

## Highlights

| <u>Financial Results</u>  | <u>Million TL</u> | <u>YoY Change</u> |
|---------------------------|-------------------|-------------------|
| Revenues                  | 9.284             | 27%               |
| Export Revenues           | 8.141             | 42%               |
| Domestic Revenues         | 1.143             | -26%              |
| Operating Profit          | 603               | 18%               |
| EBITDA                    | 781               | 22%               |
| Profit Before Tax         | 477               | 8%                |
| Net Income                | 478               | 11%               |
|                           |                   |                   |
| <u>Volumes</u>            | <u>Units</u>      | <u>YoY Change</u> |
| Total Wholesale Volume    | 99.634            | -3%               |
| Export Volume             | 89.193            | 7%                |
| Domestic Wholesale Volume | 10.441            | -46%              |
| Domestic Retail Volume    | 10.466            | -42%              |
| Market Share              | 11,6%             | 0.5 pps           |
| Production                | 98.511            | -3%               |
| Capacity Utilization Rate | 87%               | -5.0 pps          |

| Summary Income Statement, Million TL | 31.03.2019 | 31.03.2018 | % Change |
|--------------------------------------|------------|------------|----------|
| <b>Revenues</b>                      | 9.284      | 7.282      | 27%      |
| Export                               | 8.141      | 5.728      | 42%      |
| Domestic                             | 1.143      | 1.554      | -26%     |
| <b>Gross Profit</b>                  | 944        | 757        | 25%      |
| <b>Operating Profit</b>              | 603        | 513        | 18%      |
| Financial Income/(Expense)           | -126       | -71        | 78%      |
| <b>Profit Before Tax</b>             | 477        | 441        | 8%       |
| <b>Net Income</b>                    | 478        | 432        | 11%      |
| <b>Other Financial Data</b>          |            |            |          |
| Depreciation and Amortization        | 178        | 128        | 39%      |
| EBITDA                               | 781        | 642        | 22%      |
| Capital Expenditures                 | -261       | -209       | 25%      |

#### Revenues

Turkish auto industry contracted 45% YoY in 1Q19 to 90,048 units. Sales declined across all segments year-over-year: PC -44%, LCV -49%, MCV -42% and Trucks -63%. PC industry share was 76.4%, up from 75.1% a year ago. LCV industry share was 10.6%, down from 11.4%. Ford Otosan was #3 in the total industry with 11.6% market share and 10,466 unit retail sales, reinforcing its CV leadership with 38% share.

Our domestic wholesale volumes were down 46% YoY, in line with the market. The decline in our domestic revenues was significantly lower at 26%, with focus on high margin products and pricing discipline. We recorded TL 1,143 million in domestic revenues.

Export revenues rose 42% YoY to TL 8,141 million with market growth, ongoing strong demand for our products and currency impact. Export volumes grew 7% YoY to 89,193 units. Share of exports in total revenues rose to 88% from 79% a year ago.

Total revenues were up 27% YoY to TL 9,284 million, mainly driven by the robust export business.

#### Profitability

Profitability was strong despite considerable cost pressure [resulting from weaker €/TL (+30% YoY) and high inflation] and contracting domestic volumes. Drivers were:

- + Rising export demand
- + Cost reduction actions and strong OpEx control
- + Sales mix and pricing discipline

Revenues (TL 9.3 billion), cost of sales (TL 8.3 billion) and gross profit (TL 944 million) were up 27%, 28% and 25% respectively. 276% YoY increase in net financial expenses from operating activities led to 18% YoY growth in operating profit TL 603 million. OpEx/Sales improved to 3.7% in 1Q19 from 4.0% in 1Q18. EBITDA grew 22% YoY to TL 781 million. Net financial expenses were 78% more YoY driven by 83% rise in net fx losses, mainly explained by prior period fx losses from cash flow hedge reserve. As a result, profit before tax rose 8% YoY to TL 477 million. Net income was up 11% to TL 478 million.

Margins: Gross 10.2% (-20 bps YoY); EBITDA 8.4% (-40 bps YoY); EBITDA excluding other income 8.4% (+20 bps YoY); Operating 6.5% (-50 bps YoY); and Net 5.1% (-80 bps YoY).

| Sales Volume by Model, units     | 31.03.2019    | 31.03.2018     | % Change    |
|----------------------------------|---------------|----------------|-------------|
| <b>Domestic Sales</b>            | <b>10.441</b> | <b>19.162</b>  | <b>-46%</b> |
| <b>Passenger Car</b>             | <b>2.045</b>  | <b>5.304</b>   | <b>-61%</b> |
| Transit Courier                  | 3.266         | 6.541          | -50%        |
| Transit Connect                  | 88            | 233            | -62%        |
| <b>Light Commercial Vehicle</b>  | <b>3.354</b>  | <b>6.774</b>   | <b>-50%</b> |
| Transit                          | 3.130         | 4.469          | -30%        |
| Transit Custom                   | 1.236         | 1.154          | 7%          |
| Ranger                           | 236           | 199            | 19%         |
| <b>Medium Commercial Vehicle</b> | <b>4.602</b>  | <b>5.822</b>   | <b>-21%</b> |
| <b>Truck</b>                     | <b>440</b>    | <b>1.262</b>   | <b>-65%</b> |
| <b>Export Sales</b>              | <b>89.193</b> | <b>83.068</b>  | <b>7%</b>   |
| Transit Custom                   | 46.392        | 40.303         | 15%         |
| Transit                          | 32.521        | 30.046         | 8%          |
| Transit Courier                  | 9.715         | 12.290         | -21%        |
| Truck                            | 543           | 369            | 47%         |
| Other                            | 22            | 60             | -63%        |
| <b>Total Wholesale Volume</b>    | <b>99.634</b> | <b>102.230</b> | <b>-3%</b>  |

|                                    |        |         |         |
|------------------------------------|--------|---------|---------|
| Total Domestic Automotive Industry | 90.048 | 162.852 | -45%    |
| Ford Otosan Retail Sales           | 10.466 | 18.018  | -42%    |
| Ford Otosan Market Share           | 11,6%  | 11,1%   | 0.5 pps |

| Summary Balance Sheet, Million TL   | 31.03.2019 | 31.12.2018 | % Change |
|-------------------------------------|------------|------------|----------|
| Current Assets                      | 8.946      | 7.395      | 21%      |
| Current Liabilities                 | 9.268      | 7.220      | 28%      |
| Property, Plant and Equipment - Net | 4.011      | 3.923      | 2%       |
| Total Assets                        | 14.955     | 13.184     | 13%      |
| Total Liabilities                   | 11.463     | 9.291      | 23%      |
| Shareholders' Equity                | 3.491      | 3.893      | -10%     |

| Financial Ratios                                 | 31.03.2019 | 31.12.2018 |
|--|------------|------------|
| Current Ratio                                    | 0,97       | 1,02       |
| Liquidity Ratio                                  | 0,62       | 0,64       |
| Net Debt / Tangible Equity                       | 1,21       | 1,01       |
| Net Debt / EBITDA                                | 1,08       | 1,08       |
| Current Assets / Total Assets                    | 0,60       | 0,56       |
| Current Liabilities / Total Liabilities          | 0,81       | 0,78       |
| Total Liabilities / Total Liabilities and Equity | 0,77       | 0,70       |
| Return on Equity                                 | 54,8%      | 43,2%      |
|  | 31.03.2019 | 31.03.2018 |
| Gross Margin                                     | 10,2%      | 10,4%      |
| EBITDA Margin                                    | 8,4%       | 8,8%       |
| EBITDA Margin excluding other income/expense     | 8,4%       | 8,2%       |
| Operating Margin                                 | 6,5%       | 7,0%       |
| Net Income Margin                                | 5,1%       | 5,9%       |

| Summary Cash Flow Statement, Million TL      | 31.03.2019 | 31.03.2018 | % Change |
|--|------------|------------|----------|
| Beginning Balance of Cash & Equivalents      | 1.391      | 1.803      | -23%     |
| Net Cash Generated from Operating Activities | 437        | 242        | 80%      |
| Net Cash Used in Investing Activities        | -260       | -207       | 25%      |
| Net Cash Used in Financing Activities        | 533        | 201        | 166%     |
| End of Period Balance of Cash & Equivalents  | 2.101      | 2.038      | 3%       |

**2019 Guidance**

|                       |                   |
|-----------------------|-------------------|
| Total Industry Volume | 380 K - 430 K     |
| Ford Otosan:          |                   |
| Retail Sales Volume   | 40 K - 50 K       |
| Export Volume         | 340 K - 350 K     |
| Wholesale Volume      | 380 K - 400 K     |
| Production Volume     | 375 K - 385 K     |
| Capex (fixed assets)  | €160 -180 million |

**Contacts**

**Oğuz Toprakoğlu**  
Chief Financial Officer  
Tel: +90 262 315 69 00  
[otoprako@ford.com.tr](mailto:otoprako@ford.com.tr)

**Aslı Selçuk**  
Investor Relations Manager  
Tel: +90 216 564 7499  
[aselcuk@ford.com.tr](mailto:aselcuk@ford.com.tr)