



1Q20 Financial Results Meeting

5 May 2020

Agenda

- **COVID-19 Update**
- **1Q20 Evaluation**
- **European Industry & Ford**
- **Financial Results**
- **Q & A**

COVID-19 Update

COVID-19 Update

- Suspended production activities as of March 20 in light of disruptions in trade and problems in the supply chain
 - ✓ Spare parts continued to work 1 shift
 - ✓ Office employees switched to remote working
 - ✓ Eskişehir Plant resumed on April 27th
 - ✓ Kocaeli Plants resumed on May 4th
- Focused on the health and well-being of our workforce
 - ✓ Transparent mass communication daily with the employees
 - ✓ Health Centers at our locations open throughout the pandemic, providing physical and emotional support
 - ✓ No lay-offs
 - ✓ No salary cuts
 - ✓ Support from union partners on measures
- Government incentives → positive on the cash flow
 - ✓ Short term working allowance
 - ✓ Deferral of withholding tax and social security premiums for the April-June period for 6 months
 - ✓ Stock finance for exporters
- Established task forces on critical business points
- Priority on cash flow and balance sheet
 - ✓ Additional cost reduction actions and capital spending reductions taken
 - ✓ Spending limits revised
 - ✓ All non-critical spending either cancelled or postponed
 - ✓ No change in product plans

COVID-19 Update - Dealers

- March sales were strong; April impacted by the partial lockdown
- Service traffic down significantly but continuing
- All dealers are open; Daily hours shortened
- Required sanitary actions and measures (both for employee and customers) and actions taken immediately
- "No touch" service program launched (PV & CV customers)
- All dealer receivables are on direct debit system
- Dealers remain in reasonable financial health

Support to Health Workers' Fight Against COVID-19

Ford Otosan delivered **over 40,000 protective equipment** to health workers in **150** hospitals.

Health equipment manufactured by Ford Otosan during COVID-19 pandemic



PROTECTIVE SUIT



FACE VISOR



AEROSOL BOX

Took Quick Initiative To Support Hospitals By Utilizing Our Capabilities & Cooperating With Ecosystem, Our Suppliers And Manufacturers

Face Visors



Produced 30,000 face visors and delivered to ~150 hospitals.

Shared die design as open source at WEF platform.



Aerosol Boxes



1,150 aerosol boxes were produced and distributed to 148 hospitals.

Protective Suits



10,120 protective suits
were produced and
distributed to **52 hospitals.**

WEF COVID-19 Taskforce

- Attending COVID-19 Global Lighthouse Network task force meetings regularly.
- Released the designs of face visor, protective shields and aerosol box at WEF COVID Action Platform, open source platform that makes basic designs of some of the components available.



The screenshot shows the 'COVID-19 Global Design Platform' website. The navigation bar includes 'Home', 'About Us', 'Designs', and 'Contact Us'. A search bar is located on the right. The left sidebar lists 'Medical supply categories' such as 'Personal Protective Equipment', 'Disinfection consumables/biohazardous waste management', 'Medical and home equipment', 'Diagnostics and Testing', 'Drugs and medical consumables', and 'Health facilities infrastructure and equipment'. The main content area features a table with filters for 'Item type', 'Approved by XXX', 'Open source', and 'Technology'. The table lists two items: 'Aerosol box' and 'Large size Gown', both provided by 'Ford Otosan'. A 'Platform Mock up' image is also visible.

Name	Short description	Provided by
<input type="checkbox"/> Aerosol box	Designed to protect medical workers by covering the patients facial area and thereby prevent the transmission of virus infection through respiratory air.	Ford Otosan
<input type="checkbox"/> Large size Gown	Full body gown covering the medical workers while treating the patients to prevent any spread of the virus.	Ford Otosan



Participating In WEF COVID-19 Working Group on How Lighthouses Can Support The Current Global Emergency From A Manufacturing Perspective

1Q20 Evaluation

1Q20 Highlights

 Export Sales in 1Q20 **66,540 units**

 Ford continued to lead Europe's CV market **15% market share**

 Strong growth in domestic market **36% market share**

 Dividend payment **1.1 billion TL**

4.1
billion USD
since 2004

Domestic Market Position

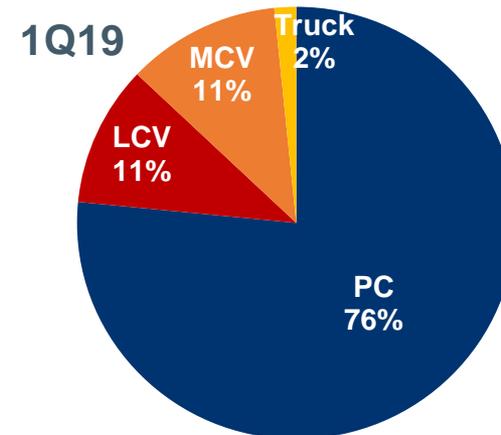
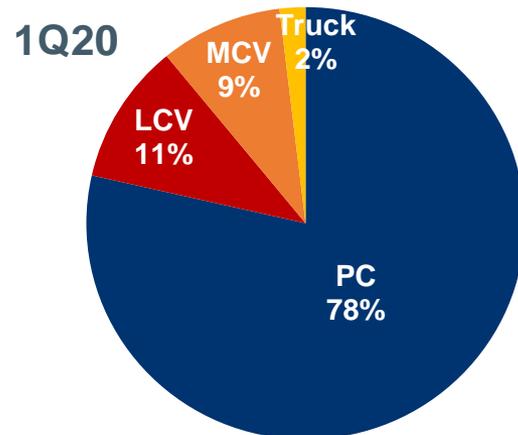
1Q20
Domestic Sales

Segments	Industry	Ford Otosan	% Share	Ranking
Commercial Vehicles	27,210	9,834	36.1%	1
Light Commercial	13,390	4,037	30.1%	2
Medium Commercial	11,383	5,164	45.4%	1
Truck	2,437	633	26.0%	2
Passenger Cars	99,630	3,791	3.8%	10
Total	127,137*	13,625	10.7%	4

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

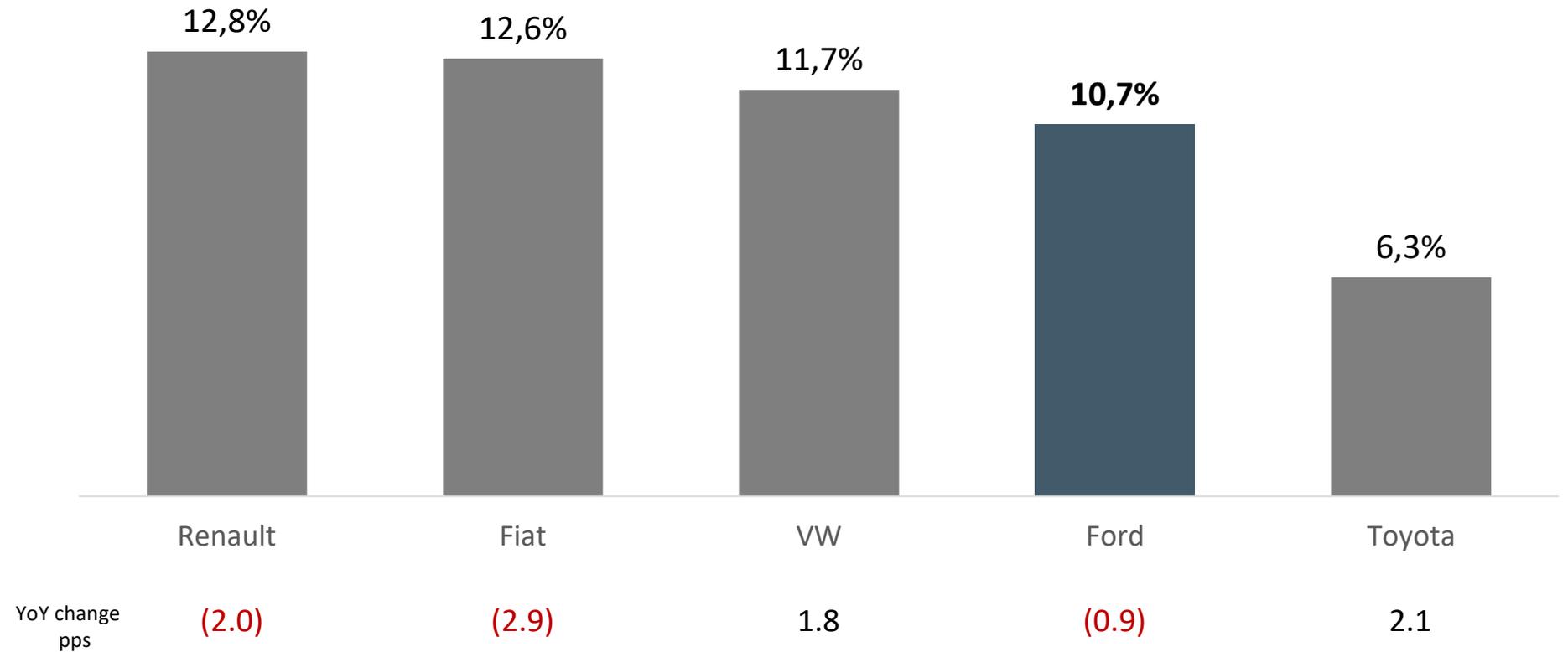
PC Industry Share Rose YoY

Segments	1Q20	1Q19	Change
Passenger Cars	99.630	68.812	45%
Light Commercial	13.390	9.502	41%
Medium Commercial	11.383	10.155	12%
Truck	2.437	1.453	68%
Total*	127.137	90.068	41%



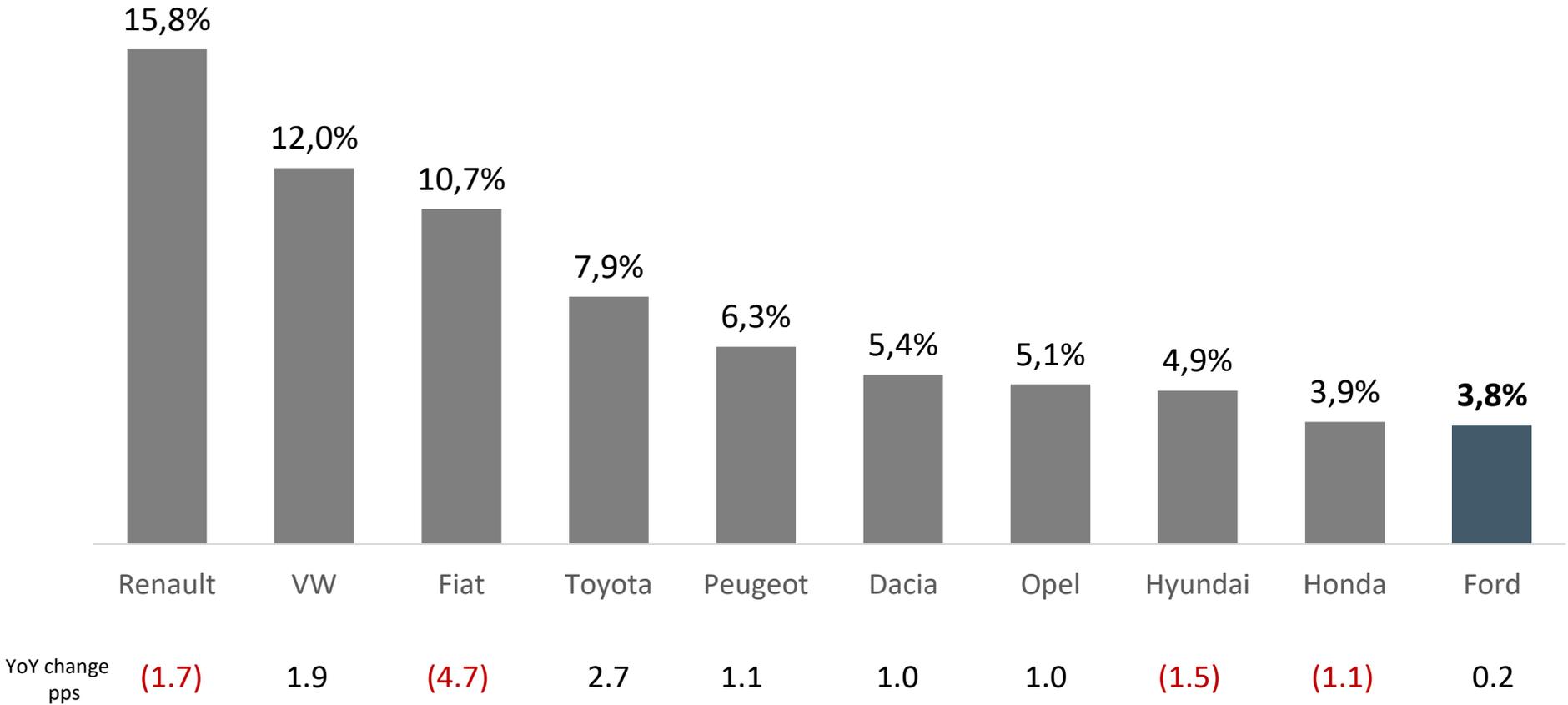
* Total industry volumes include PC, LCV, MCV, HCV and Truck sales.

Total Industry Market Shares, 1Q20



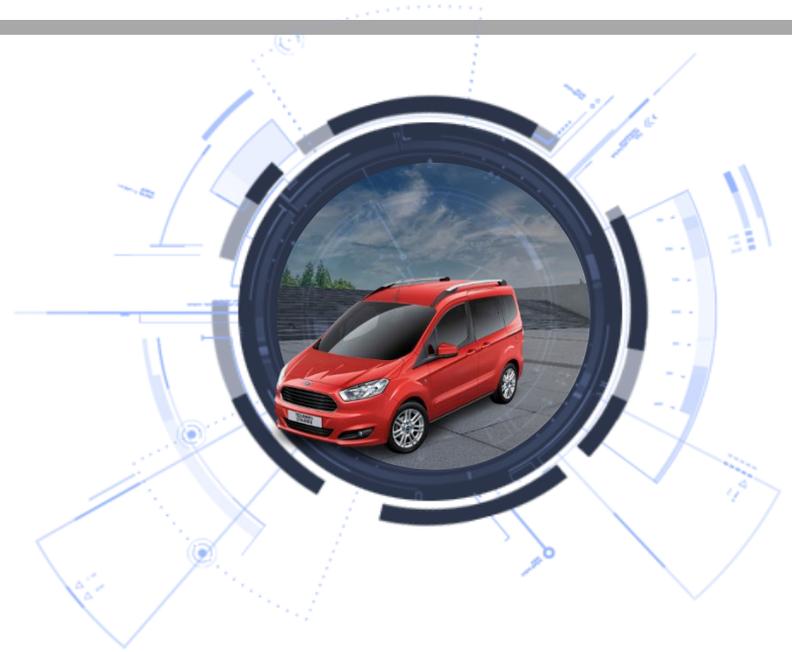
PC Market Shares, 1Q20

Strategy: Profitability over market share



LCV Market Shares, 1Q20

Strategy: Profitable growth



33,1%

30,1%

9,3%

9,2%

8,2%

Fiat

Ford

Peugeot

VW

Dacia

YoY change
pps

3.0

(0.5)

(2.1)

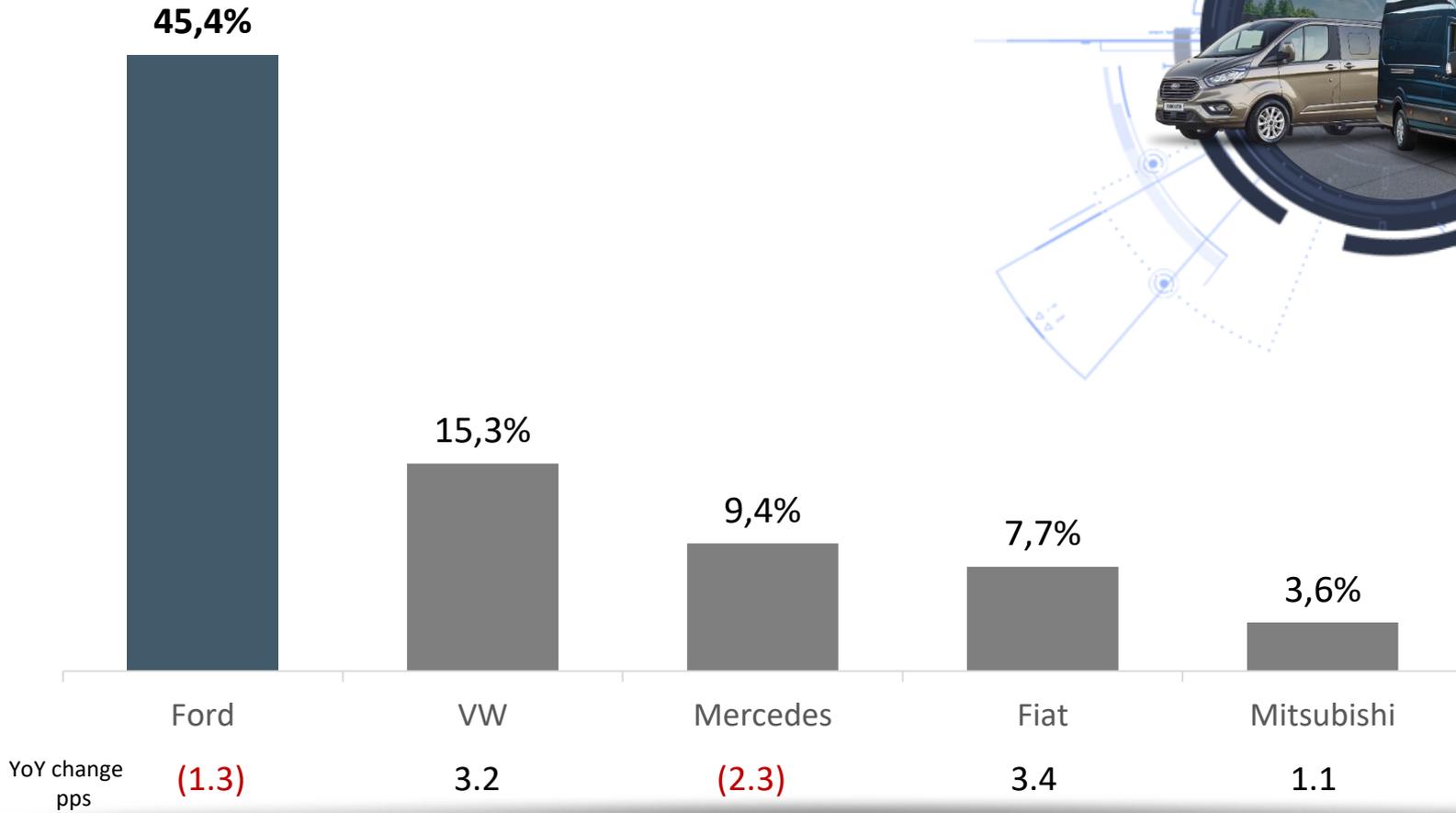
1.2

2.6

MCV Market Shares, 1Q20

Strategy: Profitable growth

Higher market share than the next 7 brands combined



Truck Market Shares, 1Q20

Strategy: Profitable growth



44,2%

26,0%

8,7%

6,5%

5,7%

Mercedes

Ford

MAN

Scania

Renault

YoY change
pps 8.6

2.2

(5.6)

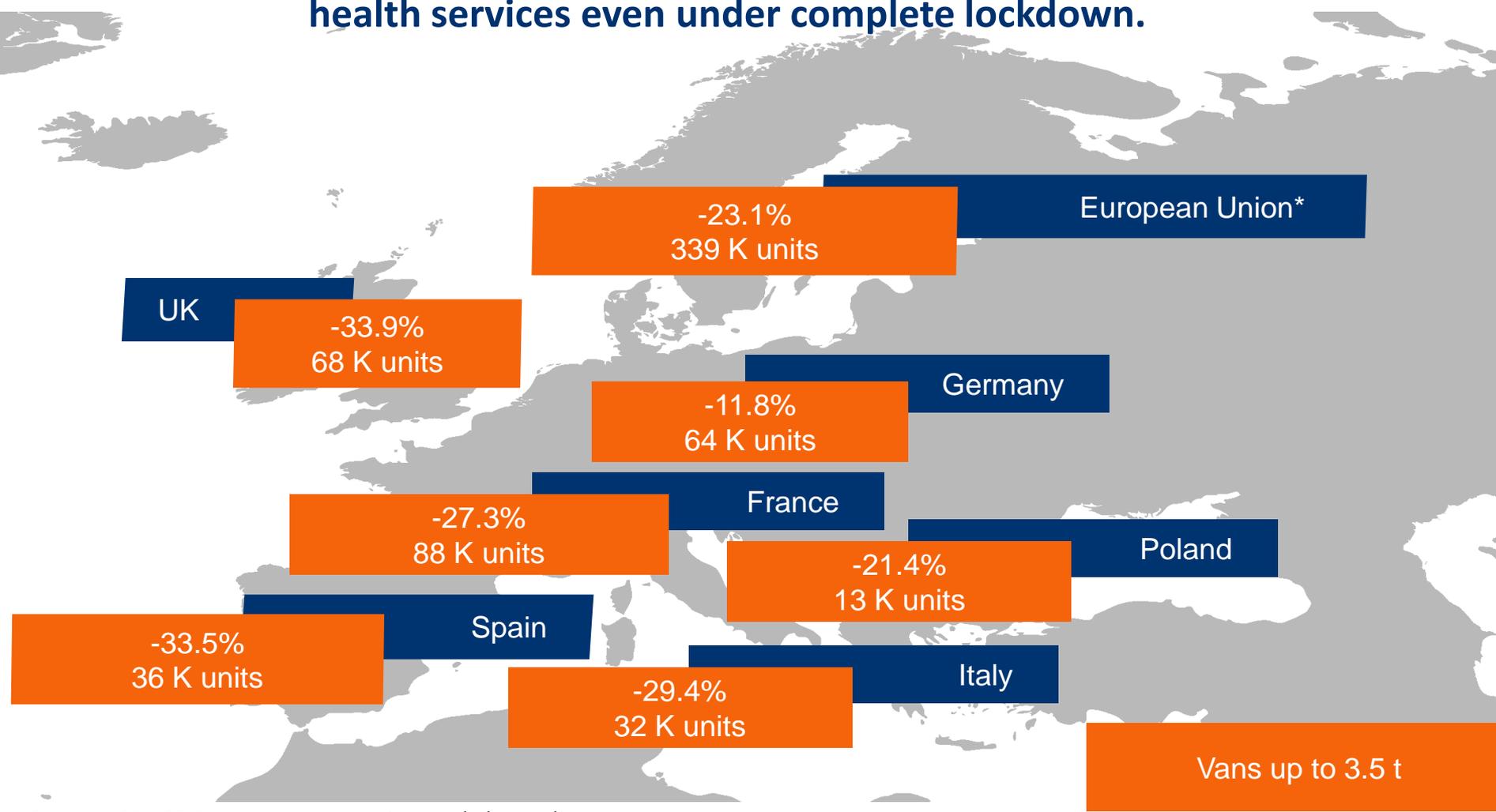
1.5

(2.8)

European Industry & Ford

EU Van Registrations Declined 23.1% in 1Q20

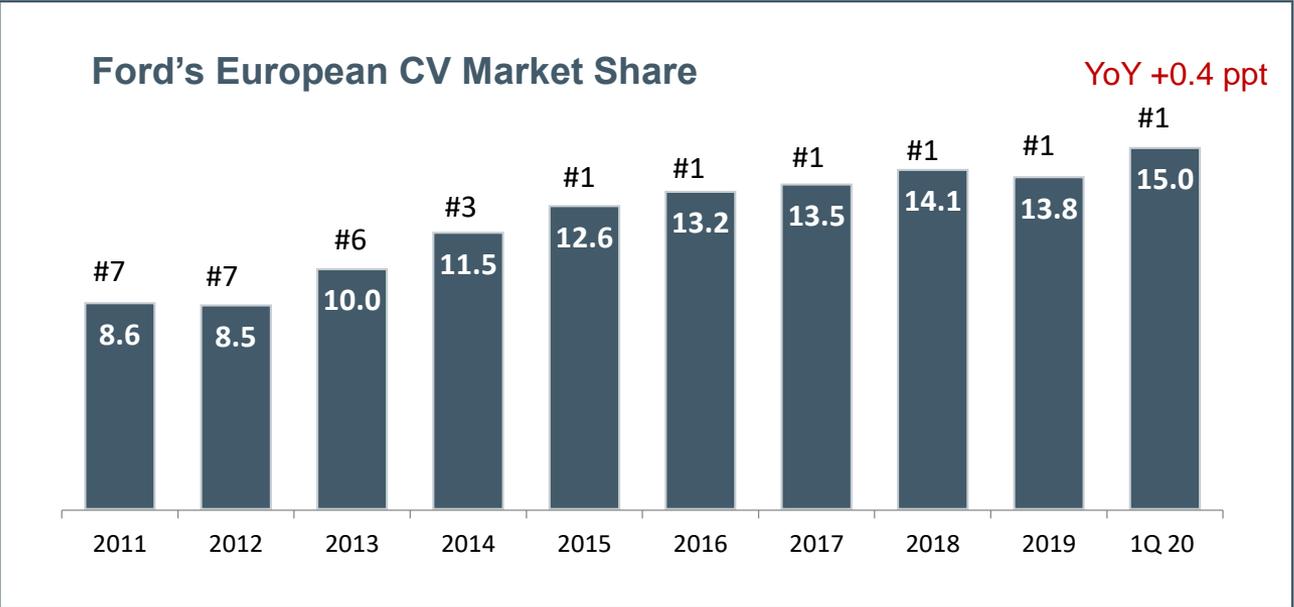
Commercial Vehicles continued to serve supermarkets, delivery business and health services even under complete lockdown.



Source: ACEA; 27 European Union countries excluding Malta.

*EU excluding UK.

Ford is Europe's Top-Selling CV Brand



Ford remains Europe's No.1 CV brand

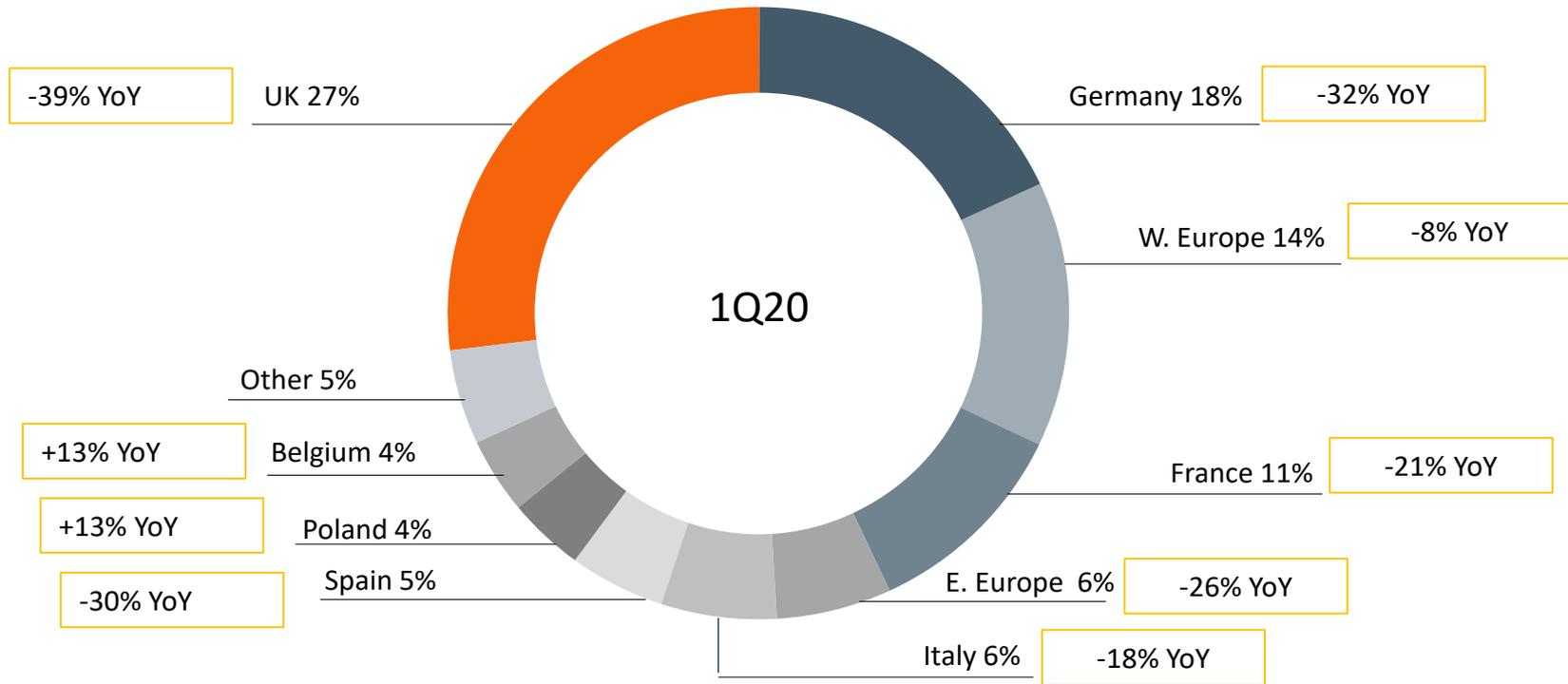
Award winning Transit Custom continues to lead its segment in Q1 and is the basis for the strengthened Ford CV market position.

Ford's commercial vehicle business gaining momentum in major markets

Source: Ford of Europe 1Q20 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

1Q20 Results

1Q20 Financial Results

TL 9,367 million

Revenues, +1% YoY

- Rising domestic sales
- Pricing discipline

TL 1,012 million

EBITDA, +30% YoY

- Strong domestic sales
- Robust after sales and spare part business
- Pricing discipline
- Strong OpEx control & cost reduction actions

TL 896 million

EBITDA excl. Currency impact, +15% YoY

TL 7,504 million

Export Revenues, -8% YoY

- 25% decline in export volume mainly due to COVID-19
- YoY decline limited to 8% due to strong € against TL

TL 612 million

Profit Before Tax, +28% YoY

TL 1,862 million

Domestic Revenues, +63% YoY

- 43% volume growth
- Pricing discipline

TL 629 million

Net Income, +32% YoY

- Higher than PBT due to Tax Income Resulting from Deferred Tax Asset in 1Q20.

Volume & Revenue Analysis (1Q20/1Q19)

	Volume	Revenue
Total	-18%	1%
<p>Rising domestic sales and robust after sales and spare parts business limited the impact of export decline.</p>		
Export	-25%	-8%
<p>The YoY decrease in export revenues was driven by lower volumes but limited due to strong € against TL .</p>		
Domestic	43%	63%
<p>Domestic demand was strong, driven by the low base year and ongoing campaigns. Domestic Revenues were up with volume growth and ongoing pricing discipline.</p>		

Sales Volume by Model

	1Q20	1Q19	YoY%
Total Domestic	14.968	10.441	43%
PC	4.379	2.045	114%
LCV	4.077	3.354	22%
Transit Courier	3.933	3.266	20%
Transit Connect	144	88	64%
MCV	5.903	4.602	28%
Transit	4.650	3.130	49%
Transit Custom	1.158	1.236	-6%
Ranger	95	236	-60%
Truck	609	440	38%
Total Export	66.540	89.193	-25%
Transit Custom	37.456	46.392	-19%
Transit	21.515	32.521	-34%
Transit Courier	7.175	9.715	-26%
Truck	393	543	-28%
Other	1	22	-95%
Total Wholesale	81.508	99.634	-18%

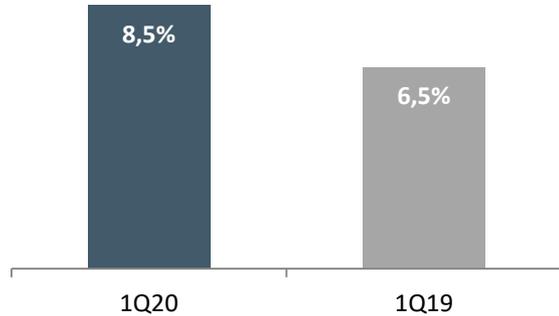
Main Financial Indicators

Million TL	1Q20	1Q19	YoY %
Total Revenues	9.367	9.284	1%
Export	7.504	8.141	-8%
Domestic	1.862	1.143	63%
Gross Profit	1.072	944	14%
Operating Profit	794	603	32%
EBITDA	1.012	781	30%
EBITDA excluding other income/expense	896	781	15%
Profit Before Tax	612	477	28%
Net Income	629	478	32%
Other Financial Data			
Depreciation & Amortization*	219	178	23%
Financial Income / (Expense)	-183	-126	45%

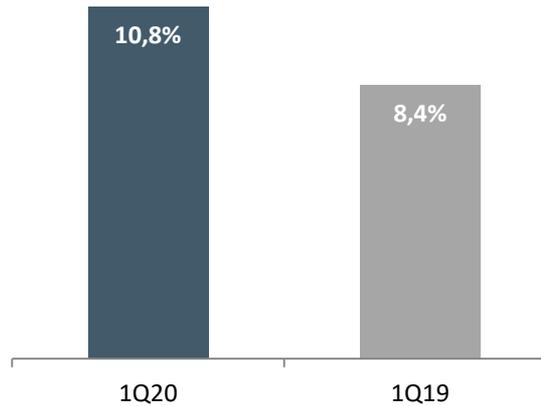
*1Q20 numbers include TL 11 million (1Q19: TL 11 million) impact from IFRS16 due to classification from manufacturing overhead and operating expenses to depreciation and amortization. Please refer to footnotes 2,10,11,33 of the financial statements for further details.

1Q20 Margins

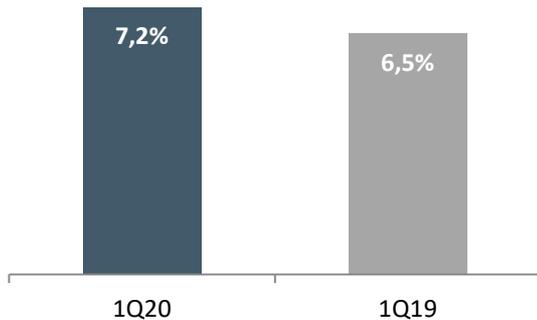
Operating Margin



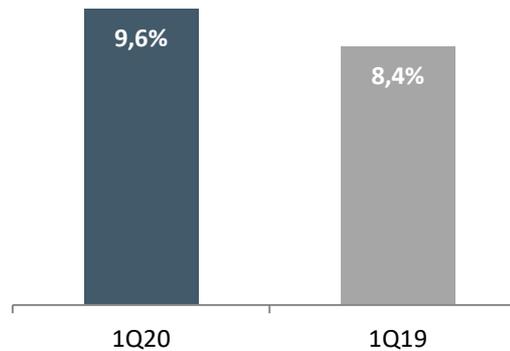
EBITDA Margin



Operating Margin (excl. Other items)



EBITDA Margin (excl. Other items)



Growing EBITDA per Vehicle (EUR)

	1Q	FY
2020	1,285	1,376
2019	1,238	1,266

EBITDA per vehicle kept growing and was at a record high of EUR 1,657 in 1Q20.

Drivers:

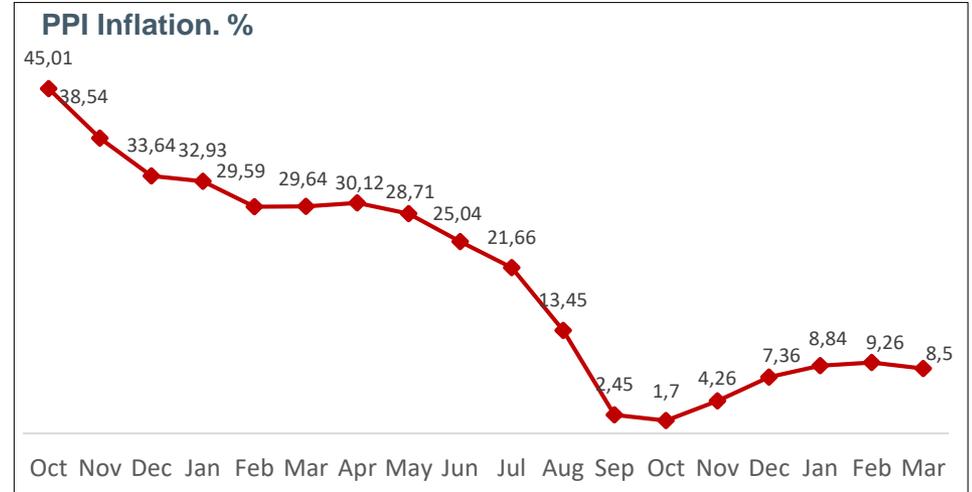
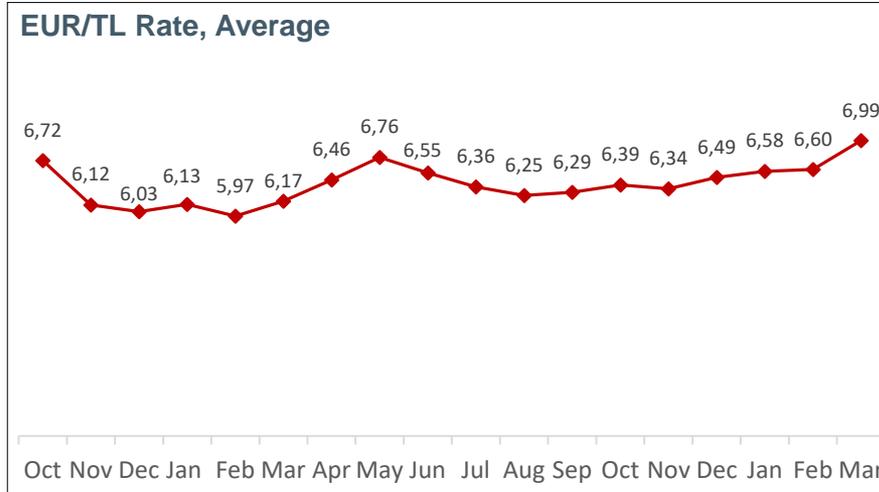
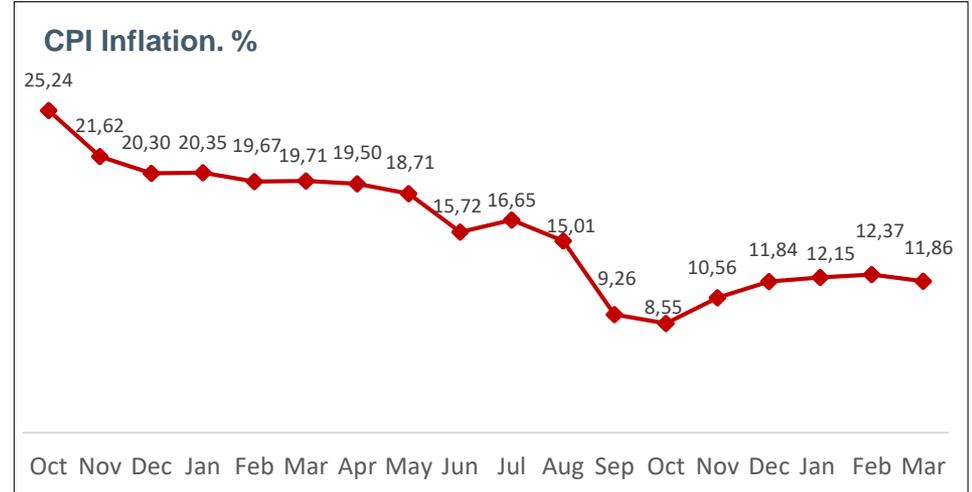
- + Rising domestic sales units
- + Robust after sales and spare parts business
- + Pricing discipline
- + Cost reduction actions and OpEx control
- + Continuous rise in € /TL in 1Q20

Challenges:

- Contracting export volumes

Cost Dynamics

YoY change	1Q20/1Q19
Production Volume	-18%
Raw Material Costs	-2%
€ / TL Average	10%



Source: Ford Otosan, CBT, Turkstat

Debt Profile & Financial Ratios

Cash Position (TL mn)	31.03.2020	31.12.2019
Cash & Cash Equivalents	3.676	3.203
Total Financial Debt	-7.708	-6.208
Net Financial Debt	-4.032	-3.005
Financial Ratios	31.03.2020	31.12.2019
Current ratio	1,13	1,17
Liquidity ratio	0,80	0,87
Net Debt / Tangible Net Worth	1,27	0,78
Net Debt / EBITDA*	1,18	0,94
Current Assets / Total Assets	0,62	0,62
Current Liabilities / Total Liabilities	0,73	0,74
Total Liabilities / Total Liabilities and Equity	0,76	0,72
Return on Equity	62,7%	42,0%
Margins	31.03.2020	31.03.2019
Gross Margin	11,4%	10,2%
EBITDA Margin	10,8%	8,4%
EBITDA Margin (excl.other items)	9,6%	8,4%
Operating Margin	8,5%	6,5%
Net Margin	6,7%	5,1%

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

2020 Guidance

	2019A	2020F
Turkish Industry Volume	488 K	520 K – 570 K
Ford Otosan Retail Sales Volume	49 K	55 K – 65 K
Exports	334 K	225 K – 235 K
Wholesale Volume	383 K	280 K – 300 K
Production Volume	369 K	270 K – 280 K
Capex (fixed assets)	€ 142 mn	€130 – 150 mn

- Ford Otosan provides guidance 4 times a year as part of quarterly financial statements.
- Guidance updated in May 2020 with 1Q20 results. Next update will be in August 2020 as part of 2Q20 results.
- Guidance is based on the assumption that the impact of Covid-19 on production, domestic sales and exports will start to fade gradually in June and economic activity will normalize as of August.

