



Ford

OTOSAN

2017 1H Financial Results

4 August 2017



Ford

OTOSAN

Oğuz Toprakoğlu
CFO

Agenda

Since We Last Met

European Industry & Ford

Financial Results

Q & A





Ford

OTOSAN

Since We Last Met

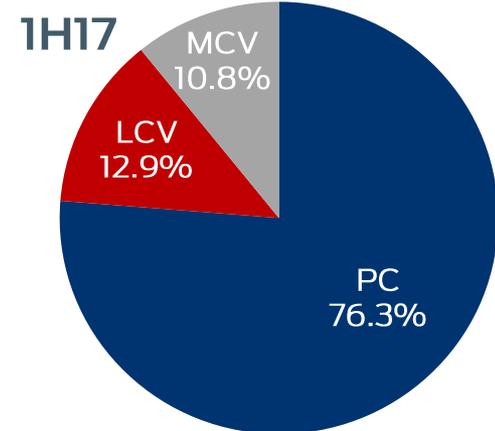
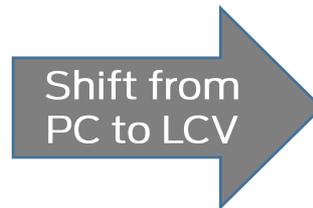
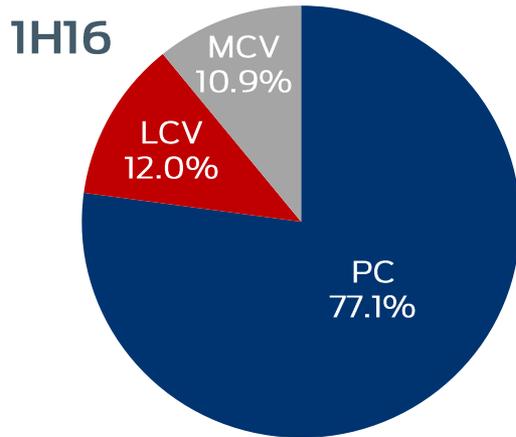
Domestic Industry and Ford Otosan At a Glance

1H17
Domestic Sales

Segments	Industry	Ford Otosan	% Share	Ranking
Commercial Vehicles	102,510	30,598	29.8	#1
Light Commercial	51,828	13,680	26.4	#2
Medium Commercial	43,406	14,783	34.1	#1
Truck	7,276	2,135	29.3	#2
Passenger Cars	305,924	18,597	6.1	#6
Total	409,370	49,195	12.0	#2

Industry Shifted Slightly from PC to LCV

Segments	1H17	1H16	% Change
Passenger Cars	305,924	338,482	-10
Light Commercial	51,828	52,690	-2
Medium Commercial	43,406	47,645	-9
Truck	7,276	9,618	-24
Total	409,370	449,320	-9



Total Industry Market Shares, 1H17


RENAULT
13.4%


12.0%


11.9%


11.9%


HYUNDAI
5.9%

+0.6 pps
YTD

Renault

Ford

VW

Fiat

Hyundai

YoY change
pps

0.3

0.1

(1.3)

1.6

0.6

PC Market Shares, 1H17



RENAULT

15.9%



Renault

0.4



12.0%



VW

(0.9)



8.7%



Fiat

1.9



HYUNDAI

7.4%



Hyundai

0.7



6.1%



Opel

(1.0)



6.1%



Ford

+0.6 pps
YTD

Strategy: Profitability over market share

YoY change pps

LCV Market Shares, 1H17



36.8%



Fiat

(2.4)



26.4%



Ford

(0.3)



9.1%



VW

(1.1)

Strategy: Profitable growth

Courier continues to lead the segment



8.1%

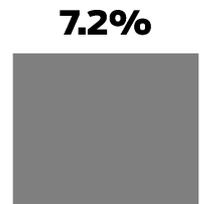


Citroen

2.4



7.2%



Renault

0.7

YoY change
pps

MCV Market Shares, 1H17



34.1%

**-0.4 pps
YTD**

Strategy: Profitable growth

Higher market share than the next 3 brands combined



17.0%



8.8%



6.9%



RENAULT

5.6%

Ford

VW

Mercedes

Fiat

Renault

YoY change
pps

1.0

(4.4)

0.5

1.1

(0.4)

HCV Market Shares, 1H17



44.3%



Mercedes



29.3%



Ford



8.7%



Scania



7.8%



MAN



4.4%



Volvo

Our new Ectorq engine continues to drive market share

YoY change pps

2.4

3.6

(4.0)

0.1

1.0

New Models – Passenger Cars

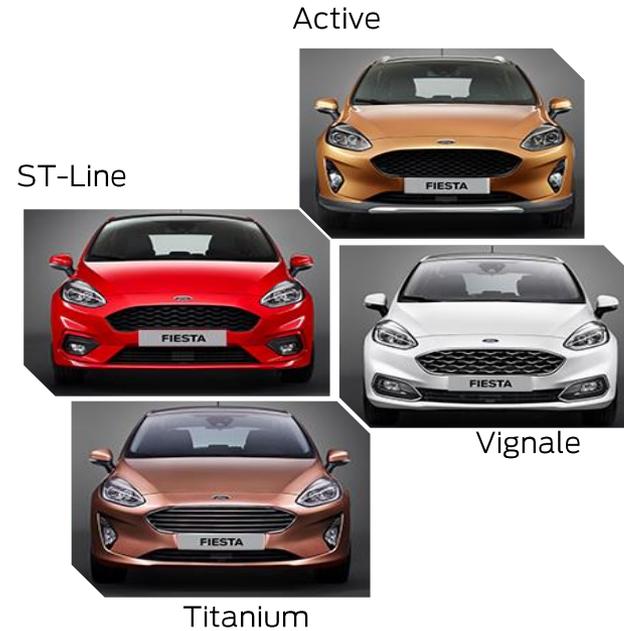
2017

1Q



Kuga MCA

1.5L Diesel M/T & A/T



Active

ST-Line

Vignale

Titanium

3Q

**New Generation
Fiesta**

New Models – Commercial Vehicles

2017



Transit
A/T @ FWD 2.0L
EcoBlue engine



2Q



2Q **Courier**
Sport Series



Tourneo Custom
A/T 2.0L
EcoBlue engine



1Q **Connect**
Euro6



Export Driven Capacity Increase

US\$ 52 million total investment

Capacity ('000 Units)	Current	Phase 1	Phase 2
Custom	130-150	170	180
Transit	140-160	160	160
Total Gölcük Plant*	290*	315*	330*
Total Ford Otosan	415	440	455

440
↓
4Q17

455
↓
September 2018

* Total paintshop capacity of the plant.

Ford Revealed New Transit Custom

The image shows the front view of an orange Ford Transit van. The van is parked on a gravel path that leads to a body of water, likely a lake or river. In the background, there are green trees and a hazy sky. The van's front grille features the 'TRANSIT' logo. Seven white text boxes are overlaid on the image, each containing a key feature of the vehicle.

Bold new design

All-new interior

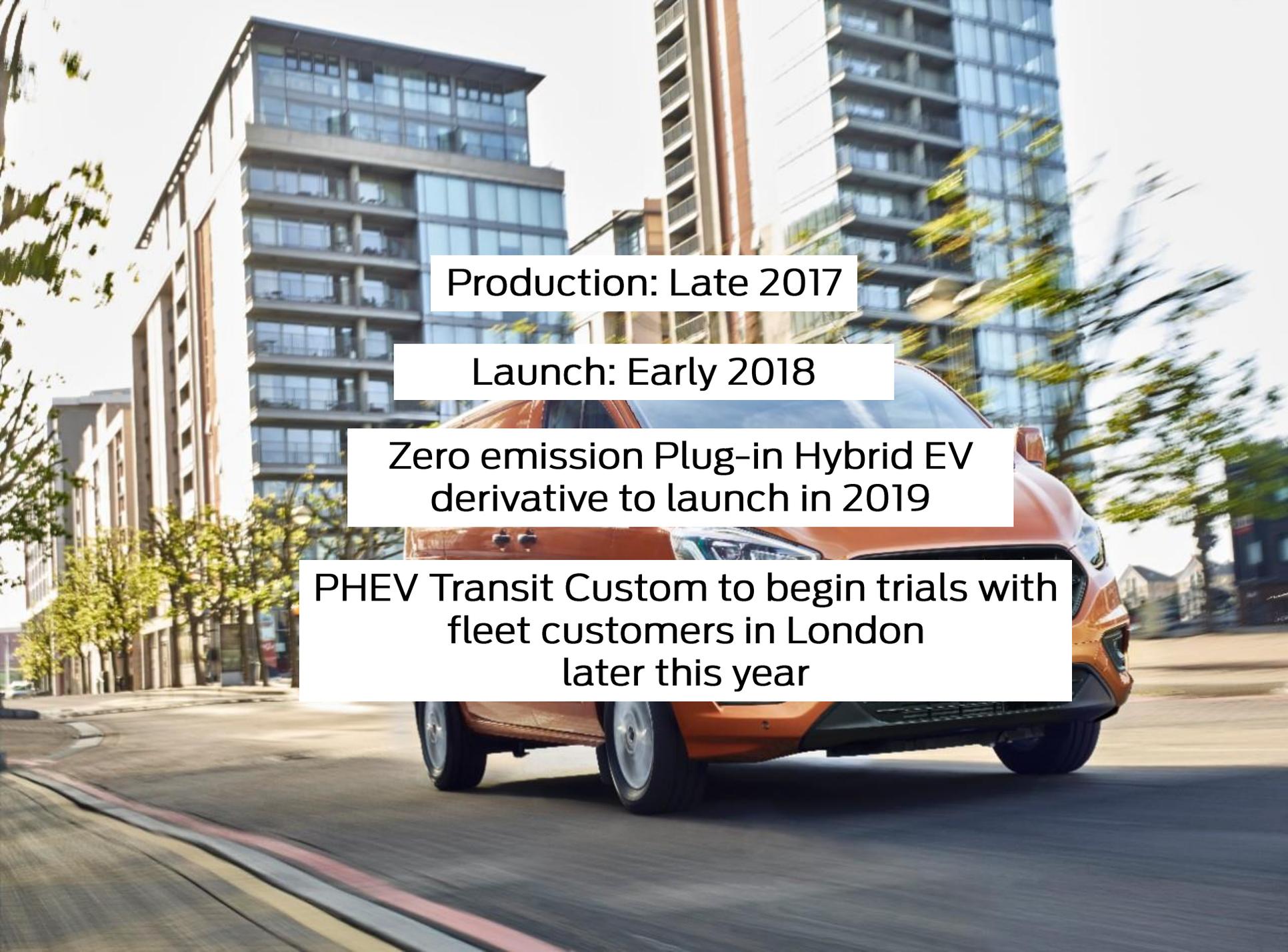
Enhanced productivity

Advanced technology

Ford EcoBlue diesel engine

Class-leading load-carrying ability

Dynamic styling for perfect mobile office



Production: Late 2017

Launch: Early 2018

Zero emission Plug-in Hybrid EV
derivative to launch in 2019

PHEV Transit Custom to begin trials with
fleet customers in London
later this year

Ford Motor Co. Leadership Changes



Jim Hackett

President and CEO

PRIORITIES

- **Sharpening** operational execution
- **Modernizing** Ford's business
- **Transforming** to meet future challenges

NEW LEADERS

- **Jim Farley**, Executive Vice President and President, **Global Markets**
- **Joe Hinrichs**, Executive Vice President and President, **Global Operations**
- **Marcy Klevorn**, Executive Vice President and President, **Mobility**

Ford Otosan BoD Members – New Roles

Jim Farley - Executive Vice President and President, Global Markets
Steven Armstrong - Group Vice President and President, EMEA

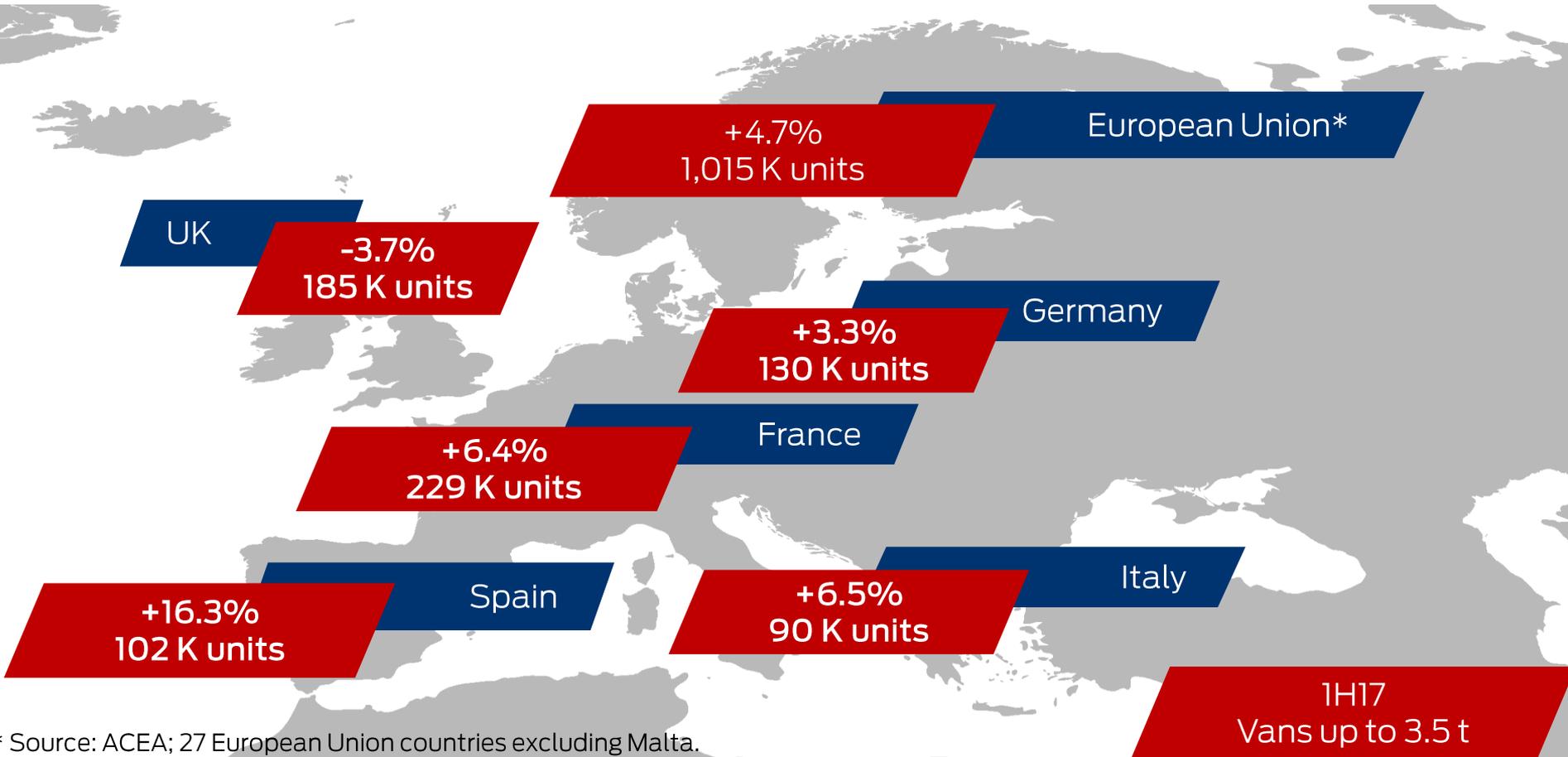
**European Industry
&
Ford**

Ford

OTOSAN

EU Van Registrations Up 4.7% in 1H17

Industry growth supported by
firmer and broader economic recovery



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

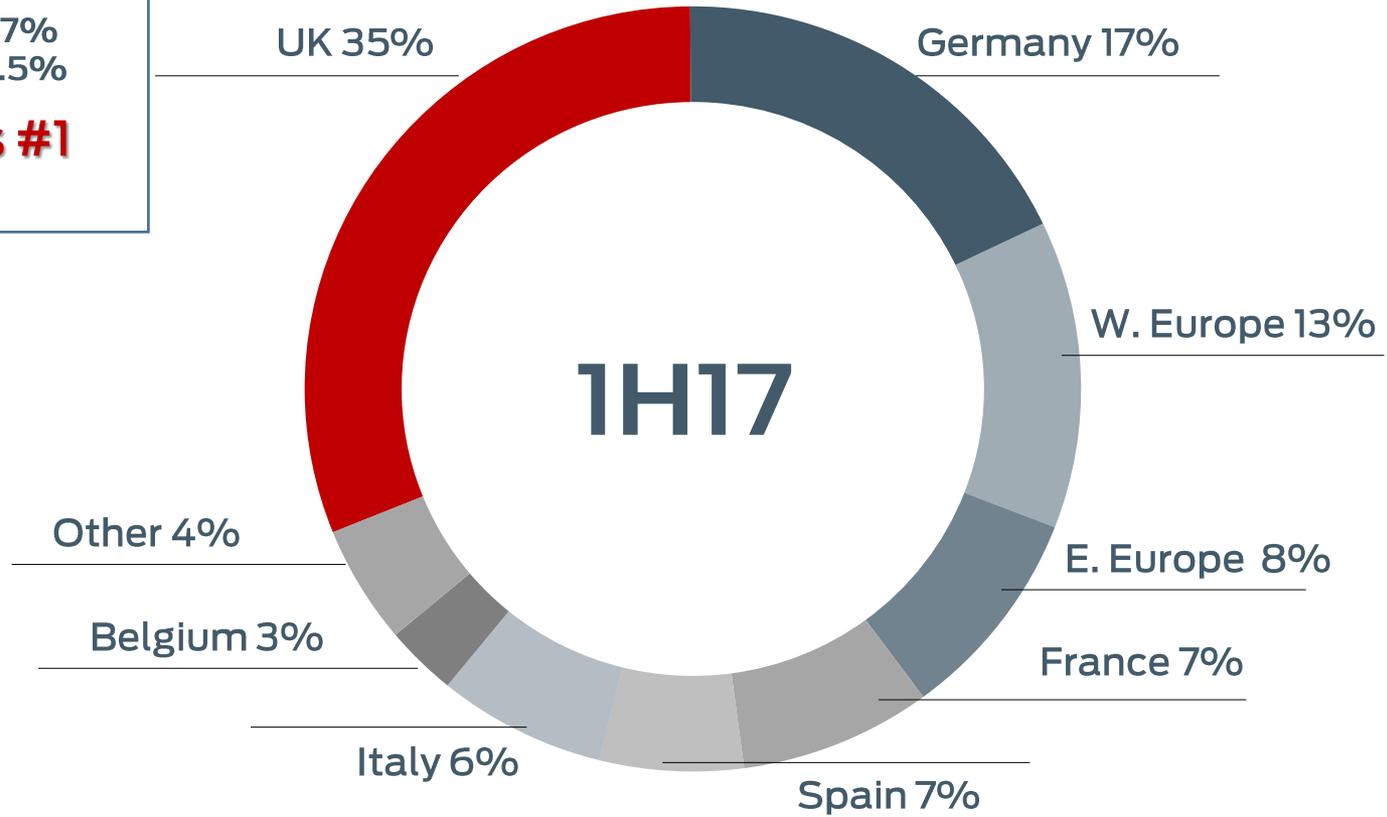
Record 1H Export Performance by Ford Otosan

Export breakdown (units)

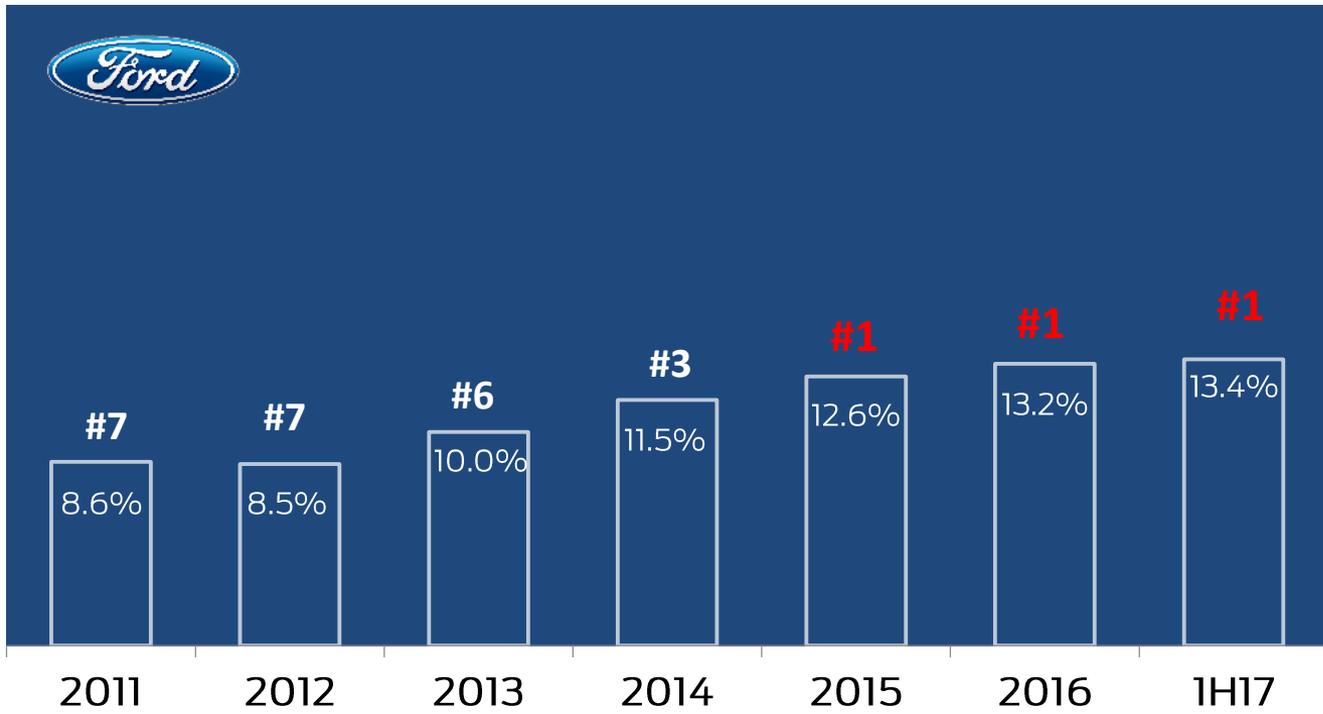
UK Industry: -3.7%
Ford: +0.5%

Ford is #1

Source: SMMT



Ford Leads European CVs with Higher Market Share



9.6%
Jun YoY growth
in Ford's CV sales

9.4%
Jan-Jun YoY growth
in Ford's CV sales

Ford Otosan: Key Driver of Ford's Market Share

& Pillar of profitability for Ford of Europe

MOVE IT.

MAKE IT.

WORK IT.

FORD TRANSIT.



81%

of Transit Family vans
sold by Ford in Europe

are produced by

FORD OTOSAN

Ford Motor Co. 2Q Results

2017 SECOND QUARTER FINANCIAL RESULTS

	Revenue (GAAP)	Net Income (GAAP)	Adjusted Pre-Tax Profit (Non-GAAP)	EPS (GAAP)	Adjusted EPS (Non-GAAP)	Auto Segment Operating Margin (GAAP)	Auto Segment Operating Cash Flow (GAAP)
2Q 2017	\$39.9B	\$2.0B	\$2.5B	\$0.51	\$0.56	5.9%	\$1.3B
B/(W) 2Q 2016	\$0.4B	\$0.1B	\$(0.5)B	\$0.02	\$0.04	(1.8) ppts	\$(2.9)B

Ford Motor Co.

2Q net income was \$2.0B, total company revenue was \$39.9B, EPS was \$0.51, all up year over year.

Automotive profits driven by North America, with Europe and Asia Pacific also profitable.

Lower adjusted pre-tax profit due to higher commodity costs, mainly steel, and unfavorable exchange.

Ford of Europe

9th consecutive quarterly profit, but key metrics were lower due to Brexit effects and launch of the all-new Fiesta

Kuga, Ka and commercial vehicle share improved, while overall share was down due to Fiesta launch.

Expect Europe to remain profitable in 2017, although below 2016 levels, mainly due to Brexit effects and higher commodity cost. Favorable market factors and continued improvement in Russia will be a partial offset.



Ford

OTOSAN

1H17
Results

Highlights

TL 11,653 million

Revenues, +32% YoY

Record 1H revenues

Record 1H sales volume; up 5.5%

Driven by strong exports

TL 8,676 million

Export Revenues, +43% YoY

Record volumes; up 12%

Growth in European van segment

Higher demand for our products

Currency impact

TL 2,977 million

Domestic Revenues, +9% YoY

Despite 12% lower volumes

Pricing strategy

Positive sales mix

TL 944 million

EBITDA, +27% YoY

Against 17% growth in gross profit

Driven by strong Opex control and better YoY

Opex/Sales performance

Net fx gain as opposed to fx loss a year ago

TL 630 million

Profit Before Tax, +32% YoY

Despite the 95% increase in net financial

expenses due to 179% rise in net fx loss

TL 634 million

Net Income, +37% YoY

Higher than PBT due to deferred tax income

Main Financial Indicators

Million TL	1H17	1H16	YoY %	2Q17	2Q16	YoY %
Total Revenues	11,653	8,800	32%	6,258	4,614	36%
Export	8,676	6,057	43%	4,413	2,963	49%
Domestic	2,977	2,743	9%	1,844	1,651	12%
Gross Profit	1,172	994	18%	620	529	17%
Operating Profit	708	521	36%	378	284	33%
EBITDA	944	744	27%	496	397	25%
Profit Before Tax	630	476	32%	350	266	32%
Net Income	634	464	37%	362	261	39%
Other Financial Data						
Depreciation & Amortization	236	223	6%	118	113	4%
Financial Expense/Income	- 77	- 44	75%	- 26	- 18	45%

Volume & Revenue Analysis

	1Q17		2Q17		1H17	
	Volume	Revenue	Volume	Revenue	Volume	Revenue
Total	0.4%	29%	10%	36%	5.5%	32%
Export	6%	38%	20%	49%	12%	43%
Domestic	-18%	4%	-7%	12%	-12%	9%

Domestic revenues higher despite volume loss:

Pricing discipline
Positive sales mix

Export revenue growth driven by:

Record volumes
Currency impact

Sales Volume by Model

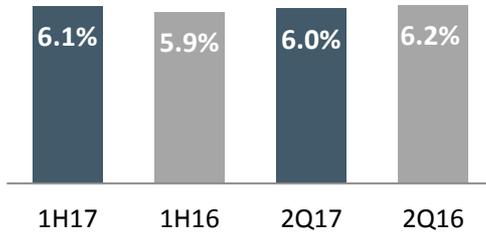
	1H17	1H16	YoY%	2Q17	2Q16	YoY %
Total Domestic	48.659	55.002	-12%	30.465	32.906	-7%
PC	15.185	18.263	-17%	10.624	11.004	-3%
LCV	16.568	17.923	-8%	10.345	10.618	-3%
Transit Courier	15.777	16.453	-4%	9.981	9.680	3%
Transit Connect	791	1.470	-46%	364	938	-61%
MCV	14.915	16.264	-8%	8.284	9.648	-14%
Transit	11.234	12.345	-9%	6.331	7.032	-10%
Transit Custom	2.779	3.186	-13%	1.577	1.909	-17%
Ranger	902	733	23%	376	707	-47%
Truck	1.991	2.552	-22%	1.212	1.636	-26%
Total Export	152.388	135.583	12%	76.589	64.036	20%
Transit Custom	79.249	65.607	21%	39.587	31.302	26%
Transit	53.926	51.792	4%	27.539	23.904	15%
Transit Courier	18.431	17.661	4%	9.089	8.578	6%
Cargo	378	293	29%	214	158	35%
Other	404	230	76%	160	94	70%
Total Wholesale	201.047	190.585	5,5%	107.054	96.942	10,4%

Record

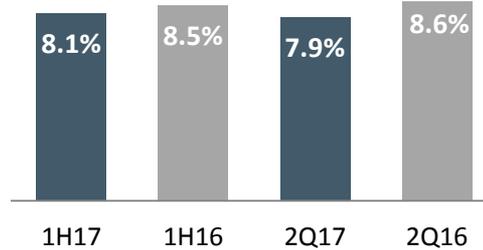
Record

Solid Profitability

Operating Margin



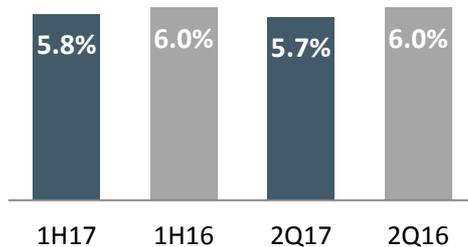
EBITDA Margin



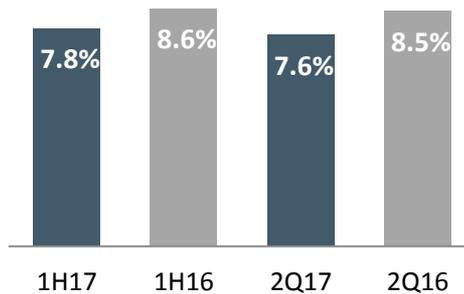
Challenges:

- Rising import costs due to weaker TL/€ (3.94 in 1H17 versus 3.26 in 1H16)
- Lower domestic volumes
- Higher commodity prices and inflation pressuring domestic margins
- Higher share of fleet sales

Operating Margin (excl. Other items)



EBITDA Margin (excl. Other items)



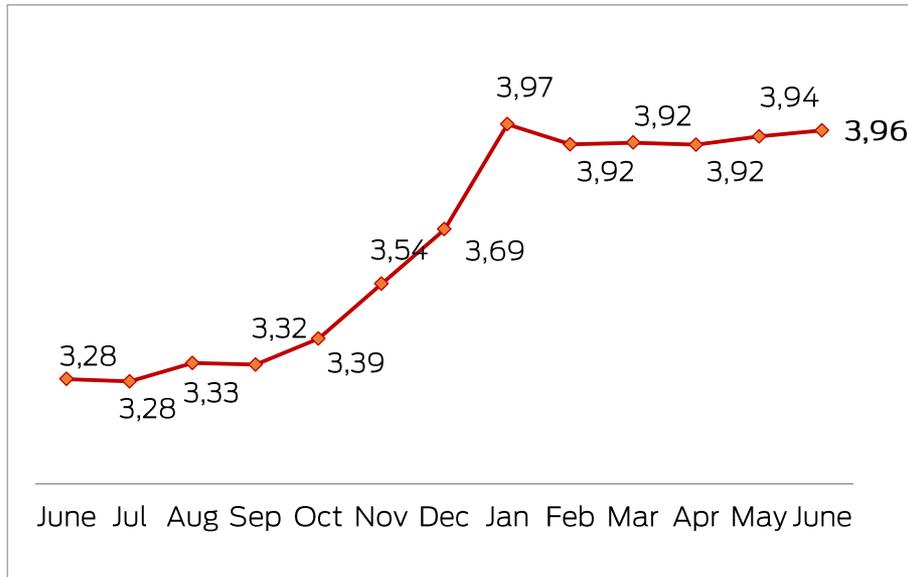
Drivers:

- + Pricing focus to offset the impact of TL devaluation, volatility, commodity prices, and inflation
- + Positive domestic sales mix: Lower share of imports; growing share of high margin products
- + High CUR: 89%
- + Cost reduction actions

Cost Pressure Weighed on Margins

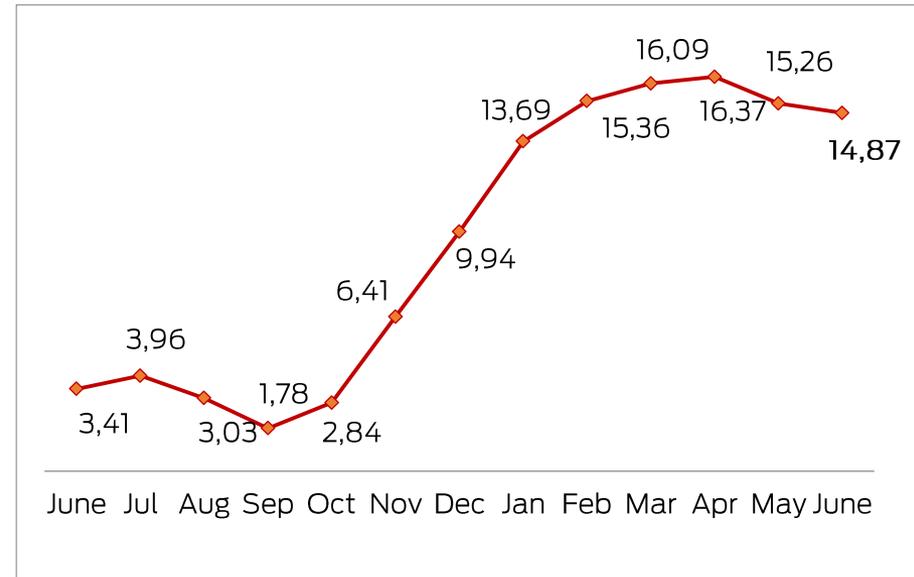
YoY change	1Q17	2Q17	1H17
Production Volume	Flat	12%	6%
Raw Material Costs	34%	44%	39%

EUR/TL Rate



Source: CBT

PPI Inflation, %



Source: CBT

Debt Profile & Financial Ratios

Cash Position (TL mn)	30.06.2017	30.06.2016
Cash & Cash Equivalents	1,737	1,189
Total Financial Debt	(3,576)	(2,852)
Net Financial Debt	(1,839)	(1,663)
Financial Ratios	30.06.2017	31.12.2016
Current ratio	1.18	1.09
Liquidity ratio	0.85	0.79
Net Financial Debt / Tangible Net Worth	0.67	0.64
Current Assets / Total Assets	0.54	0.50
Current Liabilities / Total Liabilities	0.67	0.70
Total Liabilities / Total Liabilities and Equity	0.68	0.66
Return on Equity	38.1%	30.2%
Margins	30.06.2017	30.06.2016
Gross Margin	10.1%	11.3%
EBITDA Margin	8.1%	8.5%
EBITDA Margin (excl.other items)	7.8%	8.6%
Operating Margin	6.1%	5.9%
Net Margin	5.4%	5.3%

2017 Guidance

	2016	2017 Guidance
Turkish Industry Volume	1,004 K	900-950 K
Ford Otosan Retail Sales Volume	115 K	110-120 K
Exports	257 K	290-300 K
Wholesale Volume	373 K	400-420 K
Production Volume	334 K	365-375K
Capex (fixed assets)	€152 mn	€180-200 mn

Q & A

BİR BAŞKA
Ford

