



1H22 Financial Results Meeting

29 July 2022

Agenda

- **1H22 Evaluation**
- **Domestic Sales Performance**
- **Export Performance**
- **Since We Last Met**
- **Financial Results**
- **Q & A**

1H22 Evaluation

1H22 Highlights

Rank #1 in CV segment with 32.4% market share

LCV: 29.6%

MCV: 39.4%

Truck: 25.2%

Strong export performance as a result of continued demand for Ford CVs in Europe

19% increase in volumes and 140% increase in revenues

Robust international sales performance in Truck business

85% YoY growth

Strong capacity utilization despite ongoing microchip shortage impact on auto sector

Total 81%

Gölcük 80%

Yeniköy 89%

Eskişehir 84%

Solid profitability

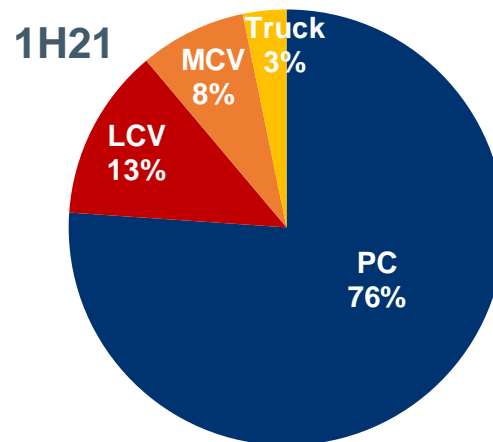
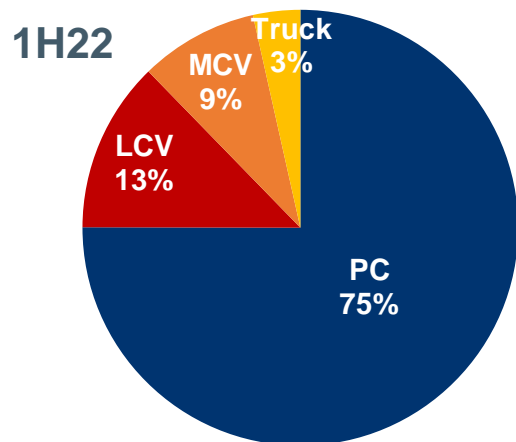
EBITDA p.v. €2,367

PBT p.v. €1,880

Domestic Sales Performance

CV Industry Share Rose YoY

| Segments | 1H22 | 1H21 | Δ |
|-------------------|----------------|----------------|------------|
| Passenger Cars | 278.282 | 310.325 | -10% |
| Light Commercial | 47.060 | 52.141 | -10% |
| Medium Commercial | 32.562 | 32.235 | 1% |
| Truck | 12.991 | 13.174 | -1% |
| Total* | 372.849 | 408.946 | -9% |



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

Domestic Sales Performance - I

| Rank | Brand | 1H22 Sales | 1H21 Sales | Market Share % | YoY Δ |
|----------------|---------|------------|------------|----------------|-------|
| Total Industry | | | | | |
| 1 | Fiat | 62,154 | 61,295 | 16.7 | 1.7 |
| 2 | Renault | 49,330 | 40,947 | 13.2 | 3.2 |
| 3 | Ford | 35,660 | 38,778 | 9.6 | 0.1 |
| 4 | VW | 29,083 | 43,358 | 7.8 | -2.8 |
| 5 | Hyundai | 23,805 | 16,090 | 6.4 | 2.5 |
| Passenger Cars | | | | | |
| 1 | Renault | 43,813 | 38,278 | 15.7 | 3.4 |
| 2 | Fiat | 41,151 | 41,110 | 14.8 | 1.6 |
| 3 | VW | 25,463 | 34,690 | 9.2 | -2.0 |
| 4 | Hyundai | 22,365 | 15,176 | 8.0 | 3.1 |
| 5 | Toyota | 18,746 | 27,590 | 6.7 | -2.2 |
| 16 | Ford | 5,615 | 8,800 | 2.0 | -0.8 |



PC strategy: Profitability over market share

Domestic Sales Performance - II

| Rank | Brand | 1H22 Sales | 1H21 Sales | Market Share % | YoY Δ |
|-------|----------|------------|------------|----------------|-------|
| LCV | | | | | |
| 1 | Fiat | 19,854 | 18,071 | 42.2 | 7.5 |
| 2 | Ford | 13,953 | 15,946 | 29.6 | -1.0 |
| 3 | Renault | 4,013 | 1,469 | 8.5 | 5.7 |
| 4 | Peugeot | 2,849 | 3,318 | 6.1 | -0.3 |
| 5 | Citroen | 1,981 | 2,028 | 4.2 | 0.3 |
| MCV | | | | | |
| 1 | Ford | 12,818 | 10,931 | 39.4 | 5.5 |
| 2 | Toyota | 3,300 | 2,083 | 10.1 | 3.6 |
| 3 | VW | 2,204 | 4,267 | 6.8 | -6.4 |
| 4 | Mercedes | 2,200 | 2,963 | 6.8 | -2.4 |
| 5 | Renault | 1,504 | 1,200 | 4.6 | 0.9 |
| Truck | | | | | |
| 1 | Mercedes | 5,708 | 5,072 | 43.9 | 11.8 |
| 2 | Ford | 3,274 | 3,101 | 25.2 | -5.3 |
| 3 | Renault | 1,053 | 787 | 8.1 | 1.7 |
| 4 | Iveco | 878 | 564 | 6.8 | -3.2 |
| 5 | MAN | 651 | 1,170 | 5.0 | 0.0 |

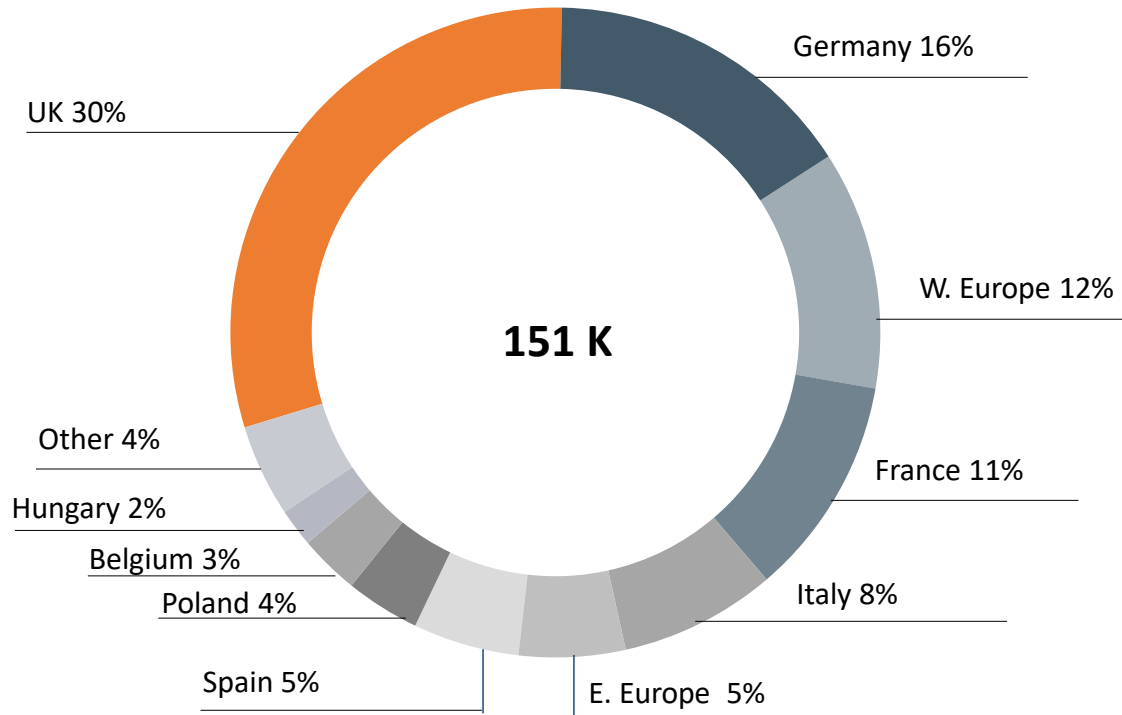
CV Strategy: Profitable growth



Export Performance

Turkey's Export Champion

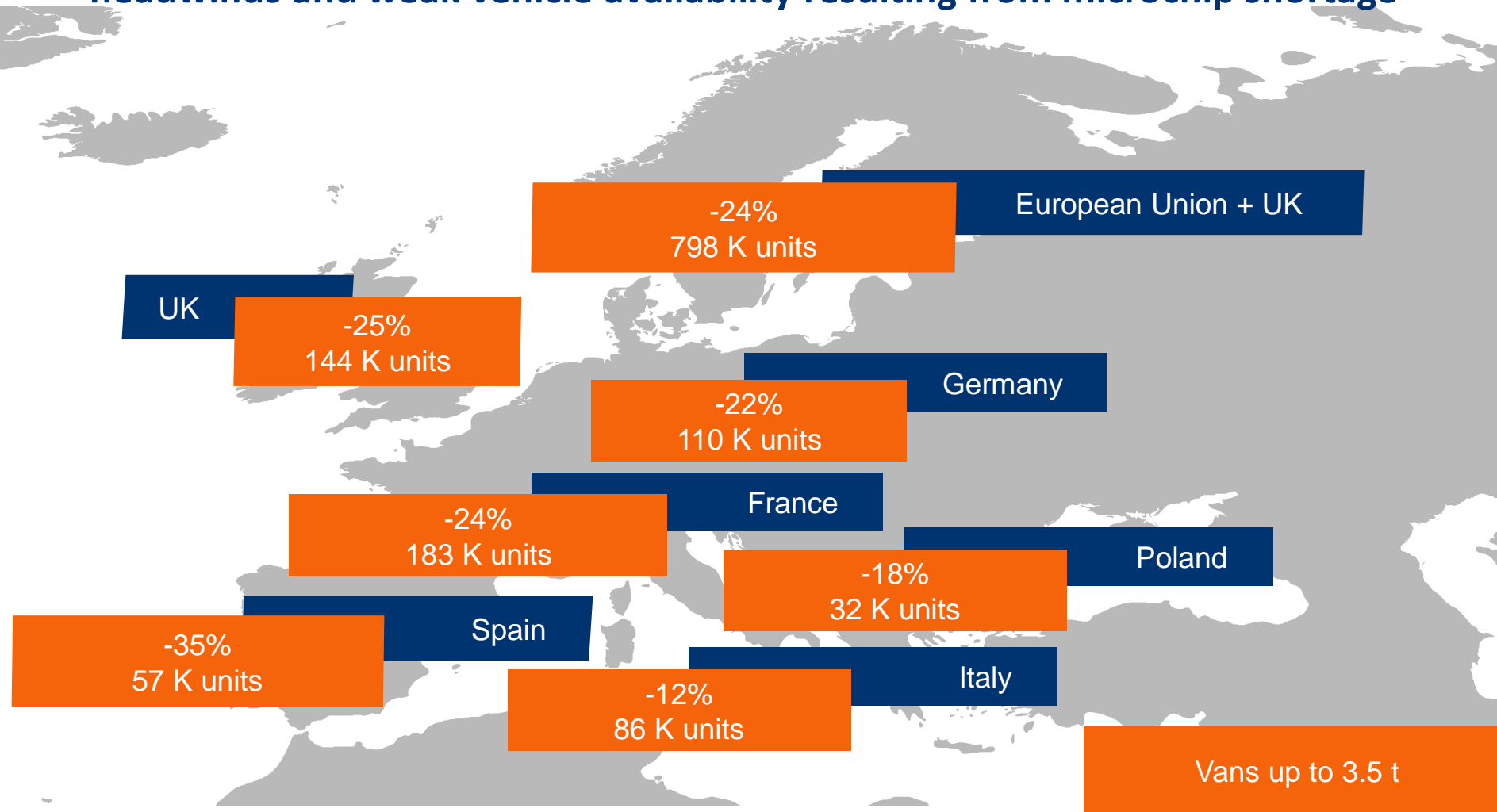
Export breakdown (1H22, units)



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

European Van Registrations Down 24%YoY in 1H22

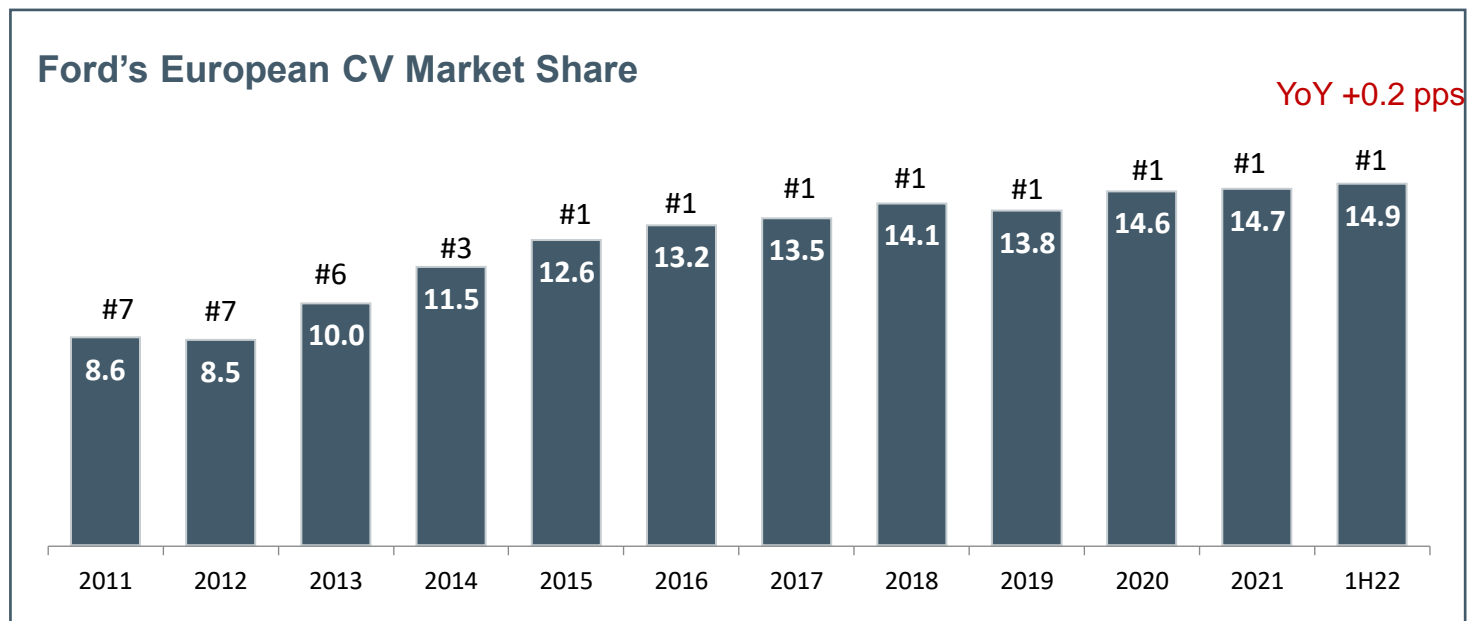
Contraction in European van registrations has continued due to economic headwinds and weak vehicle availability resulting from microchip shortage



Source: ACEA; 26 European markets + UK

Ford Remains Europe's Top-Selling CV Brand

The demand for Ford CVs in Europe remains strong and Ford Otosan continues to be a key driver of Ford's Market Performance



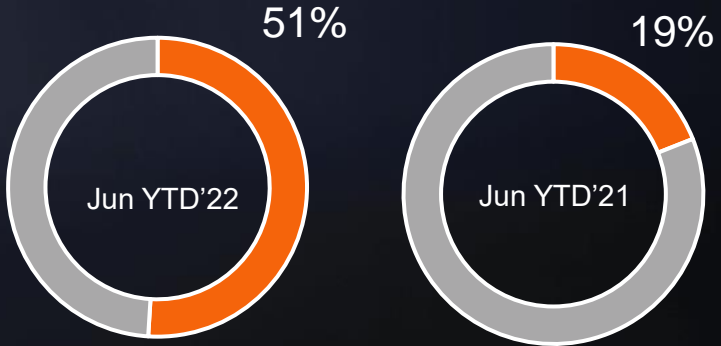
Ford continued to be No. 1 CV brand across Europe with 14.9% market share YTD up 0.2 ppts, of which about three quarters is produced by Ford Otosan

Source: Ford of Europe

85% growth in International Sales in 1H22

| Volumes (Ford Trucks) | Jun YTD'22 | Jun YTD'21 | YoY Growth |
|----------------------------------|------------|------------|------------|
| International Markets Industry | 143.873* | 102.854 | 40% |
| Ford Trucks' International Sales | 3.458 | 1.865 | 85% |

Share of Western Europe in
Ford Trucks International Sales



The main driver of strong performance is the rising volumes from Western Europe as a result of the international expansion strategy

(*) Estimate

Since We Last Met

E-Transit Custom - Europe's Best-Selling Van Went All-Electric

Production of E-Transit Custom will begin in 2H23 at Kocaeli Plants



- ✓ E-Transit Custom promises unmatched customer experience and **maximum productivity**
- ✓ E-Transit Custom will be supported by **Ford Pro software, charging, service and financing solutions** via one comprehensive platform to help **increase uptime and reduce operating costs**.

Performance and charging

- Targeted driving range of up to 380 km (WLTP)
- DC fast charge capable
- Full towing capability
- Unique Pro-Power Onboard feature



Watch E-Transit Custom

Acquisition of Romania Plant is Completed



Payment Schedule

EUR 406 mn was paid as first installment in July 2022.

EUR 196 mn and EUR 23 mn will be paid in 2025 and 2028 respectively.

Conditional amount* of EUR 140 mn will be paid in 2028.

Total Purchasing Value

EUR 625 mn to EUR 765 mn

Production Capacity: 250K Vehicle and 350K Engine

Puma



Ford's best-selling passenger vehicle in Europe

Ecosport



Discontinued production by the end of 2022

✓ 5.500+ employees



✓ 1 million sqm area



✓ Romania's 3rd largest exporter



(*) Romania plant CUR in 2028-2034

Future of Romania Plant

Ford Otosan plans to invest €490 million for the New Courier over the next 3 years

Production Capacity in the Upcoming Period

272K Units Vehicles and 350K Units Engine

Romania Plant will play a critical role in Ford's Electrification plans

- ✓ **New Courier** will be built in Craiova
- ✓ Production can rise up to **100k** units
- ✓ ICE version in 2023 - BEV version in 2024
- ✓ **Puma** will be manufactured in Craiova
- ✓ Production can rise up to **189k** units
- ✓ BEV version in 2024



2021 Sustainability Report



- ✓ We have published our **2021 Sustainability Report** in July 2022.
- ✓ 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, 2021.
- ✓ We carried out **TCFD analysis** for the first time in 2021. We evaluate the risks and opportunities created by the climate change extensively upon recommendations from TCFD.

2021 Sustainability Report is available at:

https://www.fordotosan.com.tr/documents/Documents/Surd_Raporlari/2021_surdurebilirlik_rapor_en.pdf

1H22 Results

Highlights

TL 60,730 million

Revenues, +127% YoY

- Total volumes 13%
- Export volumes 19%
- Domestic volumes -9%

TL 47,818 million

Export Revenues, +140% YoY

- 19% volume increase
- Sales mix
- Exchange impact

TL 12,912 million

Domestic Revenues, +87% YoY

- 9% volume decline
- Positive sales mix
- Ongoing pricing discipline

TL 7,753 million

EBITDA, +134% YoY

- Strong export performance
- Strong domestic volumes in 2Q
- Pricing discipline
- Ongoing cost reduction measures and OpEx control
- Exchange impact on our export business (average EUR/TRY up 71% YoY)
- Cost-plus export contracts

TL 7,120 million

**EBITDA excl. Currency impact,
+132% YoY**

TL 5,656 million

PBT, +103% YoY

TL 6,506 million

Net Income, +131% YoY

- Higher than PBT due to Tax Income Resulting from Deferred Tax Asset in 1H22.

Volume & Revenue Analysis (1H22/1H21)

| | Volume | Revenue |
|--|--------|---------|
| Total | 13% | 127% |
| Strong export performance, strong domestic sales in 2Q, positive sales mix, ongoing pricing discipline and exchange impact | | |
| Export | 19% | 140% |
| Volume growth, sales mix and exchange impact | | |
| Domestic | -9% | 87% |
| Despite the volume contraction, domestic revenues were supported by positive sales mix and ongoing pricing discipline | | |

Sales Volume by Model

| | 1H22 | 1H21 | YoY% | 2Q22 | 2Q21 | YoY% |
|------------------------|----------------|----------------|-------------|---------------|---------------|-------------|
| Total Domestic | 34,323 | 37,543 | -9% | 19,244 | 16,373 | 18% |
| PC | 3,729 | 6,283 | -41% | 1,713 | 2,360 | -27% |
| LCV | 15,629 | 17,593 | -11% | 9,107 | 8,649 | 5% |
| Transit Courier | 15,412 | 17,286 | -11% | 8,974 | 8,523 | 5% |
| Transit Connect | 217 | 307 | -29% | 133 | 126 | 6% |
| MCV | 11,564 | 10,501 | 10% | 6,792 | 4,045 | 68% |
| Transit | 8,867 | 8,060 | 10% | 5,238 | 2,654 | 97% |
| Transit Custom | 2,396 | 1,644 | 46% | 1,359 | 692 | 96% |
| Ranger | 301 | 797 | -62% | 195 | 699 | -72% |
| Truck | 3,261 | 3,166 | 3% | 1,521 | 1,319 | 15% |
| Rakun | 140 | - | | 111 | - | |
| Total Export | 150,976 | 126,603 | 19% | 74,529 | 41,084 | 81% |
| Transit Custom | 75,387 | 70,077 | 8% | 37,279 | 19,661 | 90% |
| Transit | 59,022 | 42,802 | 38% | 30,739 | 14,238 | 116% |
| Transit Courier | 13,166 | 11,886 | 11% | 5,081 | 6,225 | -18% |
| Truck | 3,395 | 1,820 | 87% | 1,424 | 960 | 48% |
| Other | 6 | 18 | -67% | 6 | - | |
| Total Wholesale | 185,299 | 164,146 | 13% | 93,773 | 57,457 | 63% |

Main Financial Indicators

| Million TL | 1H22 | 1H21 | YoY % | 2Q22 | 2Q21 | YoY % |
|---------------------------------------|--------|--------|--------|--------|--------|-------|
| Total Revenues | 60,730 | 26,787 | 127% | 32,854 | 10,533 | 212% |
| Export | 47,818 | 19,891 | 140% | 25,350 | 7,354 | 245% |
| Domestic | 12,912 | 6,896 | 87% | 7,504 | 3,178 | 136% |
| Gross Profit | 8,872 | 3,585 | 147% | 5,153 | 1,517 | 240% |
| Operating Profit | 7,169 | 2,802 | 156% | 4,046 | 1,082 | 274% |
| EBITDA | 7,753 | 3,312 | 134% | 4,336 | 1,339 | 224% |
| EBITDA excluding other income/expense | 7,120 | 3,070 | 132% | 4,149 | 1,258 | 230% |
| Profit Before Tax | 5,656 | 2,793 | 103% | 3,371 | 975 | 246% |
| Net Income | 6,506 | 2,819 | 131% | 3,704 | 999 | 271% |
| Other Financial Data | | | | | | |
| Depreciation & Amortization* | 584 | 510 | 15% | 290 | 258 | 13% |
| Financial Income / (Expense) | -1,501 | -11 | 13911% | -676 | -105 | 545% |

*1H22 numbers include TL 23 million (1H21: TL 18 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.

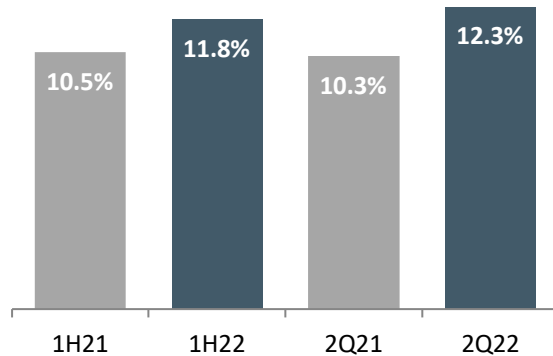
Summary Balance Sheet & Cash Flow Statement

| Balance Sheet, Million TL | 30.6.2022 | 31.12.2021 | YoY Δ |
|-------------------------------------|-----------|------------|-------|
| Current Assets | 40,039 | 32,814 | 22% |
| Current Liabilities | 35,059 | 20,782 | 69% |
| Property, Plant and Equipment - Net | 6,497 | 5,149 | 26% |
| Total Assets | 63,027 | 42,793 | 47% |
| Total Liabilities | 51,359 | 32,644 | 57% |
| Shareholders' Equity | 11,669 | 10,149 | 15% |

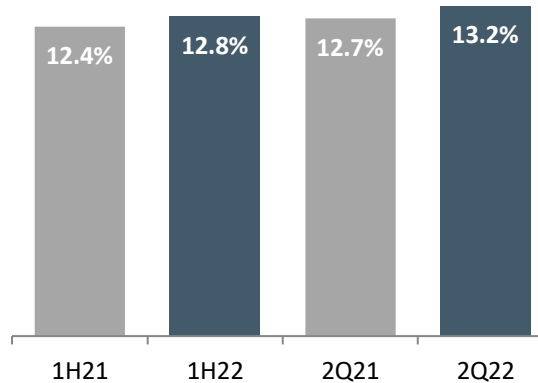
| Cash Flow Statement, Million TL | 30.6.2022 | 30.6.2021 | YoY Δ |
|---|-----------|-----------|-------|
| Beginning Balance of Cash & Equivalents | 14,106 | 8,074 | 75% |
| Net Cash from Operating Activities | 7,163 | 249 | 2779% |
| Net Cash Used in Investing Activities | -12,456 | -994 | 1153% |
| Net Cash Used in Financing Activities | 4,721 | -2,320 | N/M |
| End of Period Balance of Cash&Equivalents | 13,535 | 5,008 | 170% |

Margins

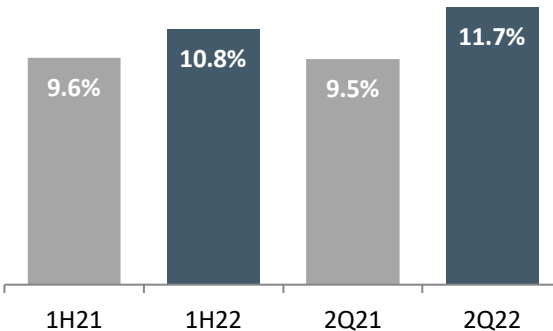
Operating Margin



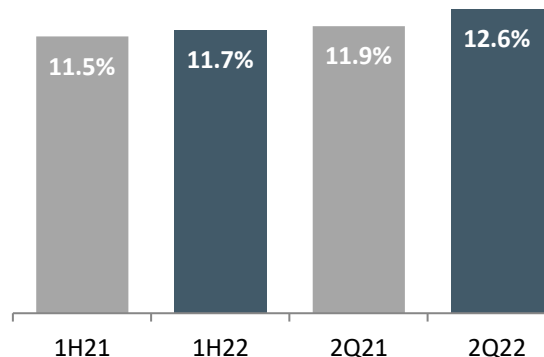
EBITDA Margin



Operating Margin (excl. Other items)



EBITDA Margin (excl. Other items)



Growing EBITDA and PBT per Vehicle

| EBITDA, EUR | 1H | 2Q |
|-------------|-------|-------|
| 2020 | 1,739 | 2,016 |
| 2021 | 1,969 | 2,169 |
| 2022 | 2,367 | 2,628 |

| PBT, EUR | 1H | 2Q |
|----------|-------|-------|
| 2020 | 1,016 | 895 |
| 2021 | 1,791 | 1,681 |
| 2022 | 1,880 | 2,135 |

Drivers:

- + Strong export performance despite ongoing semi-conductor shortage
- + Strong domestic sales in 2Q
- + Pricing discipline
- + Ongoing cost reduction measures and OpEx control
- + Cost-plus export contracts
- + Exchange impact on our export business (average EUR/TRY up 71% in 1H22 YoY)

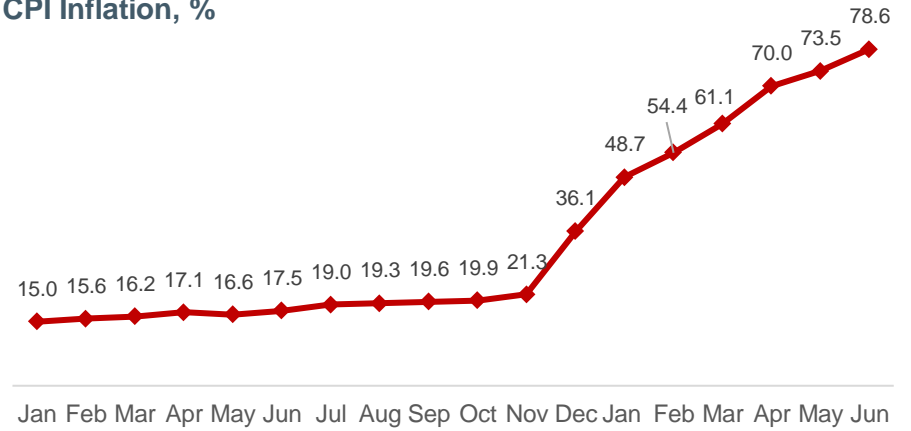
Challenges:

- TL volatility
- Extended global chip shortage

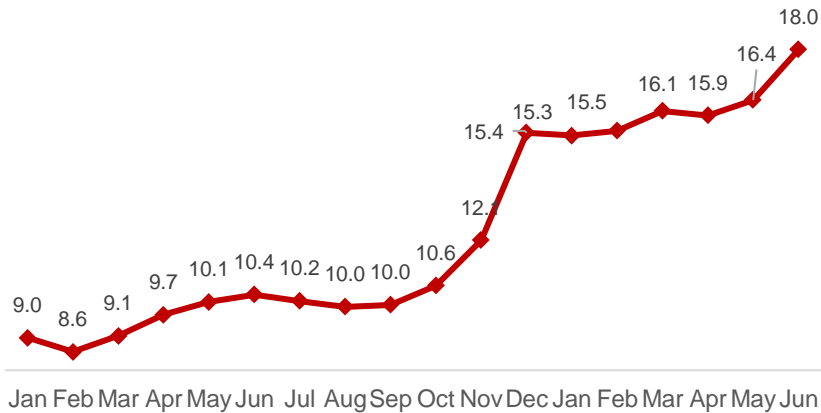
Cost Dynamics

| | 1H22/1H21 | 2Q22/2Q21 |
|--------------------|-----------|-----------|
| Production Volume | 21% | 70% |
| Raw Material Costs | 148% | 256% |
| € / TL Average | 71% | 67% |

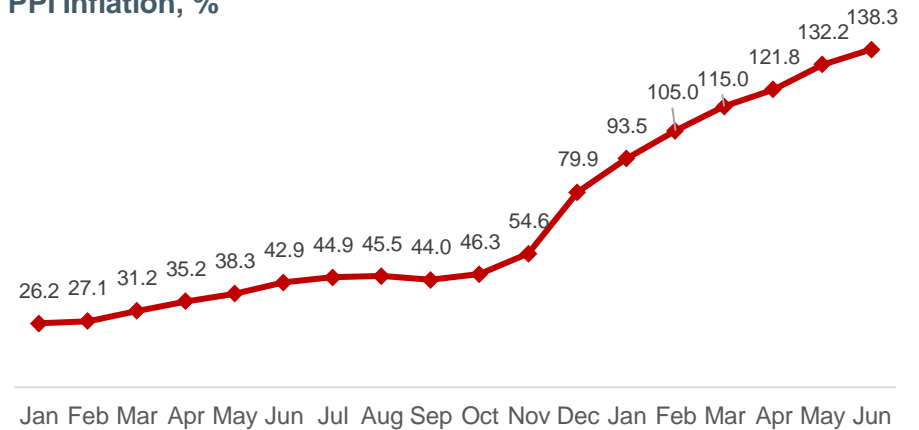
CPI Inflation, %



EUR/TL Rate, Average



PPI Inflation, %



Source: Ford Otosan, CBT, Turkstat

Debt Profile & Financial Ratios

| Cash Position (TL mn) | 30.06.2022 | 31.12.2021 |
|--|------------|------------|
| Cash & Cash Equivalents | 13,542 | 14,174 |
| Total Financial Debt | -32,335 | -19,056 |
| Net Financial Debt | -18,793 | -4,882 |
| Financial Ratios | 30.06.2022 | 31.12.2021 |
| Current ratio | 1.14 | 1.58 |
| Liquidity ratio | 0.75 | 1.25 |
| Net Debt / Tangible Net Worth | 1.97 | 0.56 |
| Net Debt / EBITDA* | 1.26 | 0.47 |
| Current Assets / Total Assets | 0.64 | 0.77 |
| Current Liabilities / Total Liabilities | 0.68 | 0.64 |
| Total Liabilities / Total Liabilities and Equity | 0.81 | 0.76 |
| Return on Equity | 111.5% | 86.7% |
| Margins | 30.06.2022 | 30.06.2021 |
| Gross Margin | 14.6% | 13.4% |
| EBITDA Margin | 12.8% | 12.4% |
| EBITDA Margin (excl.other items) | 11.7% | 11.5% |
| Operating Margin | 11.8% | 10.5% |
| Net Margin | 10.7% | 10.5% |

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

2022 Guidance

| | 2021A | 2022F |
|---------------------------------|----------|----------------|
| Turkish Industry Volume | 766 K | 800 K – 850 K |
| Ford Otosan Retail Sales Volume | 74 K | 90 K – 100 K |
| Exports | 289 K | 330 K – 340 K |
| Wholesale Volume | 362 K | 420 K – 440 K |
| Production Volume | 348 K | 410 K – 420 K |
| Capex (fixed assets) | € 309 mn | € 620 – 670 mn |

- Ford Otosan provides guidance 4 times a year as part of quarterly financial statements.
- Guidance updated in July 2022 with 1H22 results. Next update will be in November 2022 as part of 9M22 results.

Q & A

