



## 2023 FY Earnings Presentation

6 March 2024

# Disclaimer

With the Capital Markets Board of Turkey's Bulletin dated 28.12.2023 numbered 2023/81, CMB announced that issuers and capital market institutions shall prepare their annual financial statements ending on 31.12.2023 or later, in accordance with IAS 29 inflationary accounting provisions.

Accordingly, this presentation on 2023 year-end financial results contain the Company's audited financial information prepared according to Turkish Accounting / Financial Reporting Standards by application of IAS 29 inflation accounting provisions, in accordance with CMB's decision dated 28.12.2023. In addition to these, given that the guidance information and the 2023 interim financial results announced so far were presented without the application of inflation accounting, in order to enable investors and analysts to conduct a full-fledged analysis, supplementary historical information for selected key performance indicators used in prior periods' investor presentations were provided. Such supplementary information is made available only for this period, and contains unaudited financial information prepared for management reporting purposes.

This presentation does contain forward-looking statements and figures that reflect the Company management's current views with respect to certain future events based on the base-case assumptions. Although it is believed that the expectations reflected in these statements are reasonable under current conditions, they may be affected by a variety of variables and changes in underlying assumptions that could cause actual results to differ. Neither Ford Otosan nor any of its directors, managers, or employees nor any other person shall have any liability whatsoever for any loss arising from the use of this presentation.

# Agenda

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- **2023 Evaluation**
- **Domestic Sales Performance**
- **Export Performance**
- **Since We Last Met**
- **Financial Results & Guidance**
- **Appendix**





## 2023 Evaluation



# 2023 Highlights

Rank #3 in total with 8.9% and #1 in CV with 27% share in domestic market

**LCV: 23.0%**

**MCV: 32.5%**

**Truck: 29.7%**

Robust domestic performance in 2023

**38% rise in Volumes and 54% increase in Domestic Revenues**

Export volume growth supported by the volumes from the Craiova Plant

**Volumes up by 26% and Export Revenues up by 20%**

Total CUR: 81% - High capacity utilization across all production plants

**Gölcük 88%**

**Yeniköy 93%**

**Eskişehir 98%**

**Craiova 75%**

Strong profitability per vehicle

**EBITDA p.v. € 2,183**

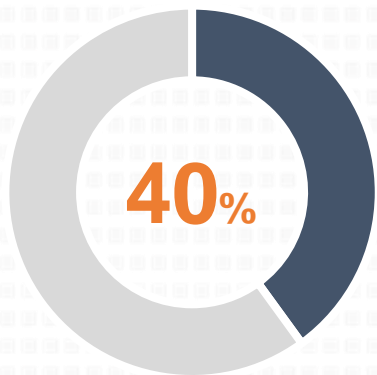
**PBT p.v. € 2,388**

Dividend payment continued during the heavy investment period

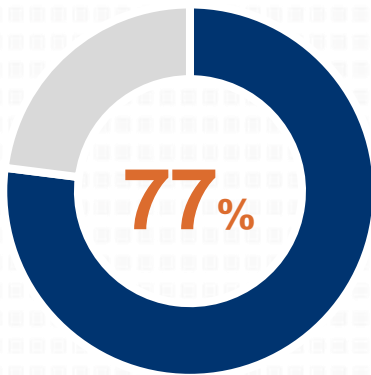
**634 mn USD (15.4 bn TL in nominal terms) paid in two installments**

# Leading Auto Producer in Turkey & Strong Presence in Romania

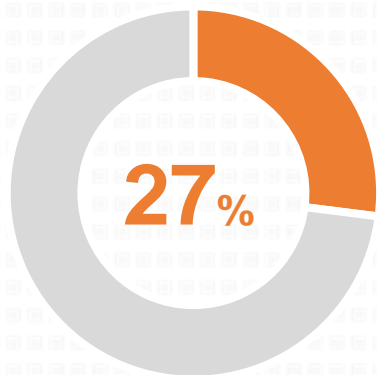
## Turkey



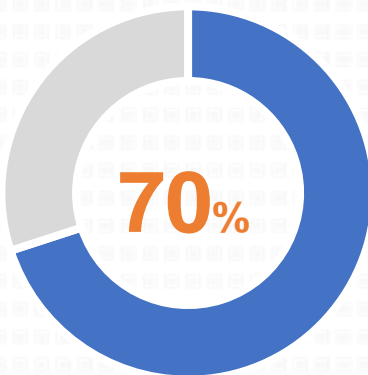
of Turkey's  
total automotive production



of Turkey's  
CV production

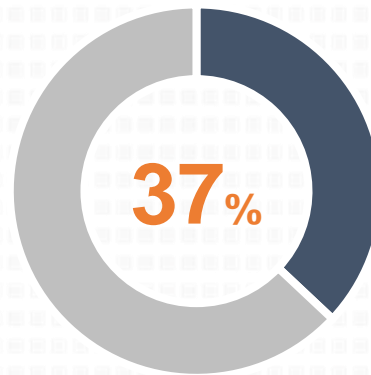


of Turkey's  
CV sales

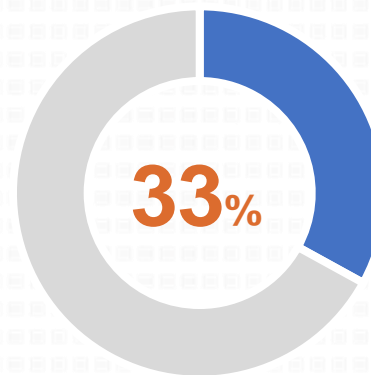


of **Ford's CV Sales** in Europe are  
produced by **Ford Otosan**

## Romania



of Romania's  
total automotive production



of **Ford's PC Sales** in Europe are  
produced by **Ford Otosan**



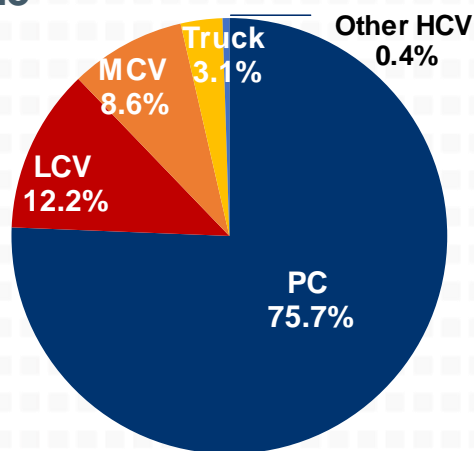
## Domestic Sales Performance

# All Time High Sales in Turkish Automotive Market

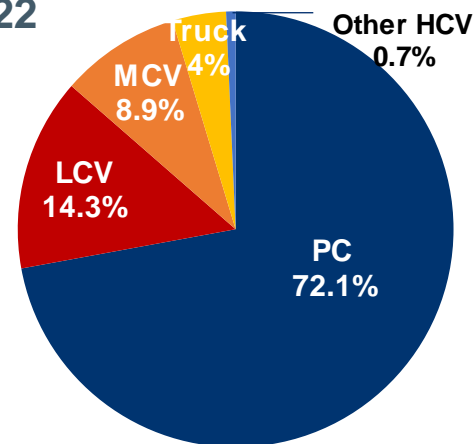
Domestic Market Sales almost reached 1.3 mn units, up 56%

Segments	2023	2022	Δ
Passenger Cars	967,341	592,660	63%
Light Com. Vehicle	155,567	117,386	33%
Medium Com. Vehicle	109,727	73,237	50%
Truck (>16 t)	39,322	32,989	19%
Other HCV (6-16t)	5,892	5,392	9%
<b>Total*</b>	<b>1,277,849</b>	<b>821,664</b>	<b>56%</b>

2023



2022



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



# Domestic Sales Performance - I

Rank	Brand	2023	2022	Market Share % in 2023	Δ, pps
		Sales	Sales		
Total Industry					
1	Fiat	193,622	146,435	15.2	-2.7
2	Renault	135,645	99,639	10.6	-1.5
3	Ford	114,039	86,401	8.9	-1.6
4	Volkswagen	88,776	60,341	6.9	-0.4
5	Peugeot	78,632	32,666	6.2	2.2
Passenger Cars					
1	Fiat	125,348	97,354	13.0	-3.5
2	Renault	117,491	88,206	12.1	-2.7
3	Volkswagen	71,093	49,695	7.3	-1.0
4	Opel	61,057	30,378	6.3	1.2
5	Peugeot	58,549	23,345	6.1	2.1
12	Ford	30,936	11,303	3.2	1.3



PC strategy: Profitability over market share

# Domestic Sales Performance - II

Rank	Brand	2023 Sales	2022 Sales	Market Share % in 2023	Δ, pps
LCV					
1	Fiat	57,713	45,380	37.1	-1.6
2	Ford	35,837	37,030	23.0	-8.5
3	Peugeot	14,989	7,146	9.6	3.5
4	Citroen	13,071	5,023	8.4	4.1
5	Renault	12,555	8,935	8.1	0.5
MCV					
1	Ford	35,607	29,102	32.5	-7.3
2	Volkswagen	10,598	6,080	9.7	1.4
3	Fiat	10,561	3,701	9.6	4.6
4	Mercedes	9,294	6,327	8.5	-0.2
5	Toyota	9,154	7,707	8.3	-2.2
Truck					
1	Mercedes	14,135	13,450	35.9	-4.8
2	Ford	11,659	8,966	29.7	2.5
3	Volvo	2,779	1,626	7.1	2.1
4	Scania	2,775	1,804	7.1	1.6
5	Renault	2,476	2,443	6.3	-1.1

CV Strategy: Profitable growth

Leading CV Brand with

27.3%

Market Share

#2

#1

#2





## Export Performance



**European Van and PC Market went up 16% & 15% respectively due to easiness in supply chain, growing fleet renewal and low base impact**

## European Van Market in 2023

	2023	2022	%
EU + UK	1,810,362	1,564,071	15.7%

YoY % Δ		
Year	'23	'22
UK	21.0	-20.6
Germany	12.1	-13.0
Italy	22.7	-12.3
Spain	22.0	-21.3
France	8.9	-19.5
Poland	3.7	-15.8
<b>Total</b>	<b>15.7</b>	<b>-18.6</b>

## European PC Market in 2023

	2023	2022	%
EU+UK	10,400,801	9,023,860	15.3%

YoY % Δ		
Year	'23	'22
UK	9.8	-2
Germany	-23	1.1
Italy	5.9	-9.7
Spain	10.6	-5.4
France	14.5	-7.8
Poland	14.2	-6
<b>Total</b>	<b>15.3</b>	<b>-4</b>

**Ford is Europe's No.1 CV brand for 9 consecutive years and Ford Otosan produces 70% of Ford's CVs sold in Europe**

**Ford Otosan, contributes to Ford's performance in PC segment with Puma by producing 33% of Ford's PC Sales in Europe**

Source: ACEA, 26 European Markets + UK

# Ford Trucks Performance in 2023

Ford

TRUCKS

## 7,407 International Sales in 2023



Now: 49 Countries  
2024: 50 Countries

2021

2022 - 2024

2025 - 2026



Belgium ✓



Austria ✓



Sweden



Luxembourg ✓



Estonia ✓



Finland



Germany ✓



Netherlands



Norway



France ✓

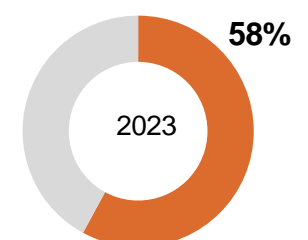
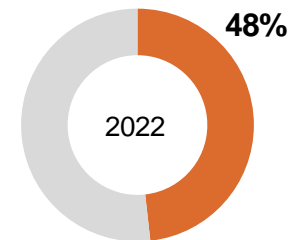


Denmark ✓



Switzerland

Share of W. Europe in Ford Trucks International Sales



Volumes	2022	2023	YoYΔ
International Markets Industry	245,375	297,179	21%
Ford Trucks' International Sales	7,718	7,407	-4%



Since We Last Met



# All-New Custom Rolled of the Production Line in 4Q23 at Yeniköy Plant «The Plant of the Future»

Yeniköy Plant renewed in 4Q23 with more than doubled covered area



- In 2025, the Yeniköy Plant's capacity will expand to 405k units for the new gen 1-tonne CV production for Ford and VW brands.
- "As the smart factory of the future, the Yeniköy plant manufactures flexibly, efficiently, and more sustainably; implementing advanced technologies for fully connected and versatile production," said **Güven Özyurt, Ford Otosan Leader.**

All Electric and PHEV Custom will begin arriving with customers from summer 2024

Watch



[Ford Otosan: Step Inside the Plant of the Future](#)

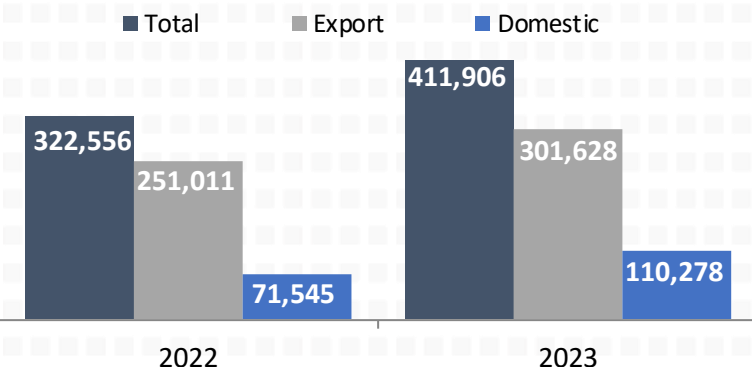


## Financial Results & Guidance



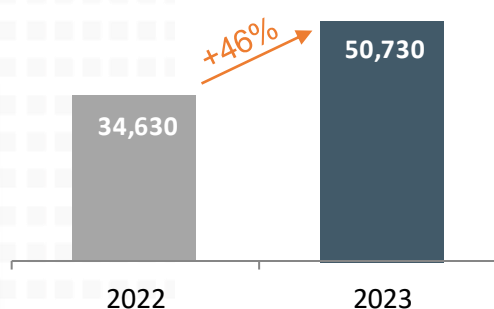
# Financial Highlights in 2023

## Revenues, mn TL

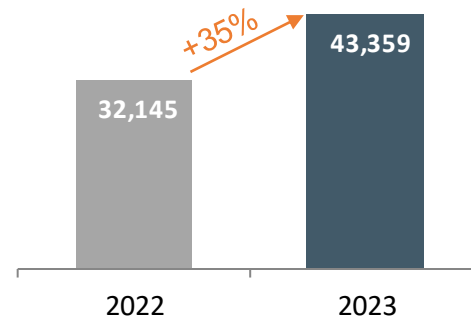


**Total Revenues<sup>(1)</sup>, +28%**, Total volumes +28%  
**Export Revenues<sup>(2)</sup>, +20%**, Export volumes +26%  
**Domestic Revenues, +54%**, Domestic volumes +38%

## EBITDA, mn TL

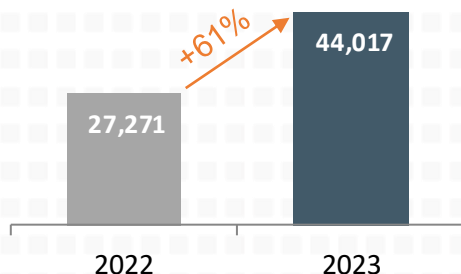


## EBITDA, mn TL excl. Other items



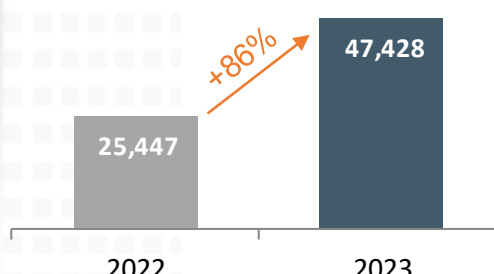
- Robust domestic volumes and increasing domestic revenues share in total
- Ongoing pricing discipline, Cost reduction measures and OpEx control
- Exchange impact on our export business (average EUR/TRY up 48% in 2023 YoY)

## Operating Profit, mn TL



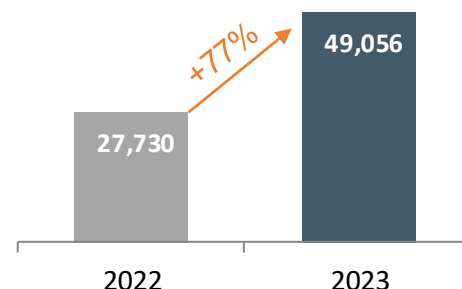
Net Other Income increased by 197% YoY in 2023 due to the 162% YoY increase in Net FX Gain from Operating Activities (resulting from the currency impact)

## Profit Before Tax, mn TL



Mainly supported by the TL 15,6 bn monetary gain in 2023 (TL 6,3 bn in 2022) due to high monetary liability position.

## Net Income, mn TL



The impact of Deferred Tax Asset on Net Income was partially offset by «additional tax related to earthquake».

<sup>(1)</sup> In 2023, Ford Otosan Romania SRL solo financials include TL 84,611 mn Total Revenues, TL 1,412 mn EBITDA and TL (567 mn) Net Loss (mainly stemming from

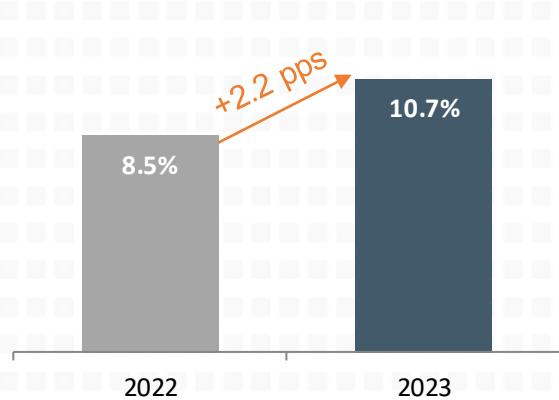
1) tax penalty accrual which is offset in consolidated financials and 2) lower than expected new Courier sales in 4Q.)

<sup>(2)</sup> Export revenues and volumes include exports from Ford Otosan and Ford Otosan Romania SRL

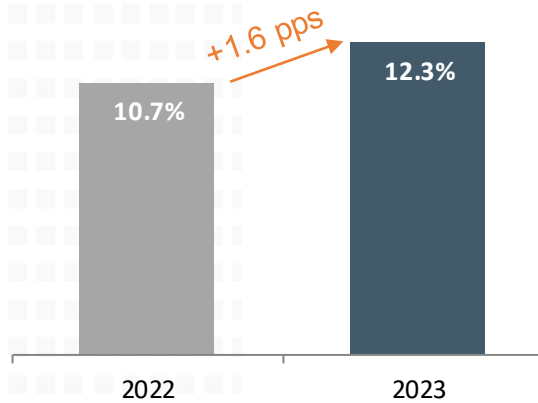


# Margins

## Operating Margin



## EBITDA Margin

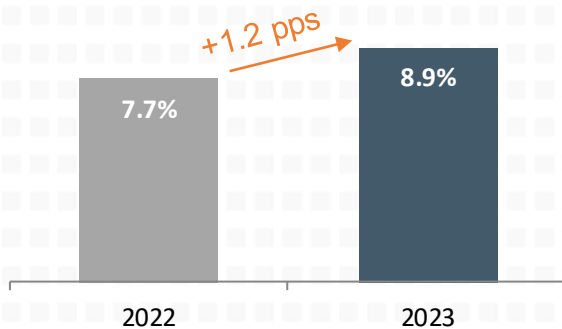


## Solid EBITDA and PBT per Vehicle

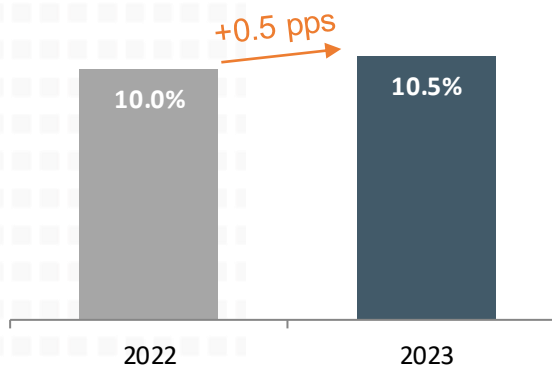
EBITDA, EUR	
2022	2,057
2023	2,183

PBT, EUR	
2022	1,628
2023	2,388

## Operating Margin (excl. Other items)



## EBITDA Margin (excl. Other items)



### Drivers:

- + Strong domestic volumes
- + Pricing discipline
- + Ongoing cost reduction measures and OpEx control
- + Exchange impact on our export business (average EUR/TRY up 48% in 2023 YoY)

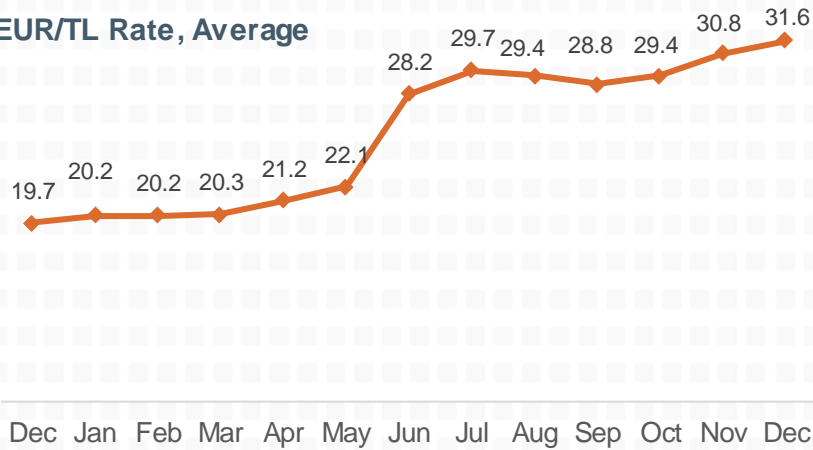
### Challenges:

- TL volatility

# Cost Dynamics

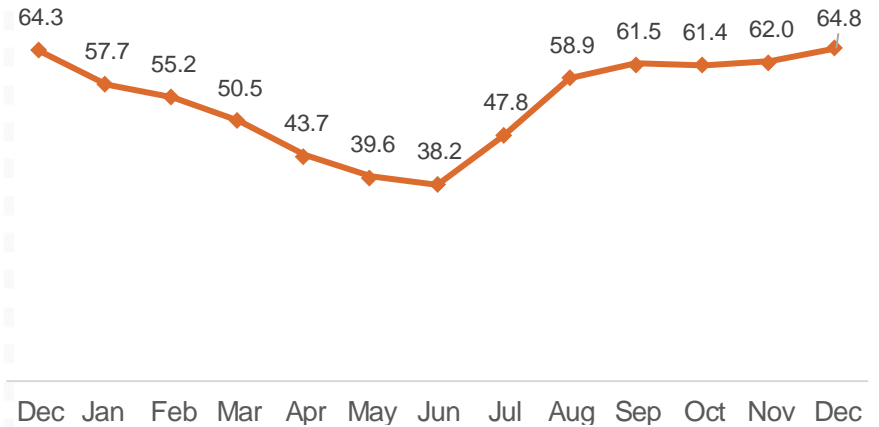
	2023/2022 $\Delta$
Production Volume	27% $\uparrow$
Raw Material Costs	18% $\uparrow$
€ / TL Average	48% $\uparrow$

EUR/TL Rate, Average

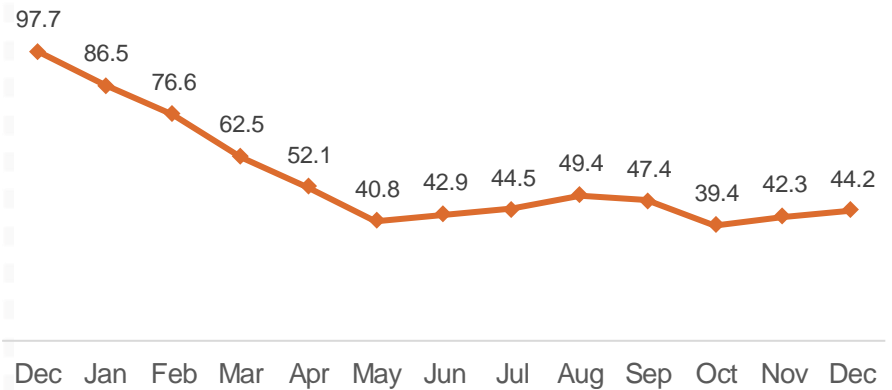


Source: Ford Otosan, CBT, Turkstat

CPI Inflation, %



PPI Inflation, %



# Sales Volume by Model

	2023	2022	YoY%	4Q23	4Q22	YoY%
<b>Total Domestic</b>	<b>117,582</b>	<b>84,910</b>	<b>38%</b>	<b>27,766</b>	<b>30,642</b>	<b>-9%</b>
<b>PC</b>	<b>32,016</b>	<b>8,205</b>	<b>290%</b>	<b>9,578</b>	<b>2,453</b>	<b>290%</b>
Puma	6,760	1,583	327%	2,855	528	441%
Other	25,256	6,622	281%	6,723	1,925	249%
<b>LCV</b>	<b>37,063</b>	<b>39,775</b>	<b>-7%</b>	<b>237</b>	<b>15,263</b>	<b>-98%</b>
Transit Courier	36,502	39,403	-7%	114	15,132	-99%
Transit Connect	561	372	51%	123	131	-6%
<b>MCV</b>	<b>36,680</b>	<b>27,705</b>	<b>32%</b>	<b>14,489</b>	<b>9,510</b>	<b>52%</b>
Transit	29,034	21,395	36%	12,106	7,432	63%
Transit Custom	5,902	5,354	10%	1,468	1,646	-11%
Ranger	1,744	956	82%	915	432	112%
<b>Truck</b>	<b>11,699</b>	<b>8,957</b>	<b>31%</b>	<b>3,476</b>	<b>3,394</b>	<b>2%</b>
<b>Rakun <sup>(1)</sup></b>	<b>124</b>	<b>268</b>		<b>-</b>	<b>22</b>	
<b>Total Export <sup>(2)</sup></b>	<b>492,082</b>	<b>390,811</b>	<b>26%</b>	<b>125,851</b>	<b>119,813</b>	<b>5%</b>
Transit Custom	139,353	149,319	-7%	38,209	37,969	1%
Transit	148,445	116,068	28%	42,742	30,032	42%
Transit Courier	19,884	24,476	-19%	2,793	6,641	-58%
Truck	7,384	7,585	-3%	1,938	1,991	-3%
Puma	176,890	74,241	138%	40,169	34,838	15%
Other	126	19,122	N/M	-	8,342	N/M
<b>Total Wholesale</b>	<b>609,664</b>	<b>475,721</b>	<b>28%</b>	<b>153,617</b>	<b>150,455</b>	<b>2%</b>

(1) Rakun production ended in 3Q23

(2) Export volumes include exports from Ford Otosan and Ford Otosan Romania SRL



# Summary Balance Sheet & Cash Flow Statement

Balance Sheet, Million TL	12/31/2023	12/31/2022	YoY Δ
Current Assets	102,969	91,321	13%
Current Liabilities	94,134	76,203	24%
Property, Plant and Equipment - Net	57,197	47,915	19%
Total Assets	217,007	174,307	24%
Total Liabilities	143,999	123,165	17%
Shareholders' Equity	73,008	51,142	43%

Cash Flow Statement, Million TL	12/31/2023	12/31/2022	YoY Δ
Beginning Balance of Cash & Equivalents	16,658	38,182	-56%
Net Cash from Operating Activities	50,573	34,249	48%
Net Cash Used in Investing Activities	-32,072	-34,199	-6%
Net Cash Used in Financing Activities	-8,571	-6,343	35%
Monetary Gain/(Loss) on Cash&Equivalents	-11,895	-15,272	-22%
End of Period Balance of Cash&Equivalents	15,194	16,658	-9%

Other Financial Data	2023	2022	YoY %
Depreciation & Amortization	6,713	7,359	-9%
Net Financial Expense	-14,947	-8,102	84%

# Debt Profile & Financial Ratios

Cash Position (TL mn)	31.12.2023	31.12.2022
Cash & Cash Equivalents	15,225	16,666
Total Financial Debt	-75,755	-62,479
Net Financial Debt	-60,531	-45,813
Financial Ratios	31.12.2023	31.12.2022
Current Ratio	1.09	1.20
Liquidity Ratio	0.68	0.81
Net Debt / Tangible Net Worth	1.10	1.22
Net Debt / EBITDA*	1.19	1.32
Current Assets / Total Assets	0.47	0.52
Current Liabilities / Total Liabilities	0.65	0.62
Total Liabilities/Total Liabilities & Equity	0.66	0.71
Return on Equity	67.2%	54.2%
Margins	31.12.2023	31.12.2022
Gross Margin	13.4%	11.3%
EBITDA Margin	12.3%	10.7%
EBITDA Margin (excluding other items)	10.5%	10.0%
Operating Margin	10.7%	8.5%
Net Margin	11.9%	8.6%

\* Capped at 3.5x. EBITDA

# 2024 Guidance

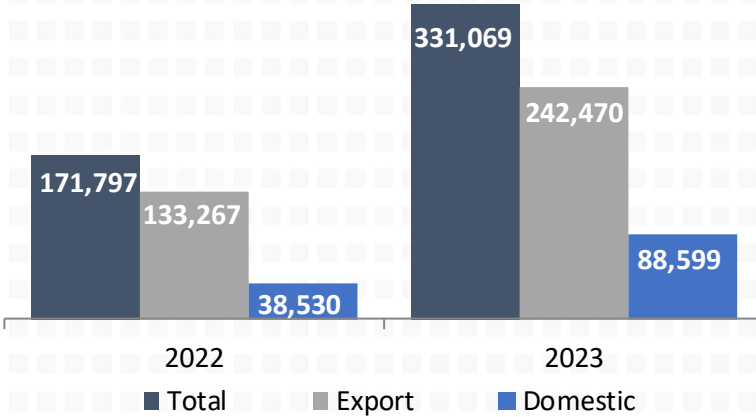
	2023 (Actuals)	2024 (Guidance)
<b>TOTAL INDUSTRY VOLUME</b>	<b>1,278 K</b>	<b>800 K – 900 K</b>
<b>FORD OTOSAN</b>		
<b>Retail Sales Volume</b>	<b>114 K</b>	<b>100 K – 110 K</b>
<b>Export Volume</b>	<b>492 K</b>	<b>560 K – 610 K</b>
Turkey	312 K	350 K – 380 K
Romania	180 K	210 K – 230 K
<b>Wholesale Volume</b>	<b>610 K</b>	<b>660 K – 720 K</b>
<b>Total Production Volume</b>	<b>590 K</b>	<b>650 K – 700 K</b>
Turkey	399 K	400 K – 430 K
Romania	191 K	250 K – 270 K
<b>Capex (fixed assets)</b>	<b>€ 900 mn</b>	<b>€ 900 – 1,000 mn</b>
General Investments	€ 96 mn	€ 170 - 190 mn
Product Related Investments	€ 804 mn	€ 730 - 810 mn

Ford Otosan provides guidance 4 times a year as part of quarterly financial statements. This is the first guidance issued for 2024 as part of 2023 results in March.

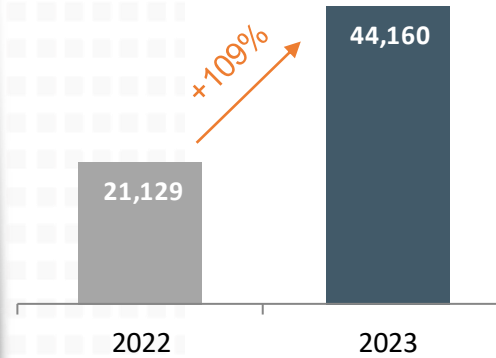


# Appendix – Financial Highlights (Without IAS 29 Inflationary Accounting Standards)

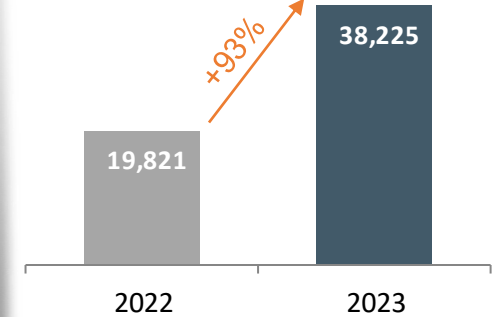
## Revenues, mn TL



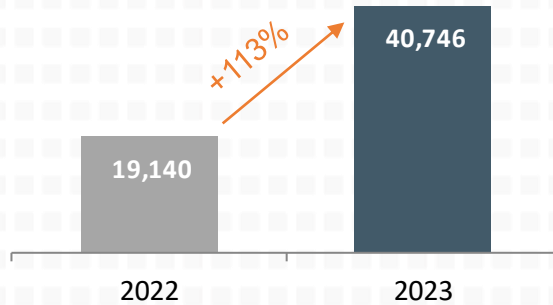
## EBITDA, mn TL (\*)



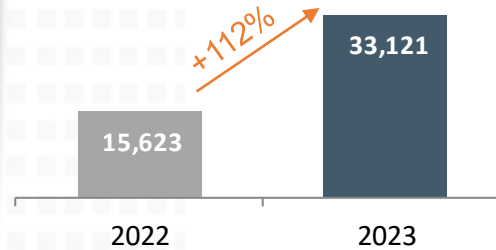
## EBITDA, mn TL excl. Other items



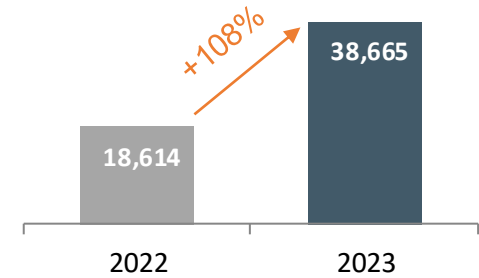
## Operating Profit, mn TL



## Profit Before Tax, mn TL



## Net Income, mn TL



\* Straightline expenses related with embedded lease is adjusted in EBITDA.



Thank You