



## 1Q 23 Earnings Presentation

28 April 2023

# Agenda

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- **1Q 23 Evaluation**
- **Domestic Sales Performance**
- **Export Performance**
- **Since We Last Met**
- **Financial Results**

# 1Q 23 Evaluation

# 1Q 23 Highlights

Rank #2 in total with 10.5% and #1 in CV segment with 29% market share in Turkey

**LCV: 29.8%**

**MCV: 28.7%**

**Truck: 26.5%**

Strong domestic performance in 1Q

**77% rise in volumes and 187% increase in revenues**

Export volume growth supported by the volumes from the Craiova Plant

**72% rise in volumes and 126% increase in revenues**

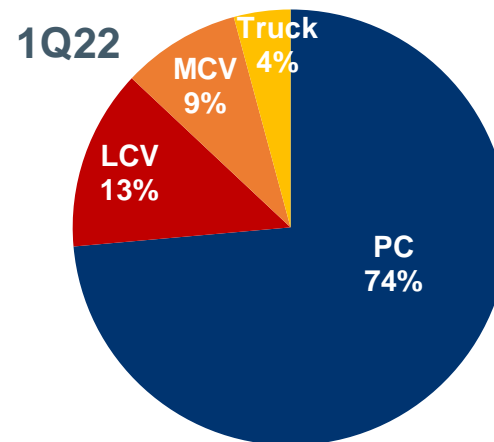
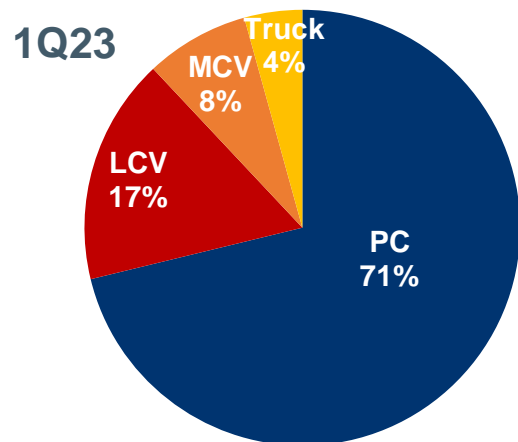
All Electric Courier was introduced in 1Q

**All-New E-Transit Courier will roll-off the production line in 2H24**

# Domestic Sales Performance

# LCV Segment Share Rose YoY

| Segments            | 1Q23           | 1Q22           | Δ          |
|---------------------|----------------|----------------|------------|
| Passenger Cars      | 175,421        | 116,834        | 50%        |
| Light Com. Vehicle  | 41,523         | 21,300         | 95%        |
| Medium Com. Vehicle | 19,027         | 13,916         | 37%        |
| Truck               | 10,529         | 6,735          | 56%        |
| <b>Total*</b>       | <b>246,500</b> | <b>158,785</b> | <b>55%</b> |



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



# Domestic Sales Performance - I

| Rank           | Brand   | 1Q23 Sales | 1Q22 Sales | Market Share % | Δ, pps |
|----------------|---------|------------|------------|----------------|--------|
| Total Industry |         |            |            |                |        |
| 1              | Fiat    | 49,704     | 22,427     | 20.2           | 6.0    |
| 2              | Ford    | 25,796     | 15,863     | 10.5           | 0.5    |
| 3              | Renault | 20,663     | 20,618     | 8.4            | -4.6   |
| 4              | Peugeot | 18,194     | 7,612      | 7.4            | 2.6    |
| 5              | VW      | 17,480     | 10,581     | 7.1            | 0.4    |
| Passenger Cars |         |            |            |                |        |
| 1              | Fiat    | 34,390     | 12,886     | 19.6           | 8.6    |
| 2              | Renault | 16,591     | 18,464     | 9.5            | -6.3   |
| 3              | Peugeot | 13,567     | 5,574      | 7.7            | 3.0    |
| 4              | Hyundai | 12,508     | 11,402     | 7.1            | -2.6   |
| 5              | VW      | 12,460     | 8,511      | 7.1            | -0.2   |
| 11             | Ford    | 5,173      | 2,386      | 2.9            | 0.9    |

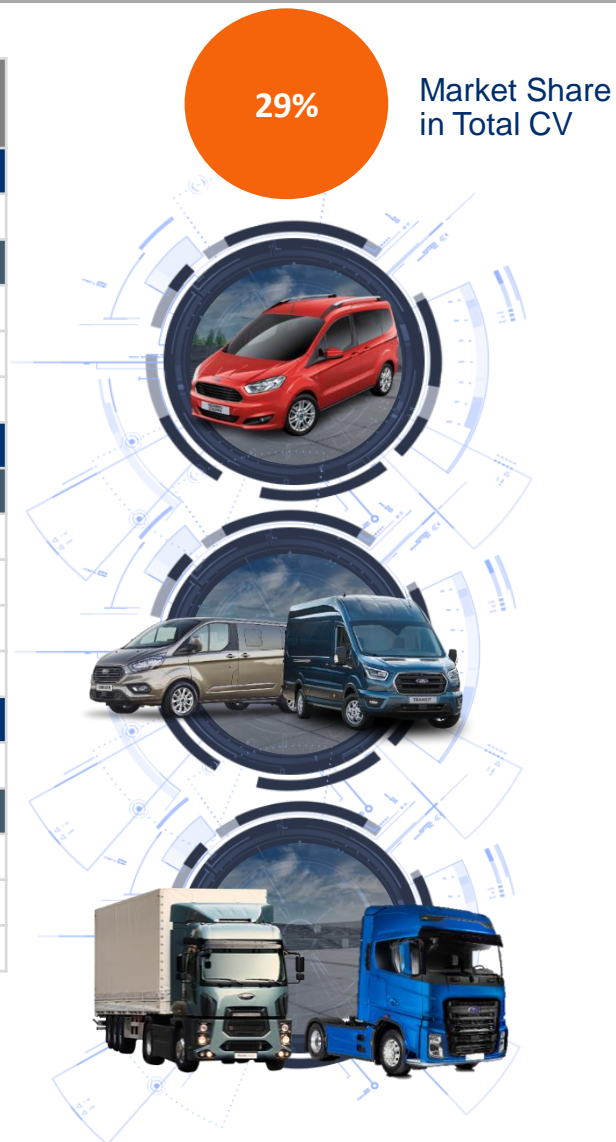
PC strategy: Profitability over market share



# Domestic Sales Performance - II

| Rank  | Brand      | 1Q23 Sales | 1Q22 Sales | Market Share % | Δ, pps |
|-------|------------|------------|------------|----------------|--------|
| LCV   |            |            |            |                |        |
| 1     | Fiat       | 14,382     | 8,983      | 34.6           | -7.5   |
| 2     | Ford       | 12,373     | 6,002      | 29.8           | 1.6    |
| 3     | Peugeot    | 3,557      | 1,443      | 8.6            | 1.8    |
| 4     | Citroen    | 3,355      | 726        | 8.1            | 4.7    |
| 5     | Volkswagen | 2,964      | 846        | 7.1            | 3.2    |
| MCV   |            |            |            |                |        |
| 1     | Ford       | 5,455      | 5,797      | 28.7           | -13.0  |
| 2     | Volkswagen | 2,056      | 1,224      | 10.8           | 2.0    |
| 3     | Mercedes   | 1,900      | 919        | 10.0           | 3.4    |
| 4     | Toyota     | 1,676      | 1,247      | 8.8            | -0.2   |
| 5     | Renault    | 1,646      | 570        | 8.7            | 4.6    |
| Truck |            |            |            |                |        |
| 1     | Mercedes   | 3,427      | 2,875      | 32.5           | -10.1  |
| 2     | Ford       | 2,795      | 1,678      | 26.5           | 1.6    |
| 3     | Iveco      | 1,007      | 498        | 9.6            | 2.2    |
| 4     | Scania     | 814        | 117        | 7.7            | 6.0    |
| 5     | Renault    | 691        | 432        | 6.6            | 0.1    |

CV Strategy: Profitable growth

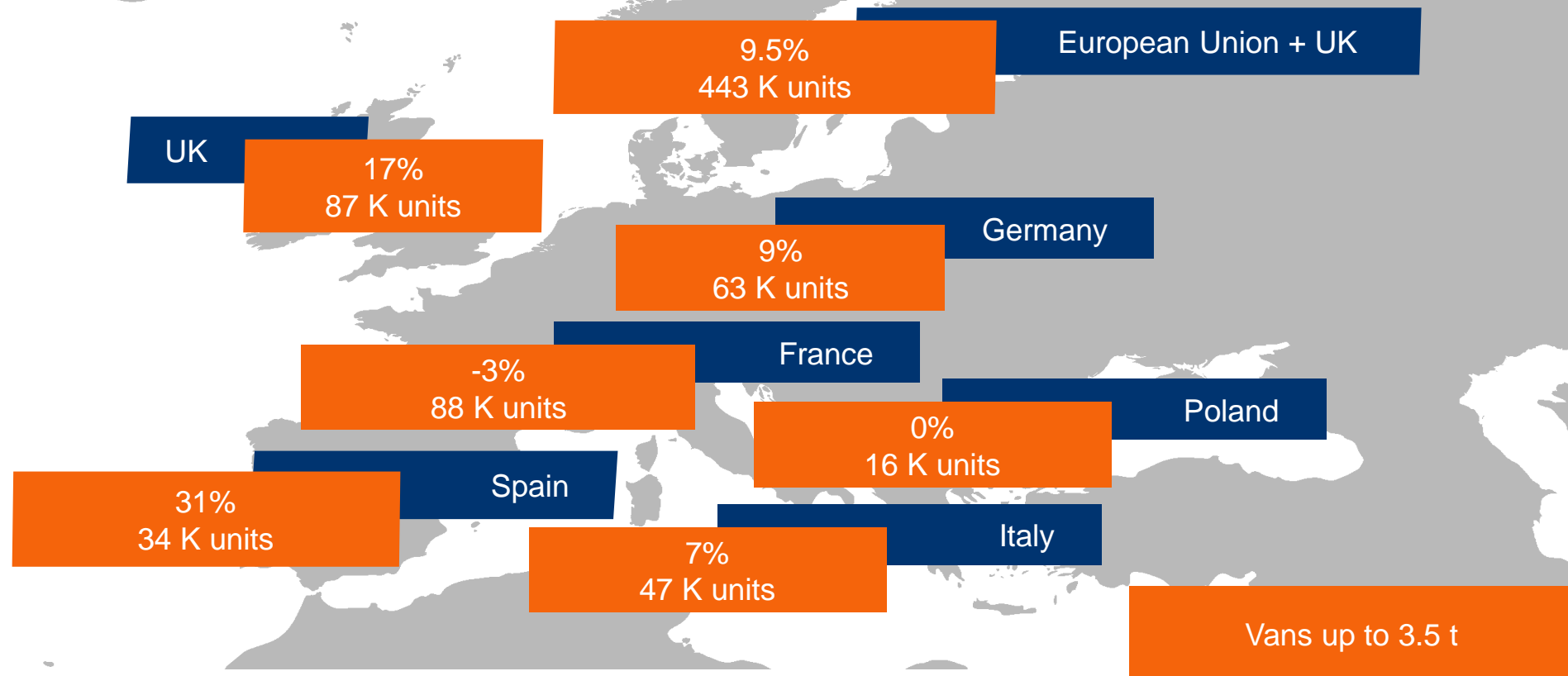




# Export Performance

# European Van Market Grew by 9.5%YoY in 1Q23

European new van registrations saw a notable increase of 9.5%, mainly due to last year's low basis



Source: ACEA; 26 European markets + UK

Ford is Europe's No.1 CV brand for 8 consecutive years and strong demand for Ford Products has continued. Ford Otosan leads the production for CV across Europe for Ford Pro, supporting the growth and leadership of the market.

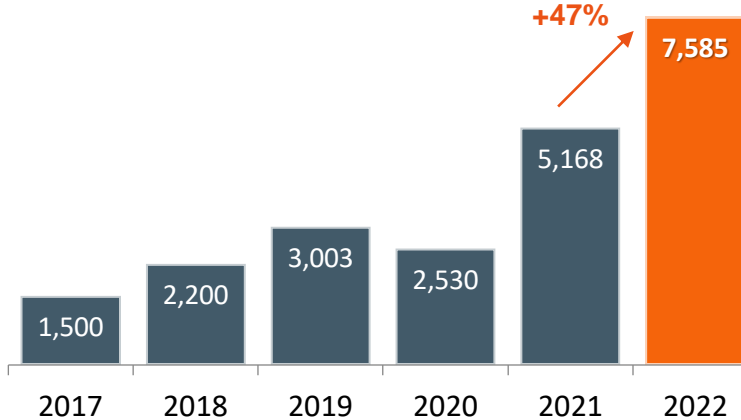


# Solid Performance in Truck Business

TRUCKS

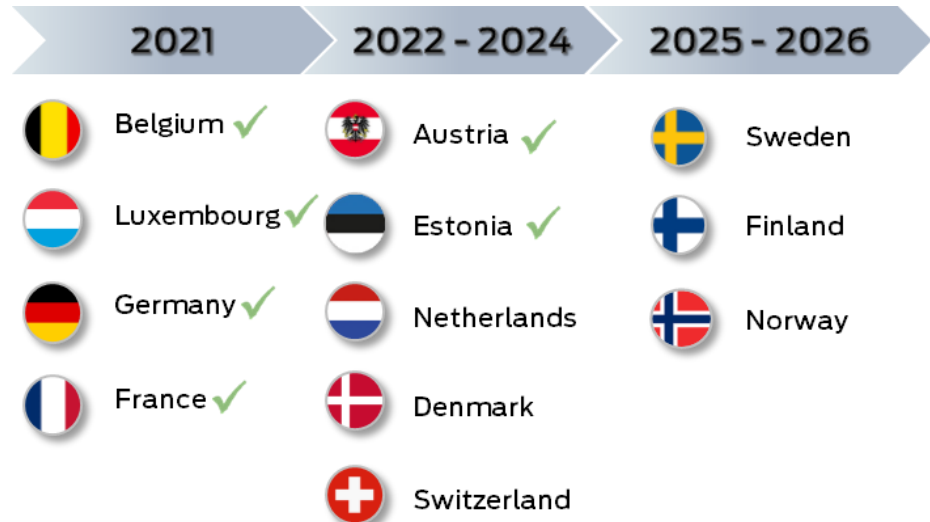
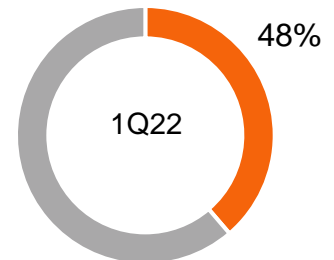
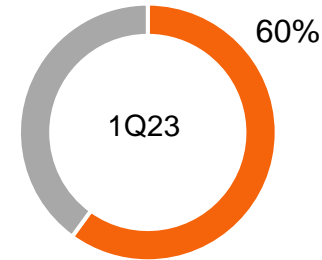
All Time High International Sales, Increased By 47% in 2022

International Sales (Units)



| Volumes                          | Mar'22 YTD | Mar'23 YTD | YoYΔ |
|----------------------------------|------------|------------|------|
| International Markets Industry   | 75.736     | 83.575*    | 10%  |
| Ford Trucks' International Sales | 1.972      | 2.052      | 4%   |

Share of W. Europe  
in Ford Trucks  
International Sales

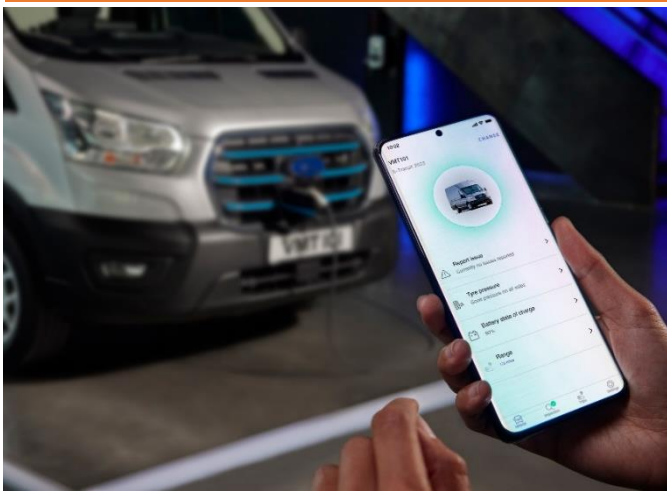


\* Estimate

# Since We Last Met

# Ford Pro: Redefining the Market for CVs and Services

Ford Pro, a global vehicle services and distribution business that increases uptime and reduce ownership costs, leading to higher productivity and performance.



## Why Ford Pro?

**Build your fleet** – Shop for vehicles to suit your specific business needs

**Reduce Downtime** – With live vehicle health monitoring software

**Monitor Vehicles** – Track vehicle and driver behaviors with Telematics applications

**Improve Productivity** – Maximize vehicle uptime with new service and maintenance options

**Manage Charging** – Schedule and supervise all-electric vehicle charging with E-Telematics

**Control Financing** – Put vehicles, conversions, warranties, and servicing costs all in one place

## One - stop shop includes:

- ✓ Vehicles
- ✓ Software
- ✓ Servicing
- ✓ Charging

Ford Pro is introduced in Türkiye in 4Q22

# E-Courier - Smarter, Fully Connected, All-Electric

All-New E-Transit Courier is Scheduled to Enter Production Later in 2024



- ✓ Significantly larger and more flexible load area, and full backing from Ford Pro's connected services deliver unmatched productivity
- ✓ Fitted with an all-new electric powertrain and backed by Ford Pro's unique, integrated charging and software services to help even first-time EV operators achieve maximum productivity and uptime

## Performance and charging

- 100 kW (136 PS) electric engine
- 11 kW AC onboard charger – 10 to 100% in 5.7 hours
- 100 kW DC fast charging – 10 to 80% in under 35 minutes
- Add 87 km of range in just 10 minutes on a 100 kW DC charger
- Significant reduction in service cost of ownership: at least 35% lower



**Watch E-Transit Courier**



# 1Q 23 Results

# Financial Highlights in 1Q23

**TL 66,302 million**

**Revenues, +138% YoY**

- Total volumes +73%
- Export volumes +72%
- Domestic volumes +77%

**TL 50,778 million**

**Export Revenues\*, +126% YoY**

- 72% volume increase  
(supported by the inclusion of Craiova Plant)
- Exchange impact

**TL 15,524 million**

**Domestic Revenues, +187% YoY**

- 77% volume increase
- Ongoing pricing discipline
- Improvement in vehicle availability

**TL 6,799 million**

**EBITDA, +99% YoY**

- Strong domestic volumes
- Export volume growth
- Pricing discipline
- Cost reduction measures and OpEx control
- Cost-plus export contracts
- Exchange impact on our export business  
(average EUR/TRY up 30% YoY)

**TL 6,715 million**

**EBITDA excl. Currency impact,  
+126% YoY**

**TL 5,160 million**

**PBT, +126% YoY**

- TL 137 mn Net Interest Income in 1Q22 turned to TL 296 mn Net Interest Expenses in this period. Net Financial Expenses increased by 22% in 1Q23 despite 23% decrease in Net FX Expenses.

**TL 5,353 million**

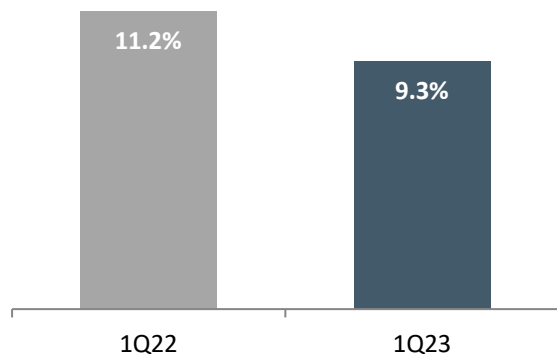
**Net Income, +91% YoY**

- Higher than PBT due to Tax Income Resulting from Deferred Tax Asset in 1Q23 partially offset by additional tax related to earthquake

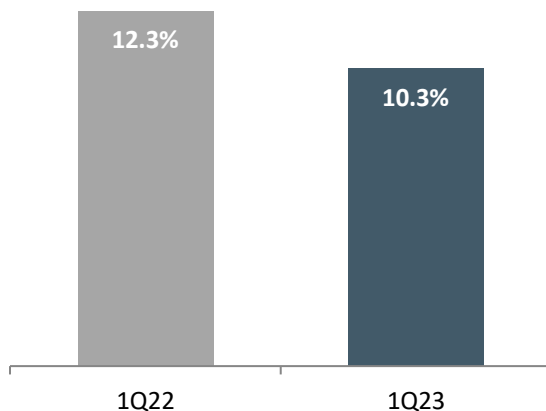
(\*) Export revenues and volumes include exports from Ford Otosan and Ford Romania SRL

# Margins

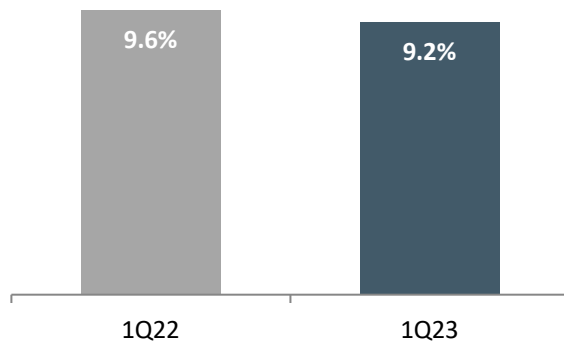
Operating Margin



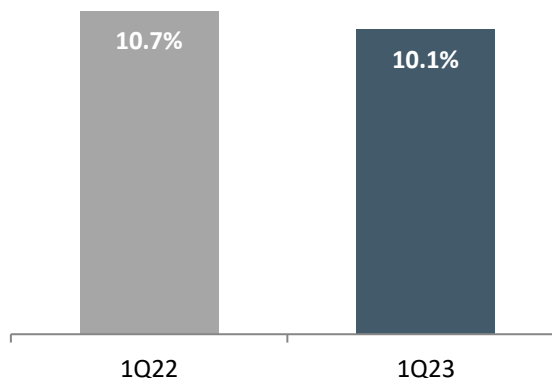
EBITDA Margin



Operating Margin (excl. Other items)



EBITDA Margin (excl. Other items)



## Strong EBITDA and PBT per Vehicle

| EBITDA, EUR | 1Q    |
|-------------|-------|
| 2021        | 1,908 |
| 2022        | 2,076 |
| 2023        | 2,097 |

| PBT, EUR | 1Q    |
|----------|-------|
| 2021     | 1,914 |
| 2022     | 1,597 |
| 2023     | 1,611 |

### Drivers:

- + Strong domestic sales
- + Export volume growth
- + Pricing discipline
- + Cost reduction measures and OpEx control
- + Cost-plus export contracts
- + Exchange impact on our export business (average EUR/TRY up 30% in 1Q23 YoY)

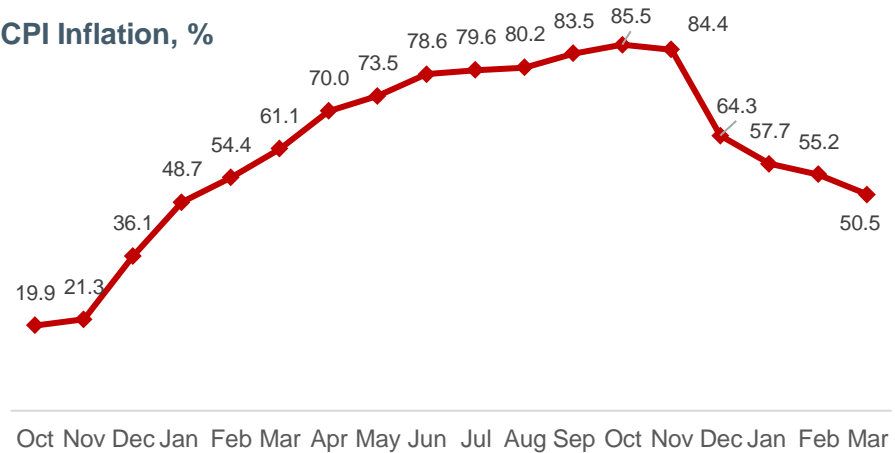
### Challenges:

- Extended global chip shortage
- Logistic problems

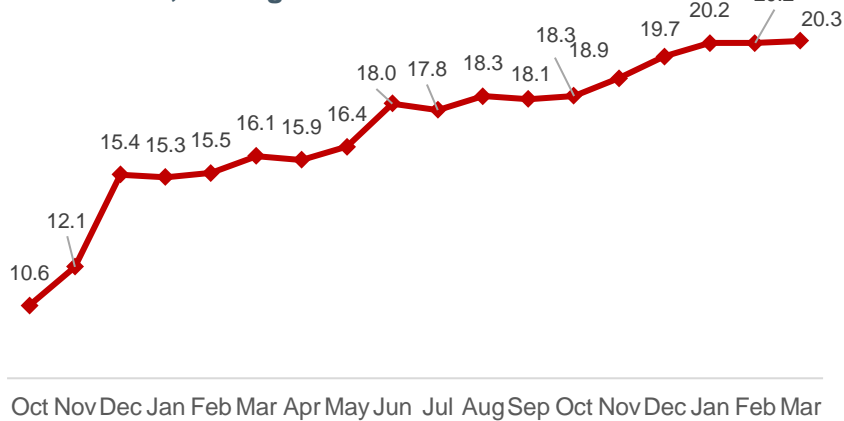
# Cost Dynamics

|                    | 1Q23/1Q22 |
|--------------------|-----------|
| Production Volume  | 65%       |
| Raw Material Costs | 130%      |
| € / TL Average     | 30%       |

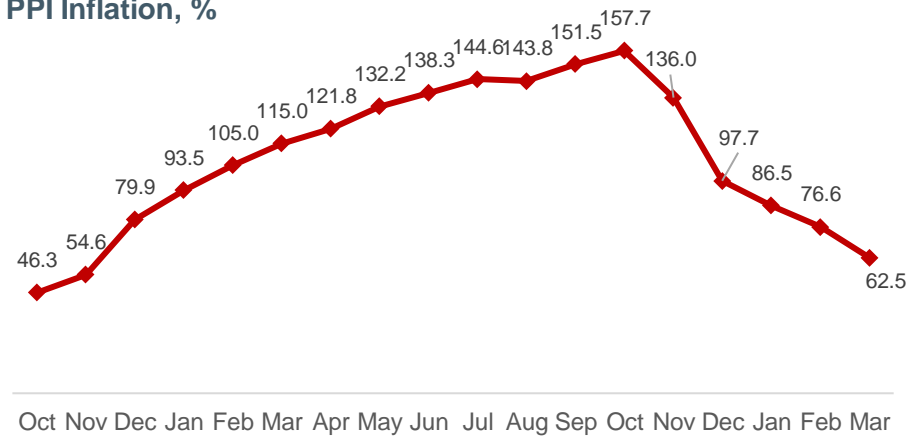
CPI Inflation, %



EUR/TL Rate, Average



PPI Inflation, %



Source: Ford Otosan, CBT, Turkstat

# Debt Profile & Financial Ratios

| Cash Position (TL mn)                            | 31.03.2023 | 31.12.2022 |
|--|------------|------------|
| Cash & Cash Equivalents (incl. interest accrual) | 21,285     | 10,115     |
| Total Financial Debt                             | (45,664)   | (37,918)   |
| Net Financial Debt                               | (24,378)   | (27,804)   |
| Financial Ratios                                 | 31.03.2023 | 31.12.2022 |
| Current ratio                                    | 1.14       | 1.19       |
| Liquidity ratio                                  | 0.80       | 0.81       |
| Net Debt / EBITDA*                               | 1.00       | 1.32       |
| Current Assets / Total Assets                    | 0.60       | 0.57       |
| Current Liabilities / Total Liabilities          | 0.65       | 0.62       |
| Total Liabilities / Total Liabilities and Equity | 0.81       | 0.78       |
| Return on Equity                                 | 97.0%      | 86.9%      |
| Margins  | 31.03.2023 | 31.03.2022 |
| Gross Margin                                     | 12.8%      | 13.3%      |
| EBITDA Margin                                    | 10.3%      | 12.3%      |
| EBITDA Margin (excl.other items)                 | 10.1%      | 10.7%      |
| Operating Margin                                 | 9.3%       | 11.2%      |
| Net Margin                                       | 8.1%       | 10.1%      |

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

# Sales Volume by Model

|                        | 1Q23           | 1Q22          | YoY%        |
|------------------------|----------------|---------------|-------------|
| <b>Total Domestic</b>  | <b>26,662</b>  | <b>15,079</b> | <b>77%</b>  |
| <b>PC</b>              | <b>4,980</b>   | <b>2,016</b>  | <b>147%</b> |
| Puma                   | 727            |               |             |
| Other                  | 4,253          |               |             |
| <b>LCV</b>             | <b>12,979</b>  | <b>6,522</b>  | <b>99%</b>  |
| Transit Courier        | 12,815         | 6,438         | 99%         |
| Transit Connect        | 164            | 84            | 95%         |
| <b>MCV</b>             | <b>5,788</b>   | <b>4,772</b>  | <b>21%</b>  |
| Transit                | 4,485          | 3,629         | 24%         |
| Transit Custom         | 1,202          | 1,037         | 16%         |
| Ranger                 | 101            | 106           | -5%         |
| <b>Truck</b>           | <b>2,788</b>   | <b>1,740</b>  | <b>60%</b>  |
| <b>Rakun</b>           | <b>127</b>     | <b>29</b>     | <b>-</b>    |
| <b>Total Export</b>    | <b>131,378</b> | <b>76,447</b> | <b>72%</b>  |
| Transit Custom         | 39,826         | 38,108        | 5%          |
| Transit                | 36,456         | 28,283        | 29%         |
| Transit Courier        | 7,990          | 8,085         | -1%         |
| Truck                  | 2,031          | 1,971         | 3%          |
| Puma                   | 45,005         | -             | -           |
| Other                  | 70             | -             | -           |
| <b>Total Wholesale</b> | <b>158,040</b> | <b>91,526</b> | <b>73%</b>  |

(\*) Export revenues and volumes include exports from Ford Otosan and Ford Romania SRL



# Main Financial Indicators

| Million TL                            | 1Q23    | 1Q22   | YoY % |
|---------------------------------------|---------|--------|-------|
| Total Revenues <sup>(1)</sup>         | 66,302  | 27,876 | 138%  |
| Export <sup>(2)</sup>                 | 50,778  | 22,469 | 126%  |
| Domestic                              | 15,524  | 5,408  | 187%  |
| Gross Profit                          | 8,490   | 3,719  | 128%  |
| Operating Profit                      | 6,164   | 3,123  | 97%   |
| EBITDA                                | 6,799   | 3,417  | 99%   |
| EBITDA excluding other income/expense | 6,715   | 2,971  | 126%  |
| Profit Before Tax                     | 5,160   | 2,285  | 126%  |
| Net Income                            | 5,353   | 2,802  | 91%   |
| <b>Other Financial Data</b>           |         |        |       |
| Depreciation & Amortization           | 635     | 294    | 116%  |
| Financial Income / (Expense)          | (1,002) | (825)  | 22%   |

(1) 1Q23, Ford Romania SRL contributed TL 13,880,281 thousand to Total Revenues and TL 12,201 thousand to Net Profit

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

# Summary Balance Sheet & Cash Flow Statement

| Balance Sheet, Million TL           | 31.03.2023 | 31.12.2022 | YoY Δ |
|-------------------------------------|------------|------------|-------|
| Current Assets                      | 68,380     | 55,125     | 24%   |
| Current Liabilities                 | 60,001     | 46,206     | 30%   |
| Property, Plant and Equipment - Net | 21,640     | 20,145     | 7%    |
| Total Assets                        | 114,781    | 96,052     | 19%   |
| Total Liabilities                   | 92,718     | 74,650     | 24%   |
| Shareholders' Equity                | 22,063     | 21,402     | 3%    |

| Cash Flow Statement, Million TL             | 31.03.2023 | 31.03.2022 | YoY Δ |
|---|------------|------------|-------|
| Beginning Balance of Cash & Equivalents     | 10,110     | 14,106     | -28%  |
| Net Cash from Operating Activities          | 13,838     | 3,962      | 249%  |
| Net Cash Used in Investing Activities       | (3,552)    | (2,257)    | 57%   |
| Net Cash Used in Financing Activities       | 886        | (642)      | N/M   |
| End of Period Balance of Cash & Equivalents | 21,261     | 15,170     | 40%   |

# 2023 Guidance

## 2023 Guidance

|                             | 2022A         | 2023F                 |
|-----------------------------|---------------|-----------------------|
| Total Industry Volume       | 822 K         | 800 K- 850 K          |
| Ford Otosan:                |               |                       |
| Retail Sales Volume         | 85 K          | 90 K- 100 K           |
| Export Volume               | 391 K         | 550 K - 570 K         |
| Turkey                      | 298 K         | 355 K- 365 K          |
| Romania                     | 93 K          | 195 K - 205 K         |
| Wholesale Volume            | 476 K         | 640 K - 670 K         |
| Total Production Volume     | 466 K         | 630 K - 660 K         |
| Turkey                      | 374 K         | 430 K- 450 K          |
| Romania                     | 92 K          | 200 K- 210 K          |
| Capex (fixed assets)        | € 818 million | € 1,000-1,050 million |
| General Investments         | € 52 million  | € 90-100 million      |
| Product Related Investments | € 766 million | € 910-950 million     |

- Ford Otosan provides guidance 4 times a year as part of quarterly financial statements.
- This is the second guidance issued for 2023 as part of 1Q23 results in April. Next update will be in August 2023 as part of 1H23 results

# Thank You

