT per Vehicle

EBITDA, EUR	1H	2Q
2019	1,310	1,342
2020	1,739	2,016
2021	1,969	2,169

PBT, EUR	1H	2Q
2019	734	685
2020	1,016	895
2021	1,791	1,681

Drivers:

- + Strong export performance despite the temporary 2Q weakness due to the semi-conductor shortage
- + Robust domestic volumes
- + Pricing discipline
- + Ongoing cost reduction measures and OpEx control
- + Exchange impact (average EUR/TRY up 33% in 1H21 YoY).
- + Cost-plus export contracts

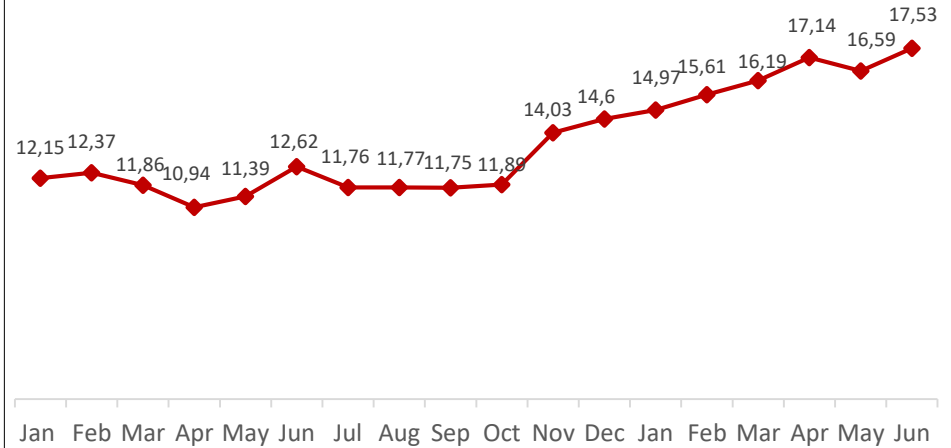
Challenges:

- TL volatility
- Increasing costs

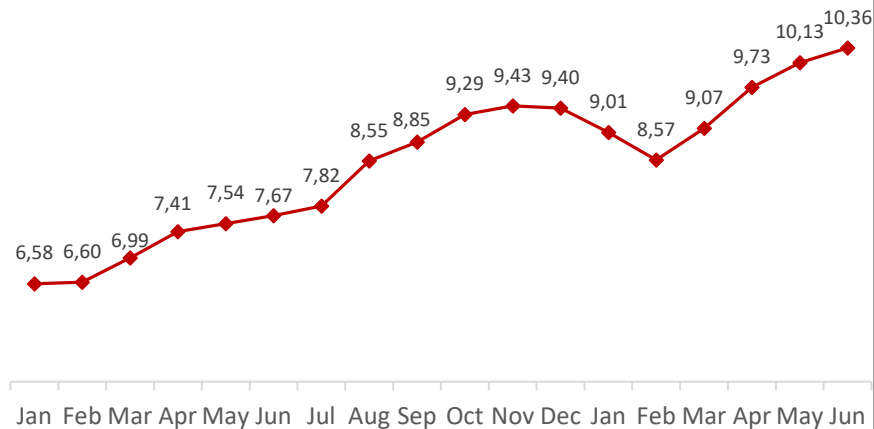
Cost Dynamics

	1H21/1H20	2Q21/2Q20
Production Volume	34%	46%
Raw Material Costs	81%	97%
€ / TL Average	33%	34%

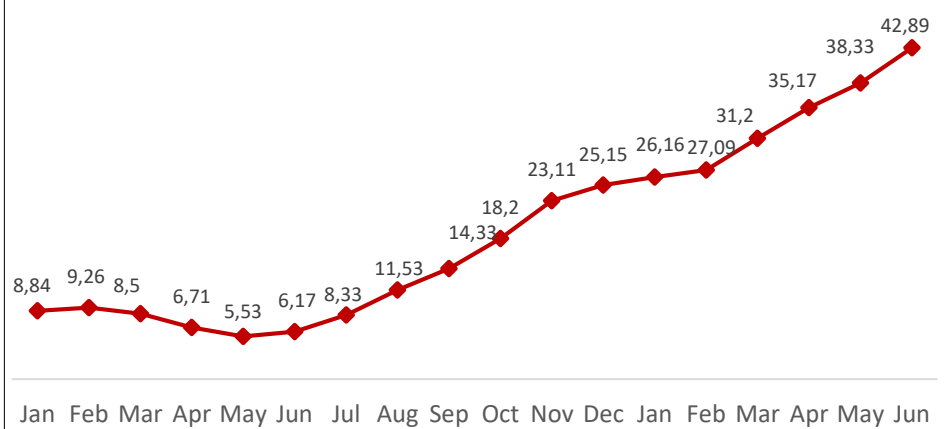
CPI Inflation. %



EUR/TL Rate, Average



PPI Inflation. %



Source: Ford Otosan, CBT, Turkstat

Debt Profile & Financial Ratios

Cash Position (TL mn)	30.06.2021	31.12.2020
Cash & Cash Equivalents	5.034	8.124
Total Financial Debt	-9.015	-8.081
Net Financial Debt	-3.982	43
Financial Ratios	30.06.2021	31.12.2020
Current ratio	1,35	1,41
Liquidity ratio	0,92	1,13
Net Debt / Tangible Net Worth	0,67	-0,01
Net Debt / EBITDA*	0,54	-0,01
Current Assets / Total Assets	0,68	0,72
Current Liabilities / Total Liabilities	0,72	0,72
Total Liabilities / Total Liabilities and Equity	0,71	0,71
Return on Equity**	80,8%	59,6%
Margins	30.06.2021	30.06.2020
Gross Margin	13,4%	11,6%
EBITDA Margin	12,4%	11,3%
EBITDA Margin (excl.other items)	11,5%	10,1%
Operating Margin	10,5%	8,4%
Net Margin	10,5%	6,0%

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

** Annualized Net Income / Shareholders Equity

2021 Guidance

	2020A	2021F
Turkish Industry Volume	791 K	900 K – 950 K
Ford Otosan Retail Sales Volume	98 K	95 K – 105 K
Exports	254 K	315 K – 325 K
Wholesale Volume	355 K	410 K – 430 K
Production Volume	328 K	390 K – 410 K
Capex (fixed assets)	€ 130 mn	€375 – 425 mn

- Ford Otosan provides guidance 4 times a year as part of quarterly financial statements.
- Guidance updated in August 2021 with 1H21 results. Next update will be in October 2021 as part of 9M21 results.

Q & A

