



9M19 Financial Results Meeting
31 October 2019

Agenda

- **9M19 Evaluation**
- **European Industry & Ford**
- **Financial Results**
- **Q & A**

9M19 Evaluation

9M19 Highlights

-  Record 9M exports **248,321 units**
-  Ford continued to lead European CVs **14% market share**
-  Ford Otosan remained Turkey's CV market leader **35% market share**
-  Operational efficiency remained high despite the temporary impact of Transit facelift transition **80% CUR**

Ford Otosan Strengthens Position in CV Segment

9M19
Domestic Sales

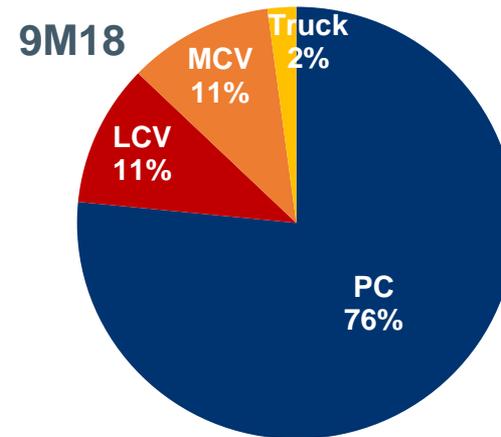
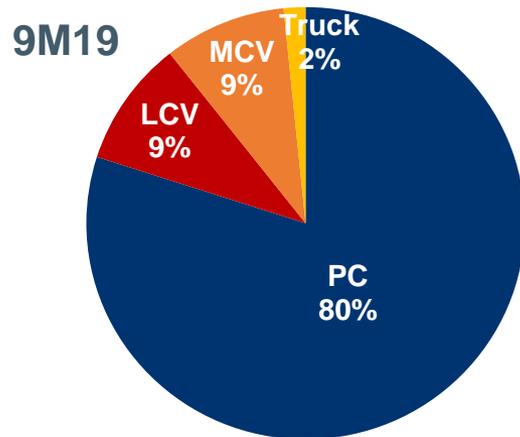
Segments	Industry	Ford Otosan	% Share	Ranking
Commercial Vehicles	57,155	19,748	34.6%	1
Light Commercial	26,924	7,964	29.6%	2
Medium Commercial	25,757	10,387	40.3%	1
Truck	4,474	1,397	31.2%	2
Passenger Cars	228,628	7,712	3.4%	12
Total	286,400*	27,460	9.6%	4

Ford's 4th
largest share
in Europe

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

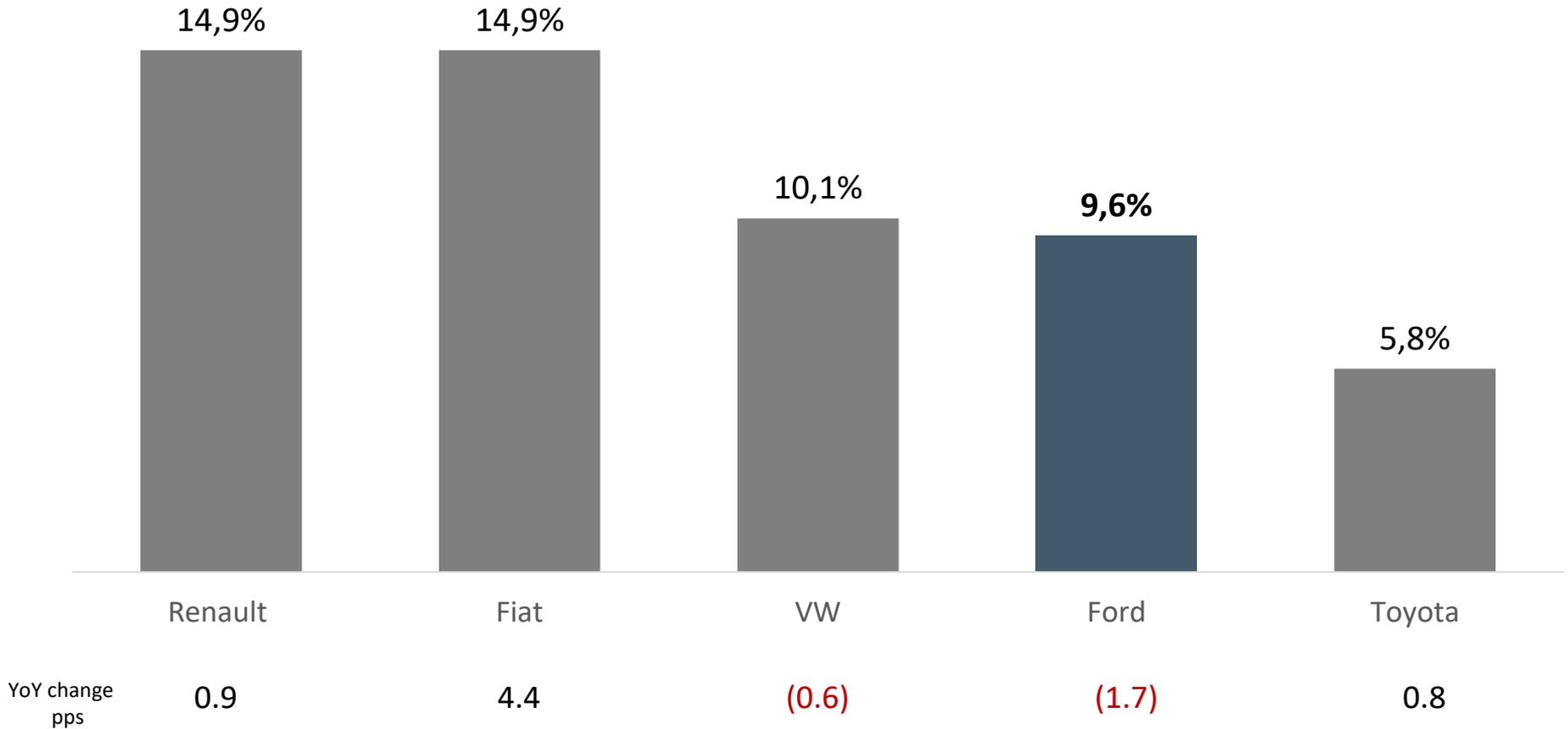
PC Industry Share Rose YoY

Segments	9M19	9M18	% Change
Passenger Cars	228.628	362.465	-37%
Light Commercial	26.924	50.243	-46%
Medium Commercial	25.757	50.748	-49%
Truck	4.474	9.851	-55%
Total*	286.400	474.565	-40%



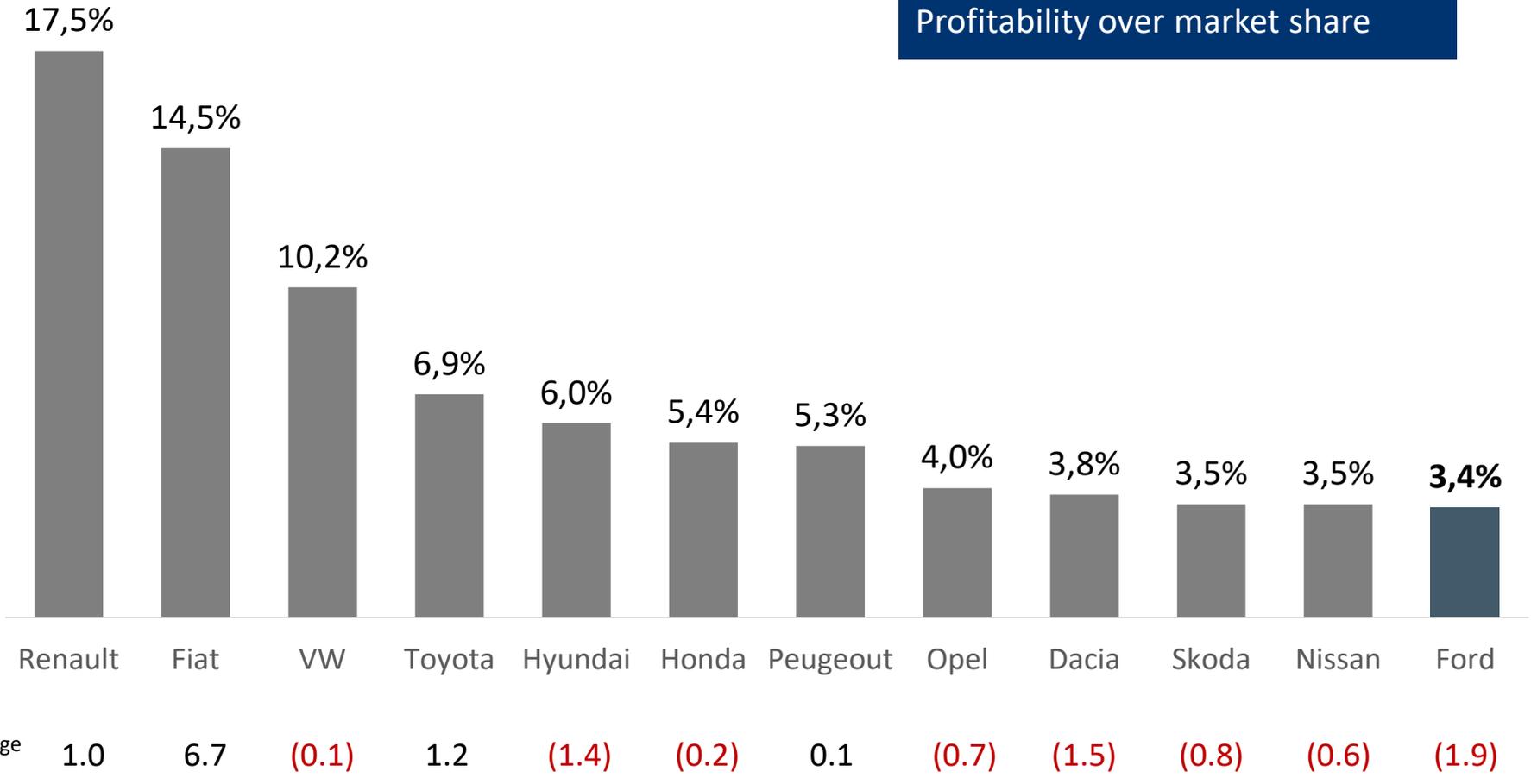
* Total industry volumes include PC, LCV, MCV, HCV and Truck sales.

Total Industry Market Shares, 9M19



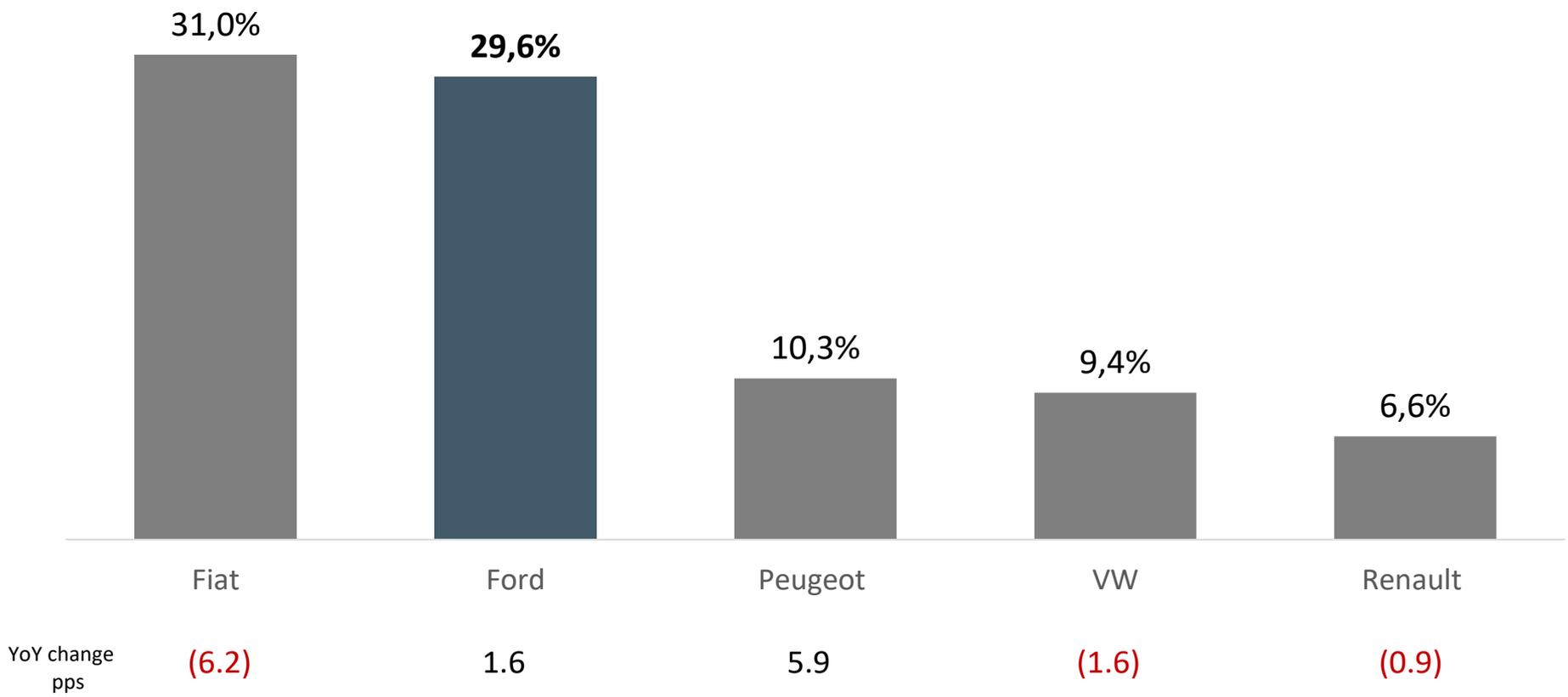
PC Market Shares, 9M19

Strategy:
Profitability over market share



LCV Market Shares, 9M19

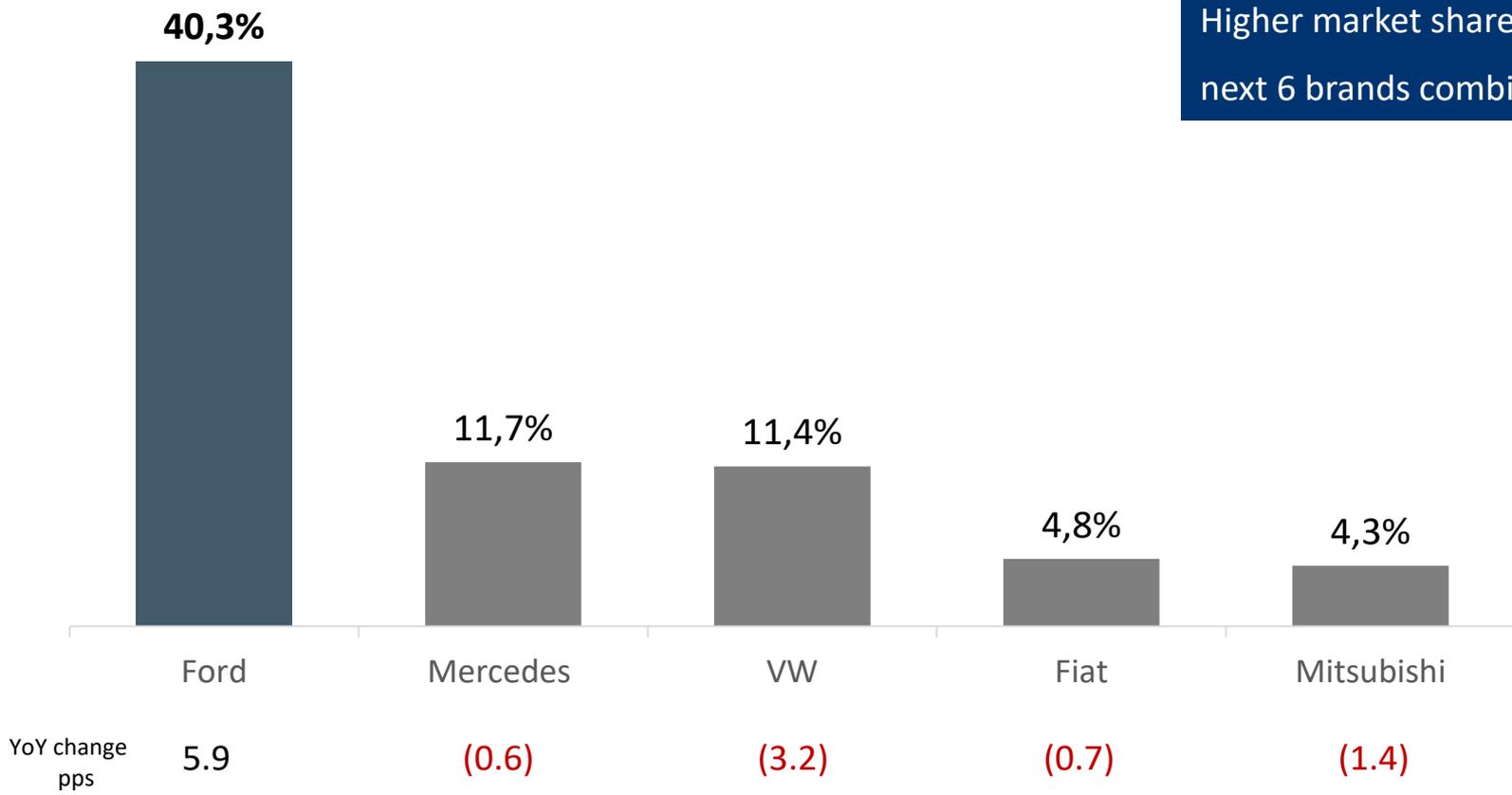
Strategy: Profitable growth



MCV Market Shares, 9M19

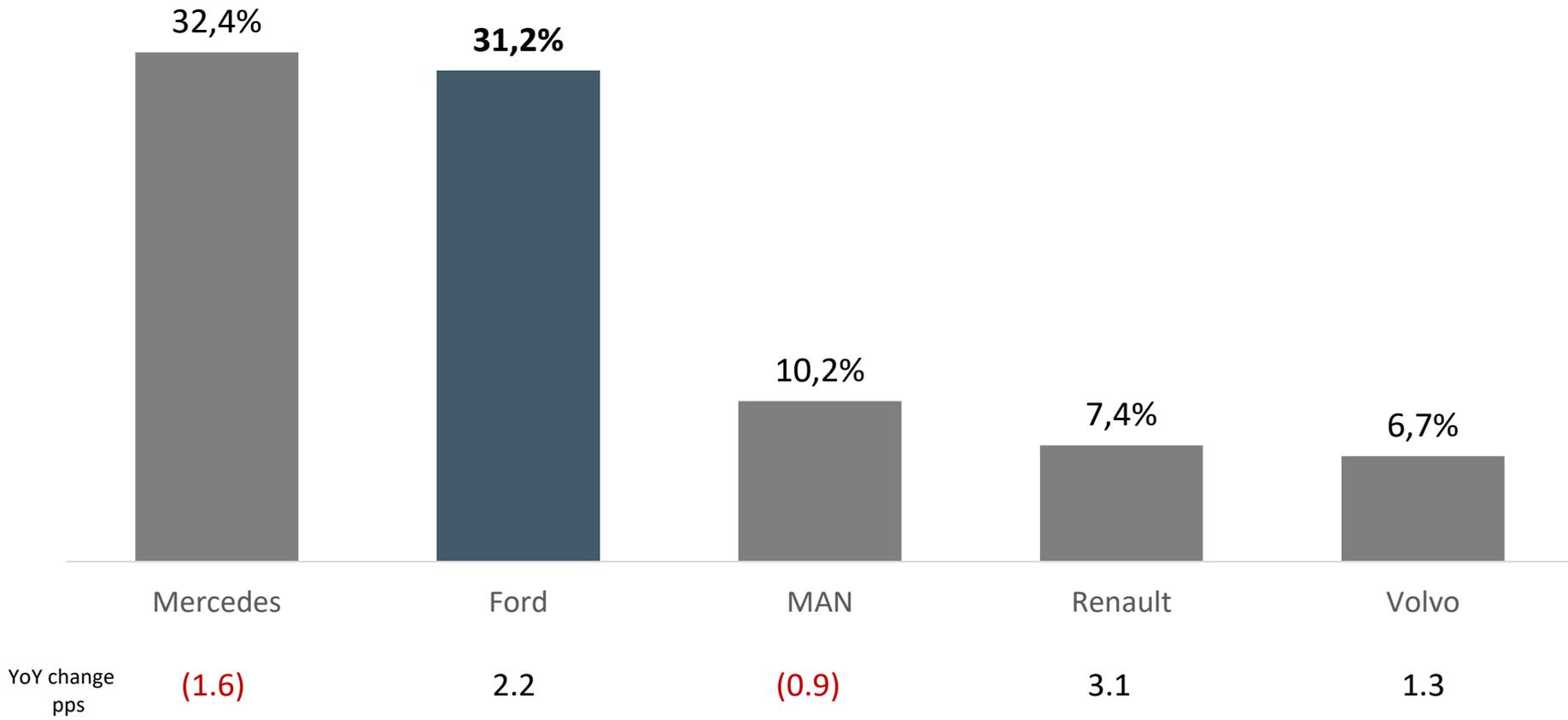
Strategy: Profitable growth

Higher market share than the next 6 brands combined



Truck Market Shares, 9M19

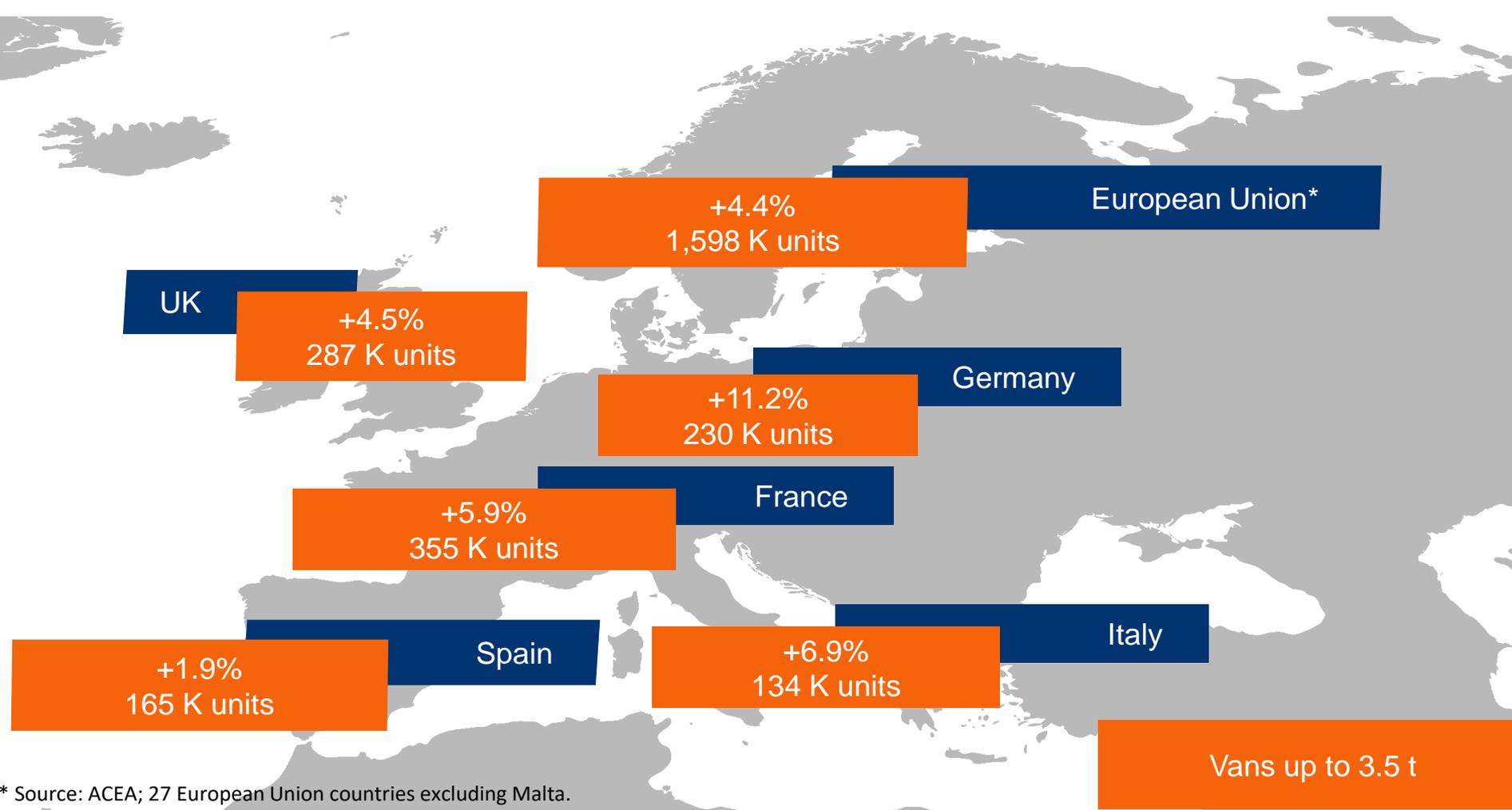
Strategy: Profitable growth



European Industry & Ford

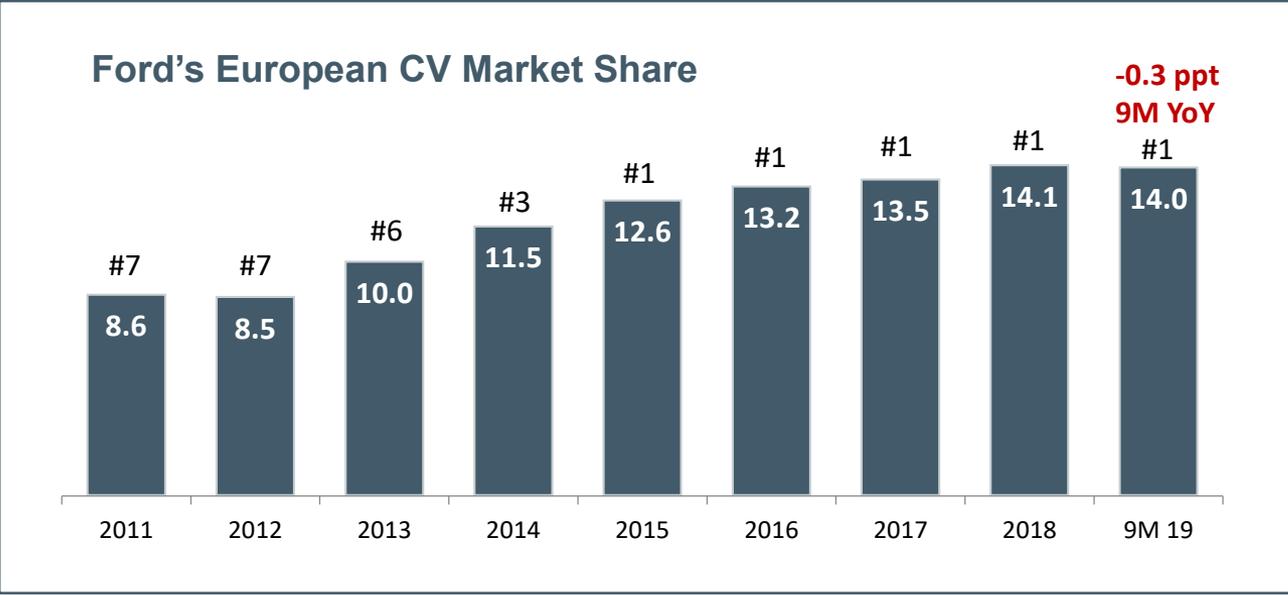
EU Van Registrations Grew 4.4% in 9M19

Industry growth supported mainly by e-commerce



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

Ford is Europe's Top-Selling CV Brand



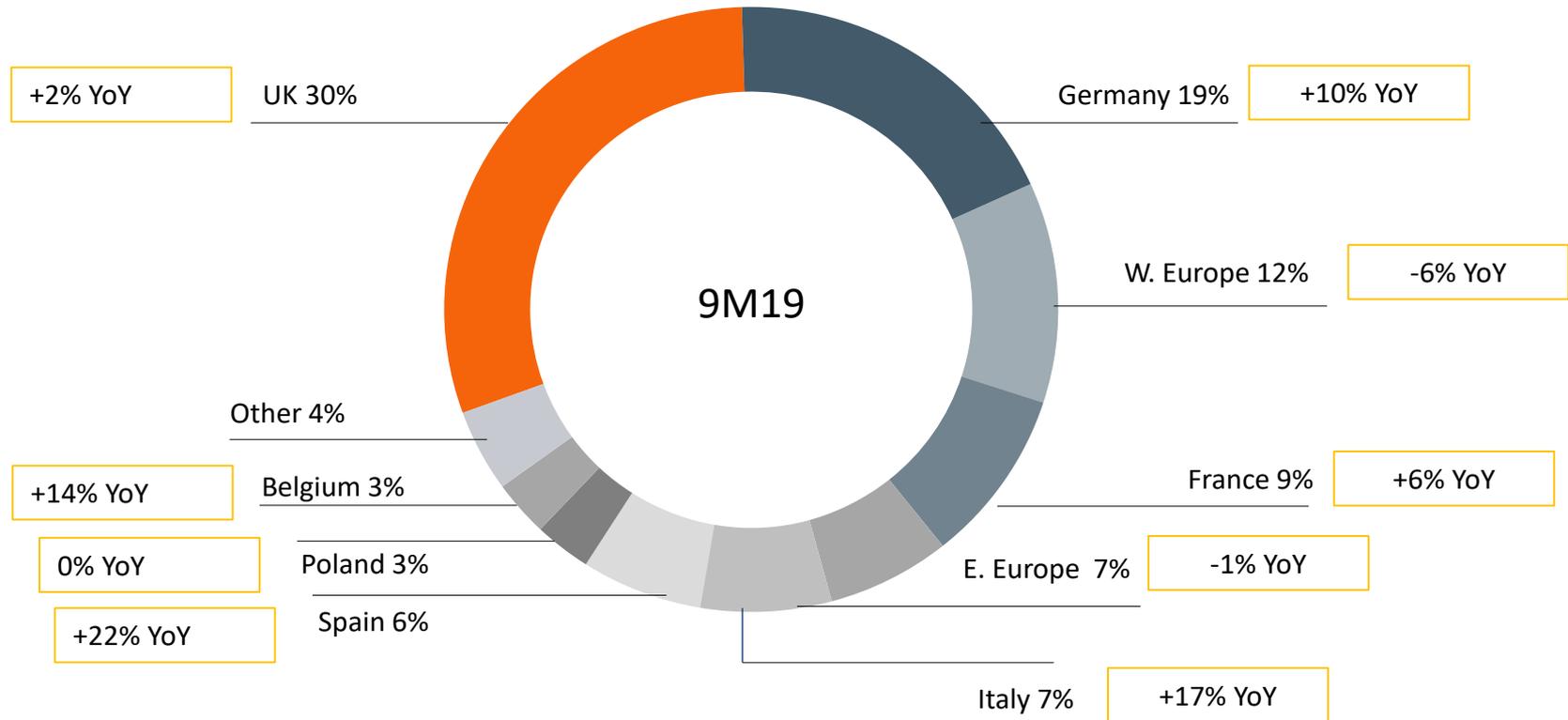
Ford remains Europe's No. 1 commercial vehicle brand with its Ford Transit model range.

Ford's commercial vehicle business gaining momentum in major markets

Source: Ford of Europe 3Q19 Sales Release, reporting sales for its 20 European traditional markets. In line with the new Ford global standard, the sales reports are published quarterly.

Turkey's Export Champion

Export breakdown (units)



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

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

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

84%

of Transit Family vans
sold in Europe

First PHEV in Its Segment: Custom

Ford plans to release **16 hybrid and all-electric models** within a global portfolio of **40 electrified vehicles by 2022.**



- **Custom PHEV** due for launch in 4Q19
- **Zero emission** driving option
- **First PHEV** in its segment
- Charging time **2.7 – 4.3 hours**
- 92.9 kW electric motor powered by a 13.6 kWh lithium-ion battery pack. The 1.0-litre EcoBoost petrol engine **guarantees a total electric range of over 500 km.**

9M19 Results

9M19 Financial Results

TL 27,707 million
Revenues, +19% YoY

- Robust export performance

TL 2,137 million
EBITDA, -7% YoY

- Driven by Net FX Gain from Operating Activities in 9M18 turning negative in 9M19 to Net FX Loss

TL 2,374 million
EBITDA excl. FX impact, +17% YoY

- Strong OpEx control
- Ongoing cost reduction actions

TL 24,312 million
Export Revenues, +29% YoY

- Volume growth
- Mix effect
- Currency impact

TL 1,292 million
Profit Before Tax, -10% YoY

- 35% lower Net Financial Expenses YoY driven by lower Net FX Loss, mainly explained by prior period fx gains from Cash Flow Hedge Reserve and currency movements.

TL 3,394 million
Domestic Revenues, -24% YoY

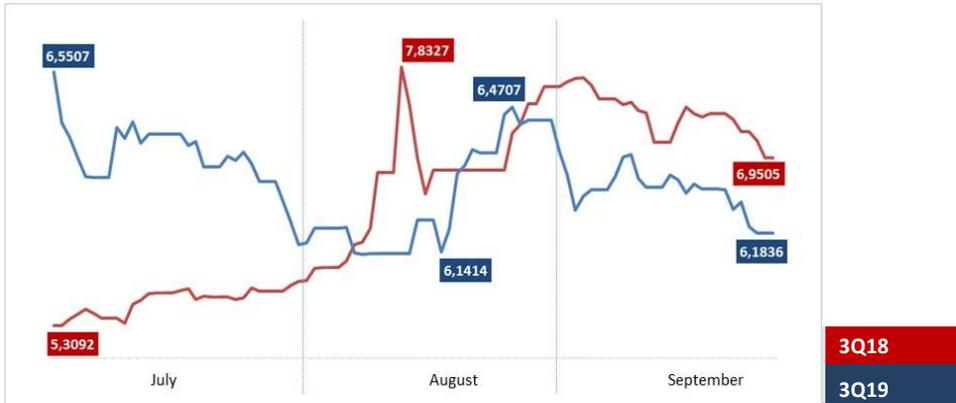
- 47% volume decline due to market contraction and profitability focus
- Pricing discipline and focus on high margin products limited further decline

TL 1,343 million
Net Income, +6% YoY

- Higher than PBT due to Tax Income Resulting from Deferred Tax Asset in 3Q19

Impact of EUR/TL Movements on 3Q18/19 Financials

EUR/TL volatility in 3Q19 vs 3Q18



FX Impact on Operating Profit due to significant volatility and depreciation in TL in 3Q18 versus appreciation in 3Q19

Million TL	9M19	9M18	3Q19	3Q18
Net other income	-237	264	-245	210
Net fx gains/losses related to trade receivables and payables	-20	278	-173	209
Net financial expenses from operating activities	-258	-74	-84	-26

FX Impact on Profit Before Tax

Million TL	9M19	9M18	3Q19	3Q18
Net interest income/expense	22	19	2	8
Net other financial income/expense	-25	-21	-7	-5
Net fx gains/losses	-279	-433	59	-238
Net financial gains/losses	-282	-435	54	-239

Volume & Revenue Analysis

	9M19/9M18		3Q19/3Q18	
	Volume	Revenue	Volume	Revenue
Total	-5%	19%	4%	20%
Robust export performance limited the impact of domestic market contraction				
Export	4%	29%	9%	24%
Industry growth, ongoing strong demand for our products, positive sales mix and currency				
Domestic	-47%	-24%	-31%	-5%
Pricing discipline and positive sales mix limited revenue decline				

Sales Volume by Model

	9M19	9M18	YoY%	3Q19	3Q18	YoY%
Total Domestic	28.039	52.472	-47%	7.736	11.276	-31%
PC	6.504	15.210	-57%	1.905	3.645	-48%
LCV	9.666	17.081	-43%	2.688	3.180	-15%
Transit Courier	9.505	16.359	-42%	2.664	2.970	-10%
Transit Connect	161	722	-78%	24	210	-89%
MCV	10.219	17.299	-41%	2.606	3.940	-34%
Transit	7.493	12.352	-39%	1.988	2.868	-31%
Transit Custom	2.260	3.818	-41%	427	614	-30%
Ranger	466	1.129	-59%	191	458	-58%
Truck	1.650	2.882	-43%	537	511	5%
Total Export	248.321	238.458	4%	80.173	73.292	9%
Transit Custom	127.326	119.709	6%	41.230	35.612	16%
Transit	89.404	87.946	2%	29.785	26.770	11%
Transit Courier	29.975	29.477	2%	8.716	10.478	-17%
Truck	1.578	1.157	36%	426	381	12%
Other	38	169	-78%	16	51	-69%
Total Wholesale	276.360	290.930	-5%	87.909	84.568	4%

9M Record

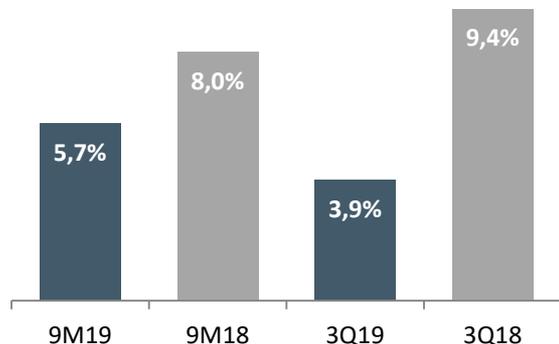
Main Financial Indicators

Million TL	9M19	9M18	YoY %	3Q19	3Q18	YoY %
Total Revenues	27.707	23.244	19%	9.298	7.772	20%
Export	24.312	18.780	29%	8.256	6.681	24%
Domestic	3.394	4.465	-24%	1.041	1.091	-5%
Gross Profit	2.865	2.501	15%	950	822	16%
Operating Profit	1.575	1.868	-16%	361	730	-51%
EBITDA	2.137	2.286	-7%	562	878	-36%
EBITDA excluding other income/expense	2.374	2.022	17%	807	667	21%
Profit Before Tax	1.292	1.430	-10%	414	489	-15%
Net Income	1.343	1.272	6%	454	354	28%
Other Financial Data						
Depreciation & Amortization*	562	418	34%	201	148	36%
Financial Income / (Expense)	-282	-435	-35%	54	-239	-123%

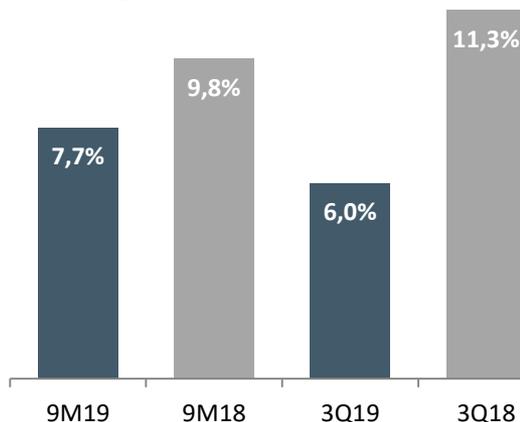
*9M19 numbers include TL 33 million impact from IFRS16 due to classification from manufacturing overhead and operating expenses to depreciation and amortization. Please refer to footnotes 2,10,11,33 of the financial statements for further details.

9M19 Margins

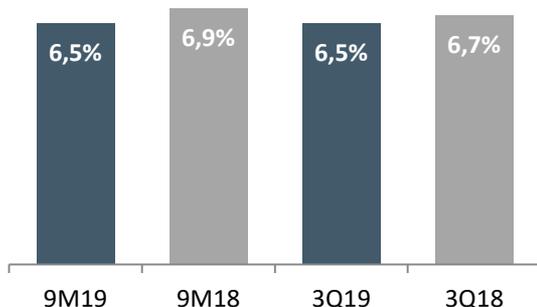
Operating Margin



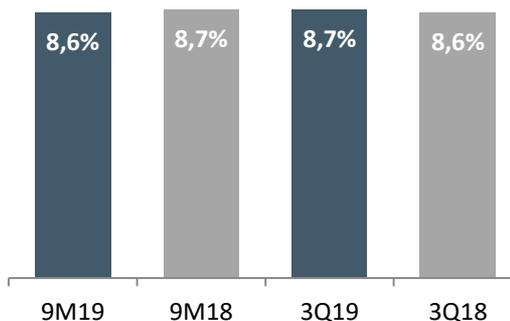
EBITDA Margin



Operating Margin (excl. Other items)



EBITDA Margin (excl. Other items)



Growing EBITDA per Vehicle

EUR	9M	3Q
2019	1.355	1.452
2018	1.268	1.207

Drivers:

- + Rising export demand
- + Cost reduction actions
- + Strong OpEx control
- + Pricing discipline
- + Salex mix

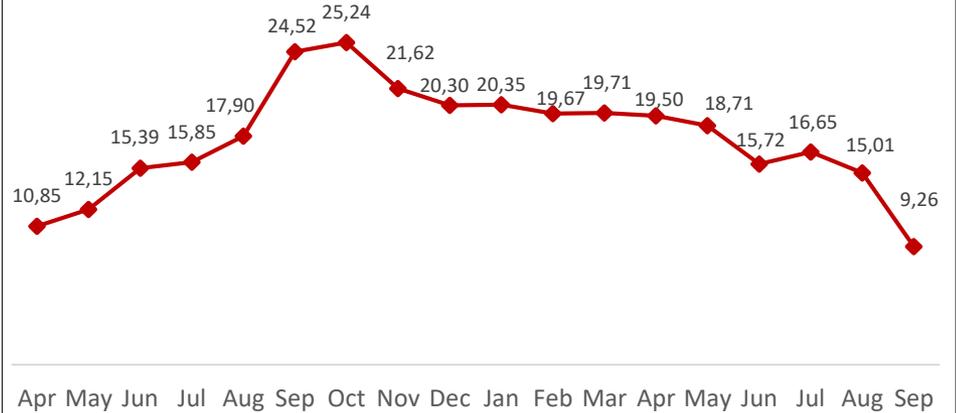
Challenges:

- Considerable cost pressure resulting from weaker €/TL (+16% YoY) and high inflation
- Contracting volumes and profitability in the domestic market
- Positive impact of FX in 3Q18 turning negative in 3Q19.

Ongoing Cost Pressure

YoY change	9M19/9M18	3Q19/3Q18
Production Volume	-2%	9%
Raw Material Costs	22%	21%
€ / TL Average	16%	-3%

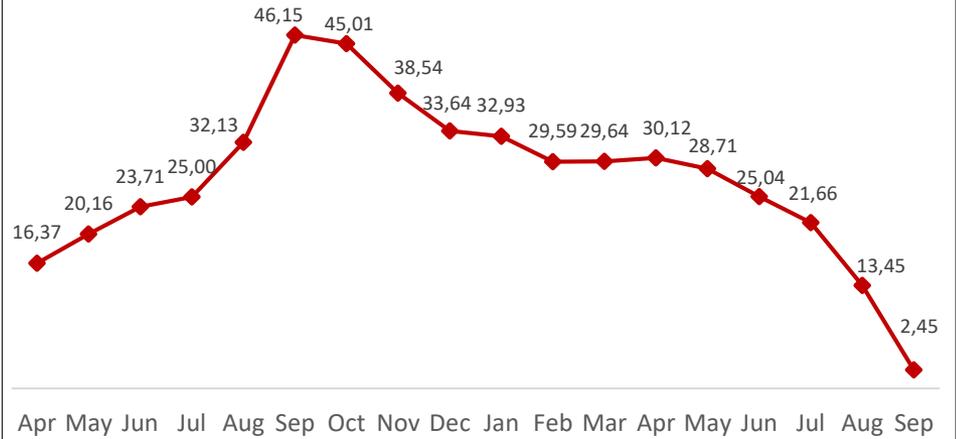
CPI Inflation. %



EUR/TL Rate, Average



PPI Inflation. %



Source: Ford Otosan, CBT, Turkstat

Debt Profile & Financial Ratios

Cash Position (TL mn)	30.09.2019	31.12.2018
Cash & Cash Equivalents	1.764	1.393
Total Financial Debt	-5.499	-4.483
Net Financial Debt	-3.735	-3.090
Financial Ratios	30.09.2019	31.12.2018
Current ratio	1,11	1,02
Liquidity ratio	0,66	0,64
Net Debt / Tangible Net Worth	0,98	1,01
Net Debt / EBITDA*	1,38	1,08
Current Assets / Total Assets	0,59	0,56
Current Liabilities / Total Liabilities	0,77	0,78
Total Liabilities / Total Liabilities and Equity	0,69	0,70
Return on Equity	38,8%	43,2%
Margins	30.09.2019	30.09.2018
Gross Margin	10,3%	10,8%
EBITDA Margin	7,7%	9,8%
EBITDA Margin excluding other income/expense	8,6%	8,7%
Operating Margin	5,7%	8,0%
Net Margin	4,8%	5,5%

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

2019 Guidance

	2018A	2019F
Turkish Industry Volume	635 K	450 K – 500 K
Ford Otosan Retail Sales Volume	69 K	40 K – 50 K
Exports	329 K	335 K – 345 K*
Wholesale Volume	395 K	375 K – 395 K
Production Volume	374 K	365 K – 375 K
Capex (fixed assets)	€ 166 mn	€160 – 180 mn

* We are revising down FY19 export guidance due to a supplier issue causing temporary delays in production schedule and impacting orders in 4Q19. Despite the revision, FY19 export volumes will be a historical high for Ford Otosan. We expect full year revenue impact to be limited to 2%.

Ford Otosan provides guidance 4 times a year as part of quarterly financial statements. This is the last guidance for 2019 issued as part of 9M19 results in October.

Q & A

