

FORD OTOSAN



Investor Presentation

June 2019

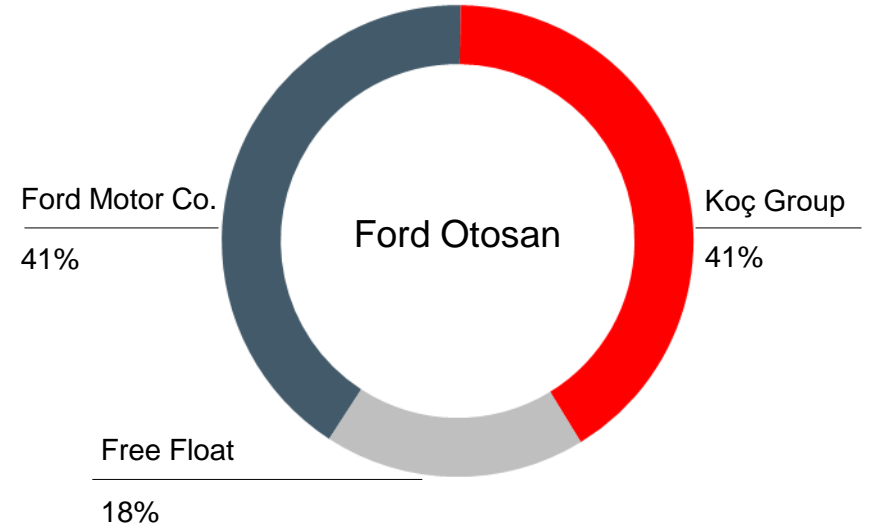
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About Ford Otosan

Company Profile

Key Indicators, 2018	
Revenues	\$6.9 billion
Export Revenues	\$5.7 billion
EBITDA	\$590 million
Profit Before Tax	\$364 million
Net Profit	\$348 million
ROE	43.2%
EBITDA margin	8.6%
Annual Production Capacity	455,000
Gölcük (Transit & Custom)	330,000
Yeniköy (Courier)	110,000
İnönü (Cargo)	15,000
Total Employees	10,598
Hourly	8,086
Salaried	2,512



Paid-in Capital: TL 350,910,000

Traded on Borsa Istanbul since 13 January 1986

Ticker: FROTO.IS

Ford Otosan at a Glance

Pioneer of Turkish automotive

First Turkish passenger car Anadol (1966)
Turkey's **first** domestic diesel engine Erk (1986)
Turkey's **first** private R&D center in automotive (1961)
First export of Turkish automotive to the US (2009)

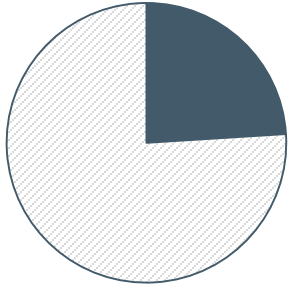
Strong value contribution

Turkey's **export champion**
Turkey's **2nd largest** industrial enterprise
Highest employment in Turkish automotive

Leadership and scale

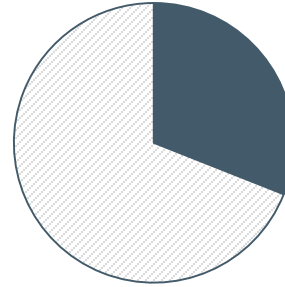
Ford's largest commercial vehicle manufacturer in Europe
Widest product range in Turkish automotive
31% market share in Turkish commercial vehicles

Leading the Turkish Automotive Industry



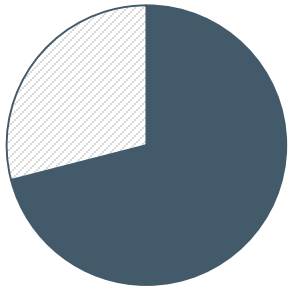
24%

of Turkey's
**Total automotive
production**



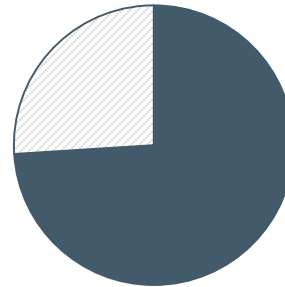
31%

of Turkey's
**Commercial vehicle
sales**



71%

of Turkey's
**Commercial vehicle
production**



74%

of Turkey's
**Commercial vehicle
exports**

Source: Automotive Manufacturers Association, 2018

Key Player in Ford Motor Company Universe

Robust sales performance

Highest commercial vehicle market share of Ford in Europe
Among Ford's **top 5 markets in Europe** by market share

Europe's largest CV manufacturer

Lead manufacturing plant of Ford Transit globally
Single source of Ford Custom & Tourneo Custom
Single source of Ford Courier & Tourneo Courier
Center of Excellence for Ford Trucks (heavy trucks)

Engineering and R&D power

Global hub for Ford Trucks (heavy trucks) and related powertrains
Global support for light commercial vehicle development
Global support for diesel powertrain engineering

Ford Otosan at a Glance

	1997*		2018
Production Capacity (Units)	47,000	10 times	455,000
Production (Units)	43,102	9 times	373,702
Export (Units)	667	493 times	328,892
Export (USD)	16 million	350 times	5.7 billion
Revenue (USD)	850 million	8 times	6.9 billion
Headcount	3,406	3 times	10,598
Market Cap (USD)	1.1 billion	3 times	3.3 billion

* Equal JV partnership was established

Vision, Mission And Strategy

Vision

Being Turkey's most valuable and most preferred industrial company.

Mission

Providing innovative automotive products and services beneficial to the community.

Strategy

- **Growth:** Organic and inorganic growth in new markets and existing business areas by developing new products.
- **Innovation:** Providing innovative products and services in all business processes by keeping creativity at the top.
- **Brand:** Being the most preferred brand in all segments by meeting customer needs and expectations.
- **Employees:** Being the most preferred workplace by aiming excellence in human resources processes and increasing benefits provided for employees.
- **Customers:** Being the leader automotive brand with regards to customer satisfaction in sales and after sales products and services.



Brief History

First automotive production starts in Turkey under license agreements in a heavily protected domestic economy.

Turkey takes first steps to liberalize its economy and integrate with the rest of the world.

Customs Union is signed with the EU in 1996. Exports start to increase. Incentives are introduced for production in Turkey.

Turkey becomes a major hub in automotive production and moves up the value chain. from an assembly center to full product development and manufacturing with focus on R&D.

Turkey is the 14th largest auto manufacturing hub in the world and 5th largest among European countries.

First Years

1980s

1990s

2000-2010

2010+

1928 – Vehbi Koç is assigned as Ankara Ford dealer

1959 – Otosan is founded as Ford assembler in Turkey

1960 – Otosan's first production: Ford Consul

1966 – Otosan produces the first Turkish car Anadol

1967 – Otosan produces its first Transit

1982 – İnönü Plant opens

1983 – Cargo production starts

1983- Ford Motor Co. increases its share in Otosan to 30%

1985 – Production of Ford Taunus

1986 – Otosan produces Turkey's first diesel engine ERK

1992 – Production of the new generation Transit

1993 - Production of Ford Escort

1997 – Ford assumes 41% equity in 'Ford Otosan'

1998 – Ford Otosan spare parts distribution center opens

2001 – Gölcük Plant opens

2002 – Transit Connect launches

2003 – New Cargo launches

2003 – Transit Connect 'International Van of the Year'

2007 – Gebze Engineering Center opens

2007 – Transit

'International Van of the Year'

2009 – First vehicle export to North America

2010 – Ford Otosan's 50th Anniversary

2010 – Transit Connect

'N.A. Truck of the Year'

2012- Launch of Custom

2013 – Ford Otosan's 12th year of market leadership

2013/14- JMC engine & truck licensing agreements

2014 – Yeniköy Plant opens

2014 – Launch of new Transit and Courier

2015 – Sancaktepe Engineering Center opens

2016 – Ecotorq engine production starts

2017/18 – Capacity increase at Gölcük Plant

2018 – F-Max receives International Truck of the Year 2019 Award

Plants and Facilities

Locations

Sancaktepe Parts Distribution Center (1998)



Sancaktepe Engineering Center (2015)



İnönü Plant (1982): Ford Trucks and engines



Kocaeli Plants: Gölcük Plant: Transit (2001), Custom (2012)



Yeniköy Plant: Courier (2014)



Gölcük Plant — Lead Manufacturing Plant of Ford Transit



Transit 160 K



Custom 180 K

- 330,000 units manufacturing capacity
- 340,000 m² covered area
- Opened in 2001

Yeniköy Plant – The Single Production Center of Ford Courier in the World



Courier 110 K

Opened on 22 May 2014 at Gölcük plant site

122,000 m² covered area

Environment and disabled-friendly plant

İnönü Plant – Center of Excellence for Ford Trucks



Ford Trucks15 K

Opened in 1982

109,000 m² covered area

75k units engine, 140k units powertrain production capacity

- 12.7L and 9.0L E6 Ecotorq engines for heavy truck
- 2.2L 4-cyl. Puma and 2.0L 4-cyl. Panther engines for Transit

Sancaktepe Parts Distribution Center – 96% Fill Rate



Opened in 1998

35,000 m² warehouse: Largest of its kind in Turkey

4th largest warehouse capacity among Ford's parts distribution centers in Europe

Sancaktepe Engineering Center



Center of Excellence for Ford Trucks and heavy duty diesel powertrain for large trucks

Global engineering lead for Ford Trucks (heavy trucks) and related powertrains

Global support for diesel powertrain engineering

Global support for light commercial vehicle development (B- & C-car derived Integrated Style Vans)

Products

Ford Transit, Best-Selling Van in the World

- Longest-running model in Ford of Europe's product range
- Manufactured by Ford Otosan since 1967
- Ford Otosan is the lead manufacturing plant of Transit globally
- All-New Transit launched from March 2014 to October 2014 in 3 phases

TRANSIT

Chassis Cab

Van

Minibus



Loading Capacity:
3.3 tons – 4.7 tons

Loading Capacity:
9.5m³ - 15.1 m³

Seating Capacity:
11+1 / 17+1

Market share details available on page 48.

Ford Custom

- Ford Otosan is the single global source of Ford Custom
- Launched in October 2012; facelifted in 1Q18
- First vehicle in its segment to achieve a maximum five-star Euro NCAP rating

CUSTOM

**Tourneo Custom
(People Mover)**



Long and Short Chassis
8+1 Seating Capacity
4.97m – 5.34 m

**Transit Custom
(Panelvan)**



**Transit Custom
(Kombi)**



**Transit Custom
(Kombi Van)**



Market share details available on page 48.

Ford Courier

- The smallest member of the Ford commercial vehicle family
- Ford Otosan is the single global source of Ford Courier
- Launched in May 2014; facelifted in 2Q18

COURIER



Tourneo Courier
(People mover)

Transit Courier Combi Van
(Commercial)

Transit Courier Van
(Commercial)

Market share details available on page 48.

Ford Trucks

- Manufactured at Ford Otosan's İnönü Plant since 1983
- Road truck, construction and tractor series available
- Cargo 1846T – 2013 International Truck of the Year 3rd place



TRACTOR

4x2 Tractor and 6x2 Full Trailer are the main applications.

Available in E3&E5 and E6 emission levels with 13L Ecotorq engine generating power 420 and 480 PS.

Long
Haulage



ROAD TRUCK

Mainly used for local distribution and municipality (special purpose vehicles) 4x2, 6x2, 8x2 applications.

Available in E3&E5 and E6 emission levels with 9L and 13L Ecotorq engine generating power 330 and 420 PS.

Distribution
Trucks



CONSTRUCTION

Tipper. Transmixers. Cement Pumps. 6x4, 8x4, 4x2, 6x2 and 8x2 applications.

Available in E3&E5 and E6 emission levels with 9L and 13L Ecotorq engine generating power 330 and 420 PS.

Construction
Trucks



Market share details available on page 48.

Comfort / Efficiency / Technology: F-Max

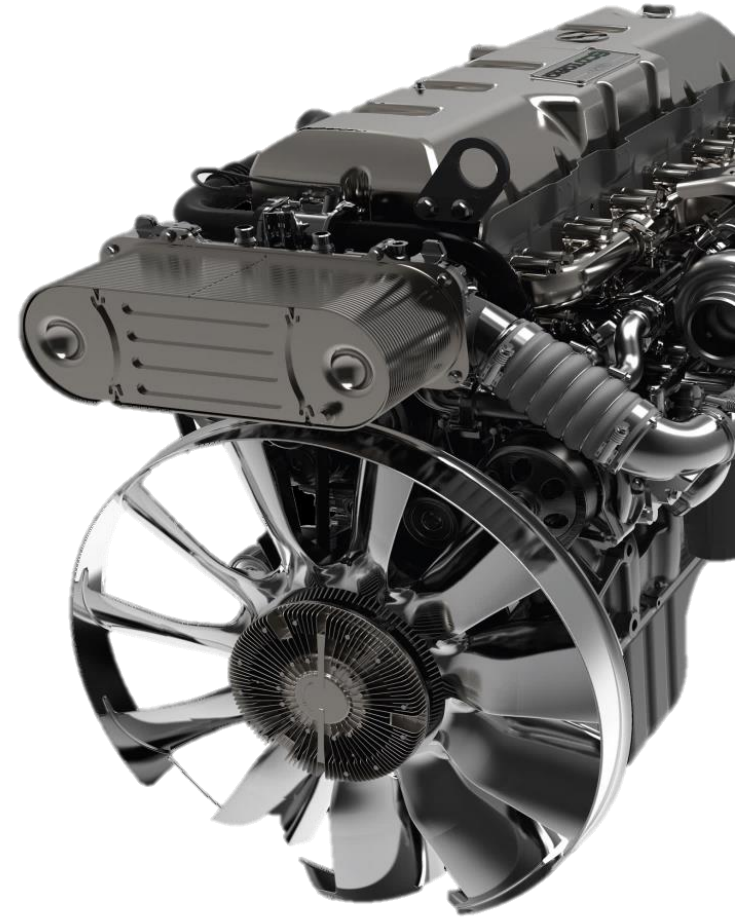
IP Rights owned 100% by Ford Otosan



- Cost of ownership advantage over peers
- 80% localization rate -> 90% by 2020
- 2.5 meter cabin
- 500 PS
- Domestic launch in October 2018
- Globally launched in 2019

Ecotorq Engine Family

- Available in **9L 330PS** and **13 L 420PS, 480 PS and 500PS**
- Environmentally Friendly **Euro 6 Emission Levels**
- Turbocharger with **Variable-Geometry**
- **2500 bar Common-Rail** Fuel Injection System
- **Specially Coated** Pistons
- **Smart Charging** Alternator



Investment Case

Ford Otosan's Value Proposition

Scale & growth

Industry leader in Turkish and European commercial vehicle sales
Turkey's export champion and Europe's largest commercial vehicle manufacturer
Technology licensing agreements delivering royalty fees with strong growth potential

Resilience & efficiency

€-denominated export revenues, including non-€ countries
High capacity utilization
Efficient, flexible and low-cost manufacturing and engineering competency

Strong balance sheet & prudent risk management

Surging FCF generation following completion of capex cycle
Growth and profitability driven by new products and cost discipline
Natural hedge of fx-payables due to fx-denominated export revenues

Shareholder value creation

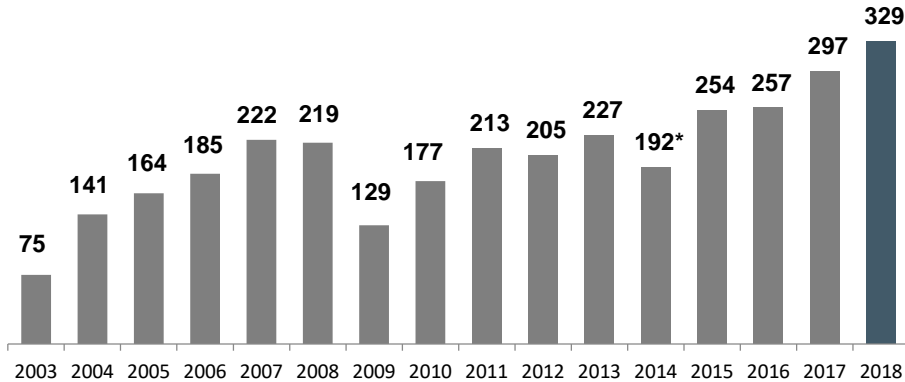
Dividend growth with surging FCF, strong balance sheet and low capex
Strong relative share performance
Commitment to good **corporate governance**

Relatively Favorable Taxes on Commercial Vehicles

Passenger Cars					Commercial Vehicles			
Engine Size	Base Price (TL)	SCT %	VAT %	Total %	Model	SCT %	VAT %	Total, %
<1.6 lt	<70,000	45 30	18	71 53	Transit Van Transit Minibus (16+1) (17+1) Transit Chassis Cab Transit Custom Van Transit Courier Van Connect Van Ranger	4	18 1	23 5
	70,000-120,000	50 35	18	77 59				
	>120,000	60	18	89				
1.6-2.0 lt	<170,000	100	18	136				
	>170,000	110	18	148				
> 2.0 lt		160	18	207	Transit Minibus (11+1) (14+1)	9	18 1	29 10
Values in red are the tax rates valid under the temporary government incentives from November 2018 to end of June 2019. <ul style="list-style-type: none"> New tax structure for PCs is effective as of November 25, 2016. Above rates are valid for diesel and gas engines. Different SCT rates apply for electric and hybrid vehicles. Previous tax changes as follows: <p> < 1.6 lt 27% to 30% (Aug 2003), 30% to 37% (Sep 2006) < 1.6 lt 37% to 18% (Apr 2009), 18% to 27% (Oct 2009), 27% to 37% (Apr 2010) < 1.6 lt 37% to 40% (Sept 2012), 40% to 45% (Jan 2014) 1.6-2.0 lt 60% to 80% (Oct 2011), 80% to 90% (Jan 2014) > 2.0 lt 84% to 130% (Oct 2011), 130% to 145% (Jan 2014) </p> <p>** 10% to 15% (Oct 12, 2011)</p> <p>VAT: Value Added Tax SCT: Special Consumption Tax</p>					Transit Combi Transit Custom Combi Transit Custom Combi Van Tourneo Custom Transit Courier Combi Van Tourneo Courier Transit Connect Combi	15** 5	18	36 24
					Ford Trucks (heavy truck)	4	18 1	23 5

Scalable & €-Denominated Export Business

Exports (000 units)

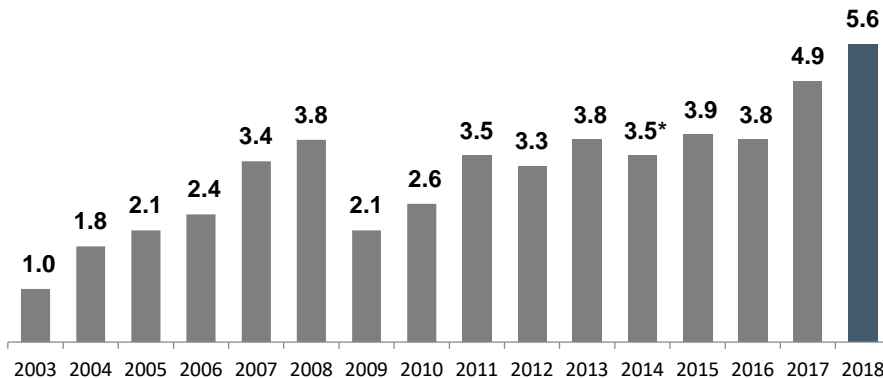


All export agreements are €-denominated, including non-€ countries

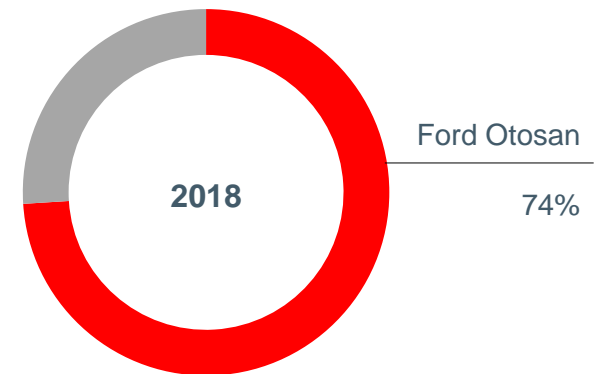
Export receivables are easy to manage as Ford of Europe is the **single counterparty**

Export receivables from Ford Motor Co. and its subsidiaries are collected within average **14 days**

Export Revenue (US\$ bn)



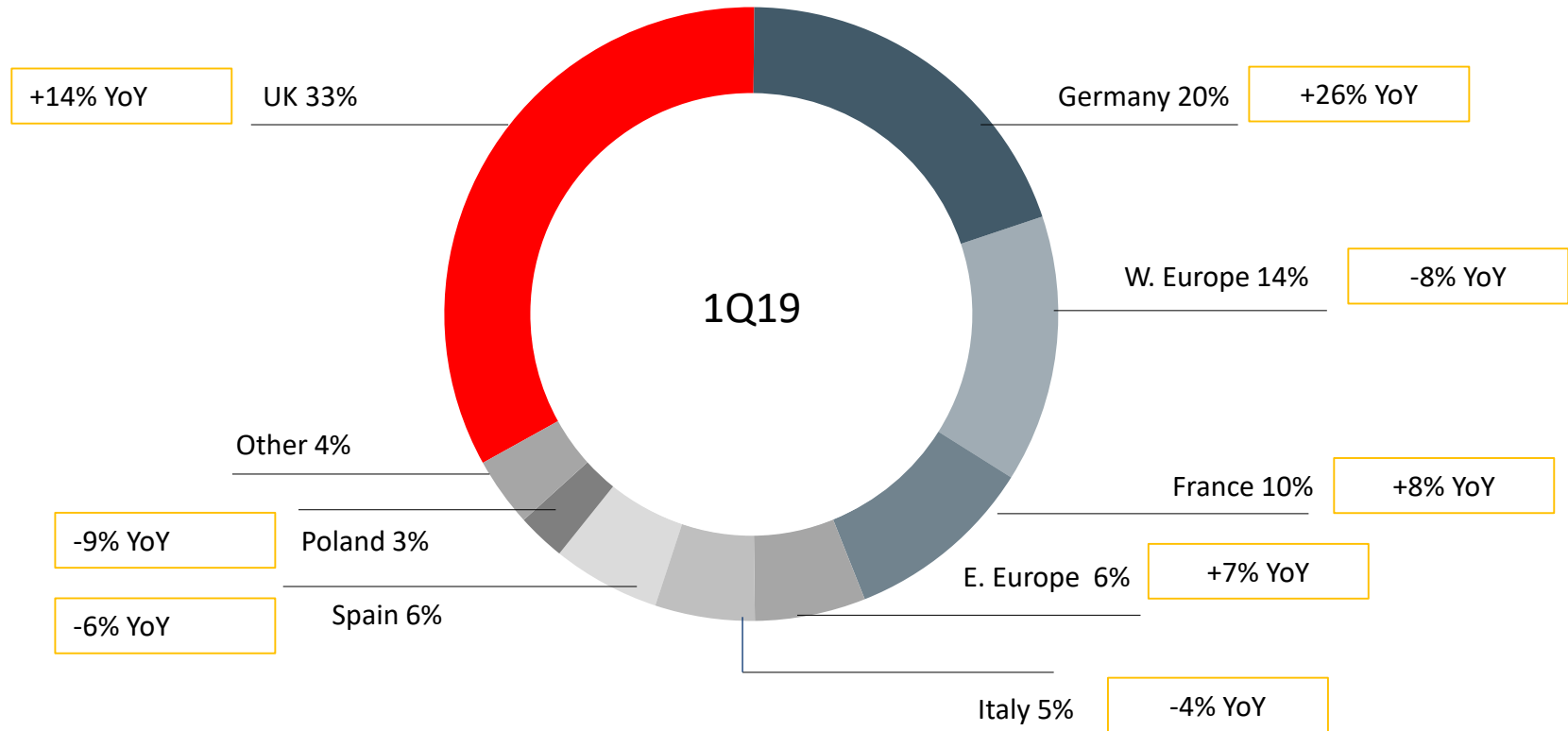
Turkey's CV exports



*2014 numbers reflect the transition to new product range and relevant ramp-up period.

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

European Van Industry Continues to Grow

Industry drivers are economic growth, SME business and e-commerce

Vans up to 3.5 tons: Ford Otosan's export segment

% Change	2014	2015	2016	2017	2018	Jan '19	Feb '19	Mar '19	Apr' 19	May' 19	YTD
UK	18.7	15.6	1.0	-3.6	-1.3	8.6	1.8	10.6	4.7	5.4	7.5
Germany	7.3	4.2	8.5	4.9	5.4	13.2	12.0	11.3	13.2	23.5	14.7
Italy	16.4	12.4	50.0	-3.4	-6.0	0.4	6.1	-2.1	15.6	5.1	6.0
Spain	33.2	36.1	11.2	15.5	7.8	7.9	-3.0	7.0	7.8	-0.1	3.8
France	1.5	2.0	8.2	7.1	4.6	9.1	6.4	-0.7	12.4	9.5	6.9
Total	11.3	11.6	11.9	3.9	3.1	6.1	4.4	4.6	8.4	5.8	5.9

May registrations: 186,800 units

Jan - May registrations: 908,291 units

+5.8%

**May YoY growth
in European van sales**

+5.9%

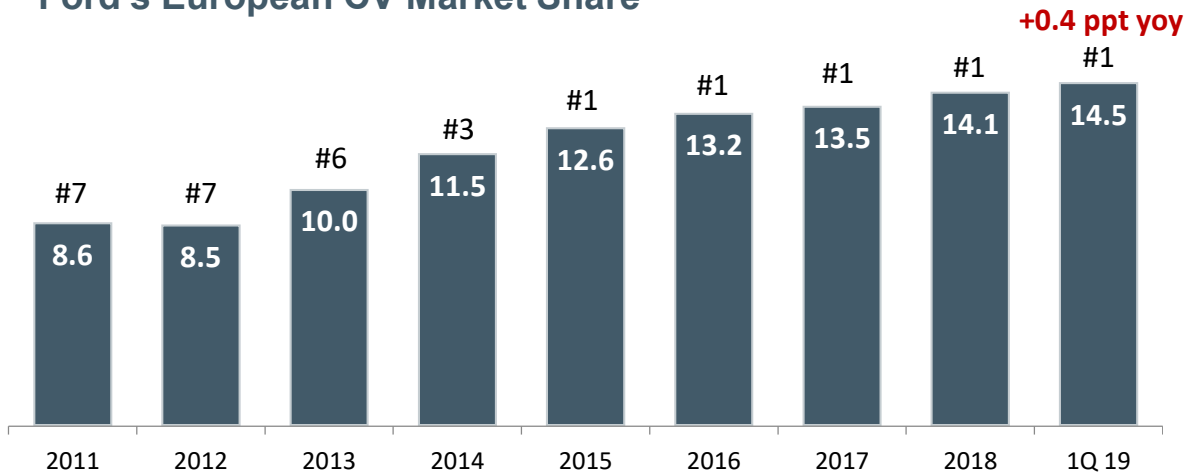
**Jan-May YoY growth
in European van sales**

Source: www.acea.be 27 European markets excluding Malta.

Ford is Europe's Top-Selling CV Brand

Ford's commercial vehicle business gaining momentum in major markets

Ford's European CV Market Share



Best sales performance
in the 1st quarter
since 1993.

Ford continues to
strengthen its position as
**Europe's No. 1
commercial vehicle
brand.**

9.3%

Jan-Mar YoY change
in Ford's CV sales

Ford's 1Q19 CV sales growth versus 1Q18:

25.9% in Germany

20.1% in France

14.3% in Italy

3.3% in the UK

Source: Ford of Europe 1Q19 Sales Release, reporting sales for its 20 European traditional markets. In line with the new Ford global standard, the sales reports will be published quarterly.

Ford Otosan: Key Driver of Ford's Market Share

and Pillar of profitability for Ford of Europe



Transit



Custom



Connect
(produced in Spain)



Courier

FORD OTOSAN produces

83%
of Transit Family vans
sold in Europe

Large Scale Investment Program

2010-2014 Transit Range

Transit



Custom



US\$ 850
million

Courier



€ 370 million

Yeniköy



2015-2018 Ford Trucks

US\$ 400
million +



Favorable Financing Terms

- €150 million loan agreement signed with EBRD in 2010
(Closed as of December 2015)
5-year term with 2-years grace period at Euribor + 2.75%
- €190 million loan agreement signed with EIB in 2012
8-year term with 2-years grace period
€100 million in Q3 at 2.06%
€90 million in Q4 at 1.47%
- €100 million loan agreement signed with a consortium of foreign banks in July 2014
(HSBC, Societe Generale and The Bank of Tokyo-Mitsubishi UFJ, Ltd.)
4-year term with 2-years grace period at Euribor + 2.30%
- €140 million loan agreement signed with EBRD and a consortium of foreign banks in July 2014
€70 million funded by EBRD and €70 million funded as syndicated loan
(HSBC, Societe Generale, The Bank of Tokyo-Mitsubishi UFJ, Ltd. and Credit Agricole)
5-year term with 2-years grace period at Euribor + 2.25%
- €100 million loan agreement signed with EIB in December 2015 and utilized in 1Q 2016
6-year term at 0.87%
- €150 million loan agreement signed with EBRD in April 2017
7-year term with 3-years grace period at Euribor + 1.95%

Payment Schedule, Long Term Loans

('000 TL, 31 March 2019)

2020: 592,484

2021: 538,760

2022: 282,515

2023: 209,569

2024: 95,583

Effective interest rates

ST borrowings: **0.88%**

ST portion of LT borrowings: **1.66%**

LT borrowings: **1.67%**

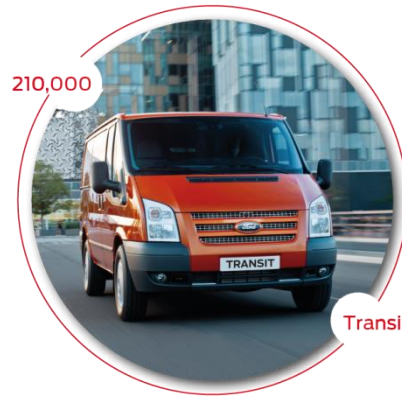
Interest paid (000 TL)

1Q19: 146,408

1Q18: 71,491

Highest Commercial Production Capacity in Turkish Automotive

Old: 330.000 (pre-investments)



210,000

Transit

Kocaeli Plant



110,000

Connect

İnönü Plant



10,000

Cargo

New: 415,000 (2014) → 440,000 (2017) → 455,000 (2018)

Transit

160,000



Custom

180,000



Courier

110,000



Truck

15,000



Gölcük Plant

Yeniköy Plant

İnönü Plant

Kocaeli Plants

Export Driven Capacity Increase Completed

US\$ 52 million total investment

Capacity ('000 Units)	Previous	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
		↓ 4Q17 ✓	↓ September '18 ✓

* Total paintshop capacity of the plant.
Announced on August 2, 2017.

Technology Licensing & Engineering Agreements

- The agreements with JMC have a 12-year term, starting with 2016 model year, to be extended every 3-years.
- Ford Otosan will be generating royalty fees with strong long-term growth potential.

Ecotorq engines

- Signed on April 24th, 2013.
- JMC branded vehicles manufactured in China using these engines and the licensed products will be sold in China and the export markets as agreed by the parties.

Chassis, cab and components of Ford heavy trucks

- Signed on July 25th, 2014.
- The products and JMC branded vehicles containing these products will be sold in China.



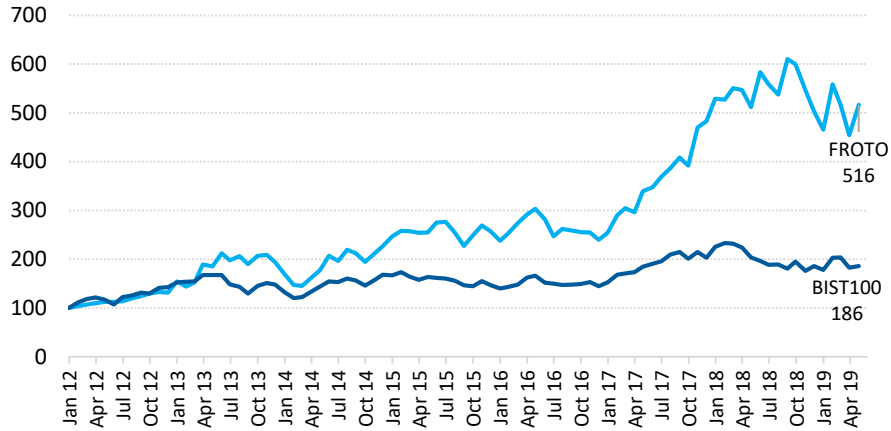
JMC is

'2018 Chinese Truck of the Year'



Focus on Shareholder Value

Strong relative share performance

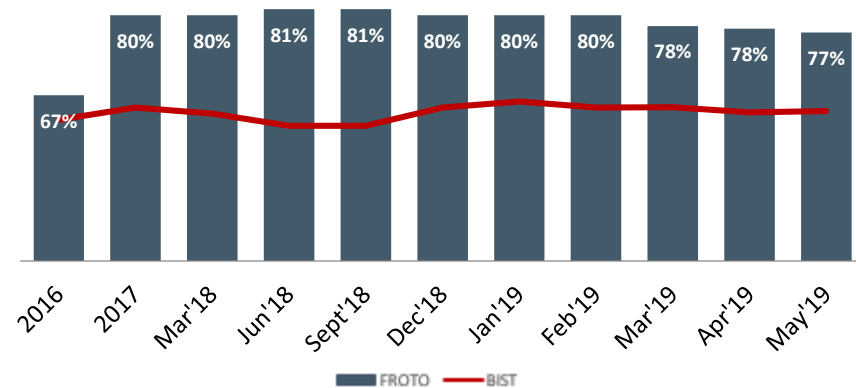


Commitment to corporate governance

- Separate CEO and Chairman roles
- Independent BoD members
- Board Committees
 - Audit Committee
 - Corporate Governance Committee
 - Risk Committee
 - Remuneration Committee
- Highly experienced professional Executive Management
- Performance based compensation

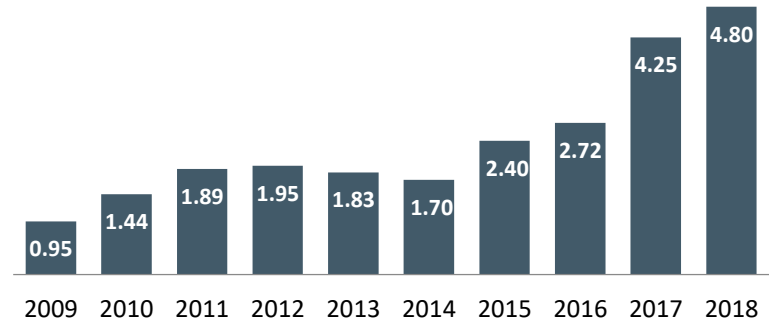
Large Institutional Investor Base

Foreign ownership in free float



Strong Earnings Growth

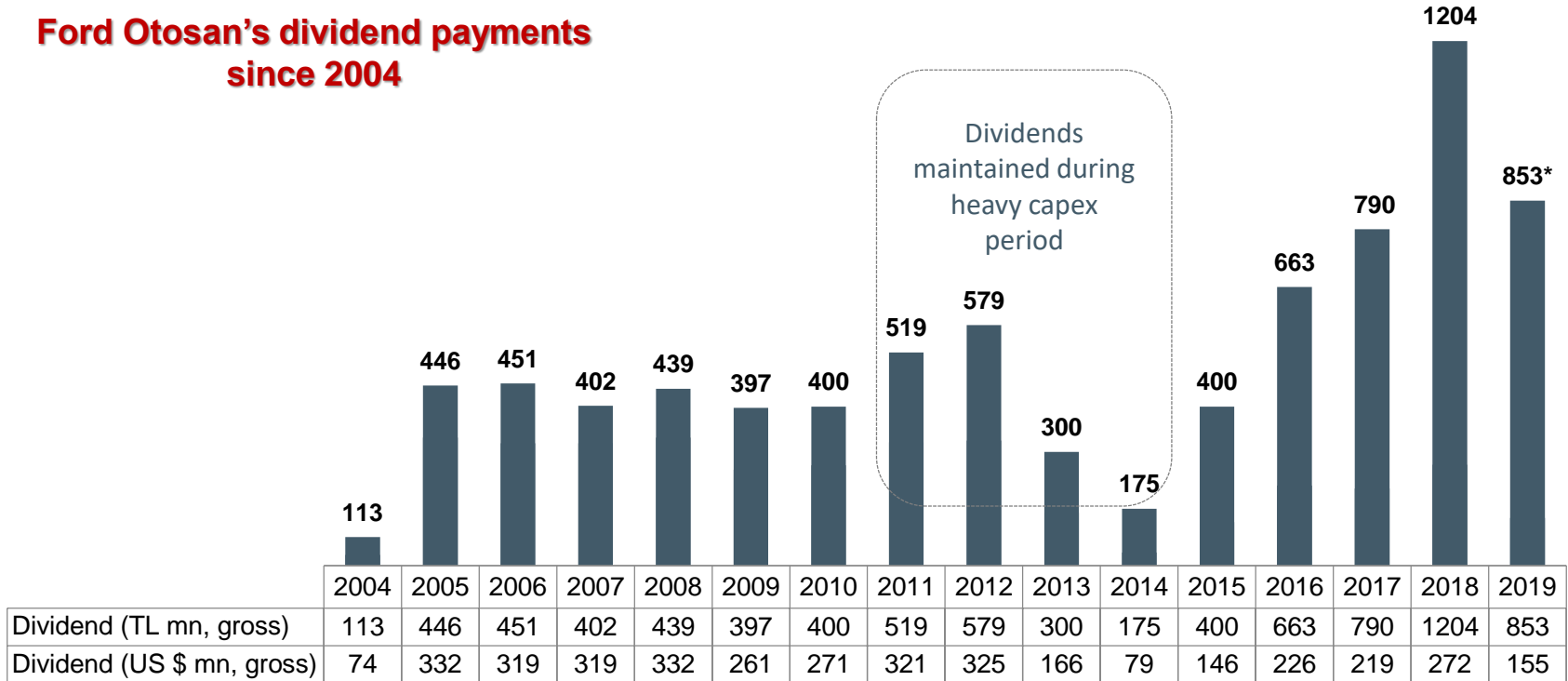
EPS (for Kr 1 nominal value)



Commitment to Dividends

3.8 billion US\$

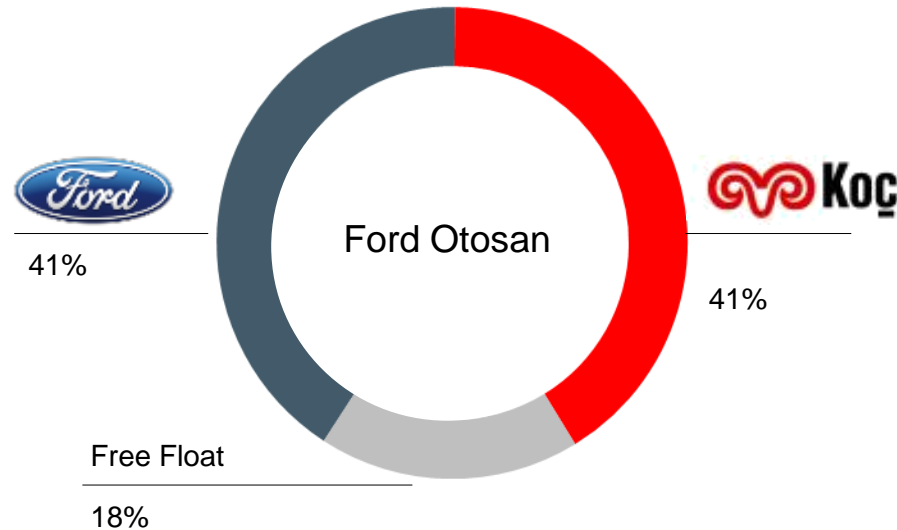
**Ford Otosan's dividend payments
since 2004**



* 853 million TL was paid as first dividend on April 1st, 2019.

Policy: In principle, subject to be covered by the resources existing in legal records, and subject to the decision of the Ordinary or Extraordinary General Assembly Meeting, excluding periods of large investment or severe economic downturn, by taking into consideration other legislation, financial and market conditions, long-term strategy, investment and financing policies, profitability and cash position, minimum 50% of the distributable profit for the period calculated within the framework of the Capital Markets Legislation is distributed in the form of cash or stock.

Strong & Committed JV Partner Support



Ford Motor Company is a global company based in Dearborn, Michigan. The company designs, manufactures, markets and services a full line of Ford cars, trucks, SUVs, electrified vehicles and Lincoln luxury vehicles, provides financial services through Ford Motor Credit Company and is pursuing leadership positions in electrification, autonomous vehicles and mobility solutions. Ford employs approximately 196,000 people worldwide. Automotive brands include Ford and Lincoln.

Established in 1926, Koç Holding is Turkey's leading investment holding company and the Koç Group is Turkey's largest industrial and services group in terms of revenues, exports, share in Borsa İstanbul's market capitalization and employment generation. While maintaining its leadership position in Turkey, The Koç Group focuses on sustainable and profitable growth with an aim to be a key player in its region and in the world.

Koç Holding ranks among the world's top 500 companies in Fortune Global 500 (2017 report).

Large Distribution Network

- Maintenance, service and repairs provided through our customer-focused and innovative network.
- Dealers are separate legal entities; no ownership by Ford Otosan.
- Dealer receivables from domestic dealers are collected using a Direct Debit System.



Light Vehicles (PC+LCV+MCV)

Sales 107
After-Sales 122

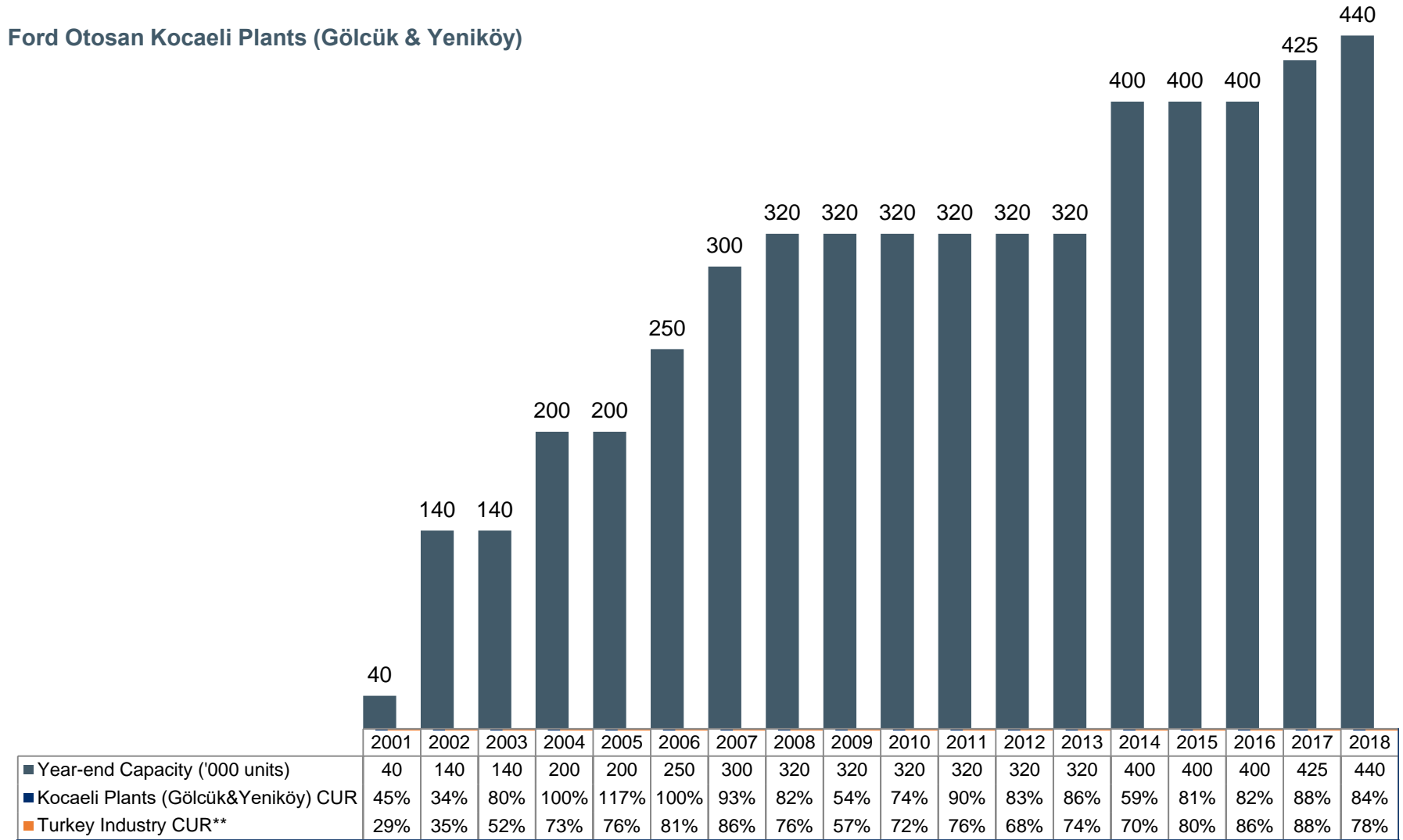


Ford Trucks

Sales 26
After-Sales 30

Efficient Production Hub

Ford Otosan Kocaeli Plants (Gölcük & Yeniköy)



*2014 numbers reflect the transition to new product range and relevant ramp-up period.

** Source: www.osd.org.tr

R&D Focused on Excellence

Ford Otosan has the capability and infrastructure to design, develop and test a complete vehicle end-to-end, including its engine and engine systems.



Sancaktepe R&D Center

- Center of Excellence for heavy trucks and related diesel powertrains
- Design studio and CAVE lab (1st in Turkey)
- Vehicle and engine HIL labs

Gölcük R&D Center

- Engine & vehicle testing
- Development workshops

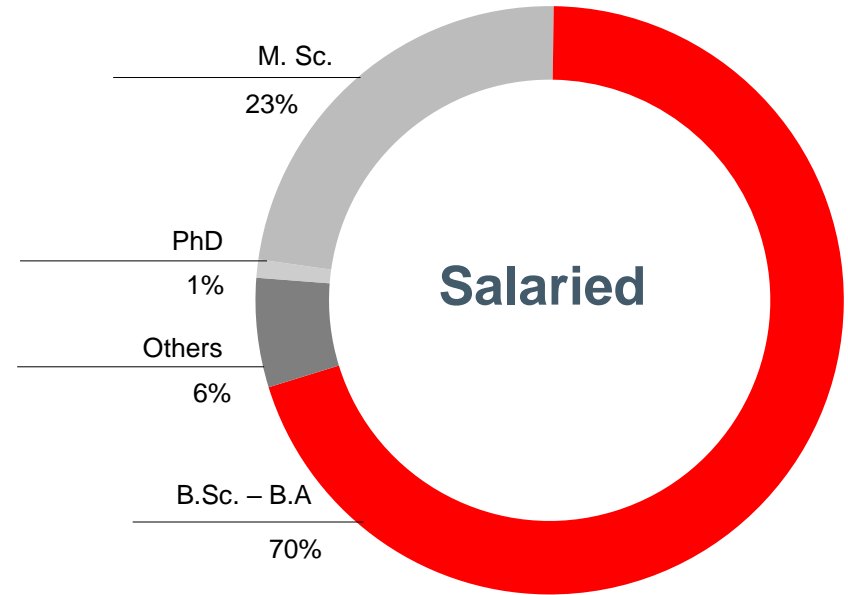
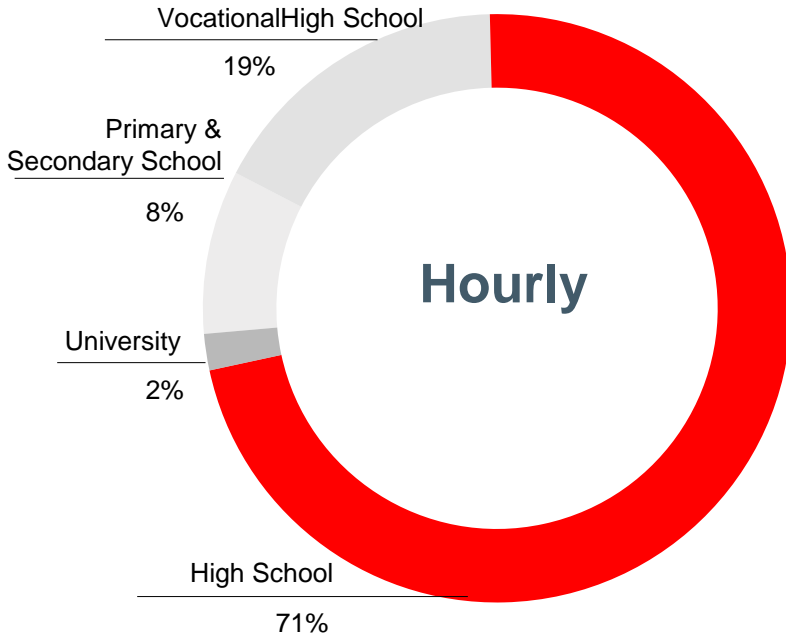


İnönü Product Development

- Prototype engine manufacturing and testing
- The only facility to test extra heavy engines over 13L in Turkey

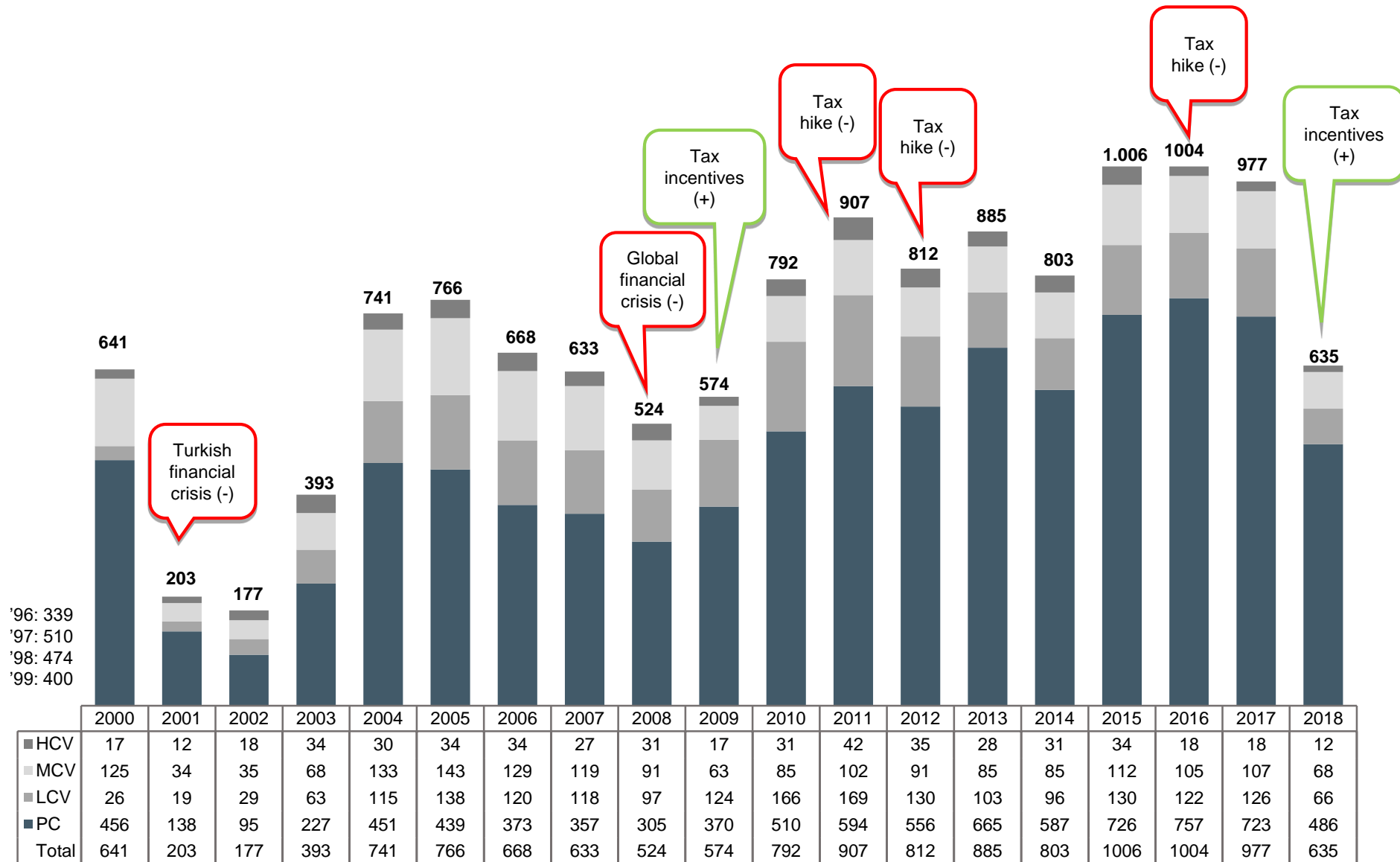


Experienced and Skilled Workforce



Operating & Financial Performance

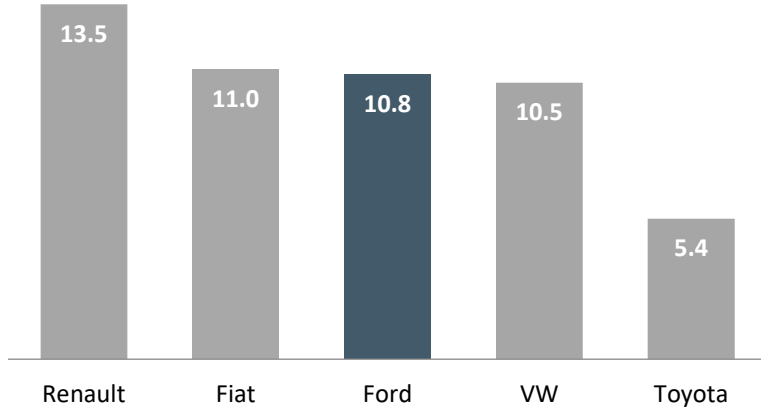
Turkish Automotive Industry (000 units)



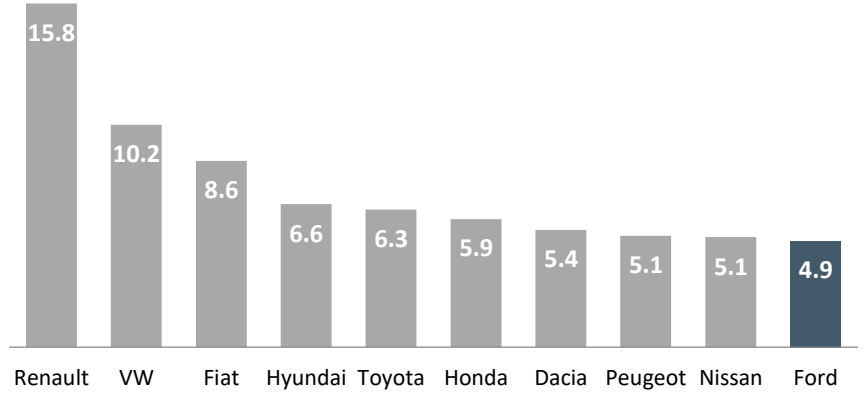
Turkish Market Shares, 2018

Total Industry

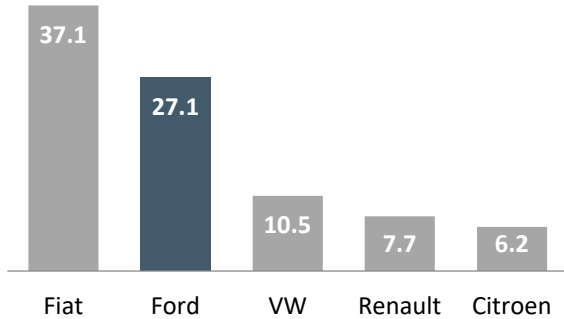
Ford's 4th largest market share in Europe



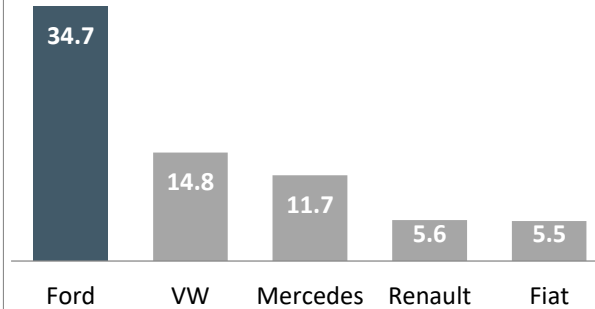
Passenger Cars



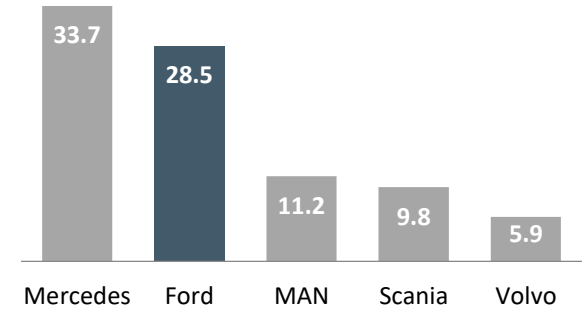
Light Commercial Vehicles



Medium Commercial Vehicles



Heavy Trucks



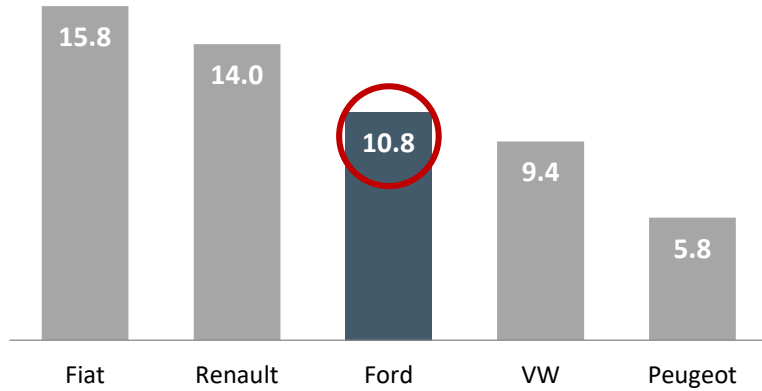
* Courier and Connect

** Transit, Custom & Ranger

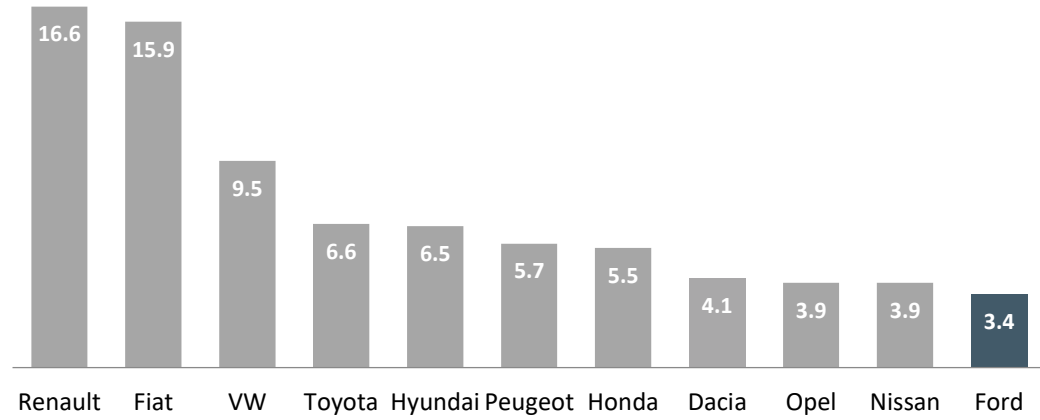
Source: ODD and TAID

Turkish Market Shares, May 2019 (ytd), %

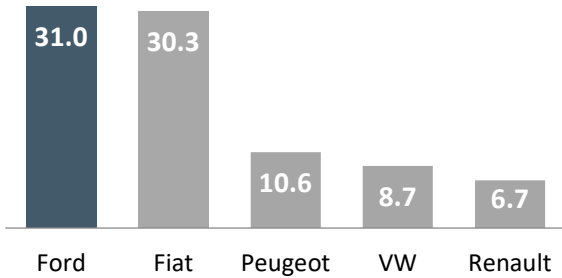
Total Industry



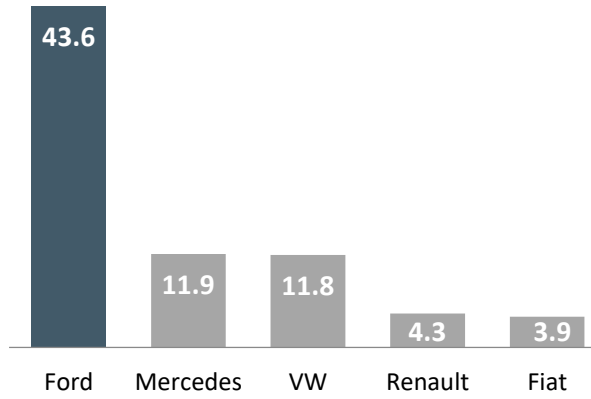
Passenger Cars



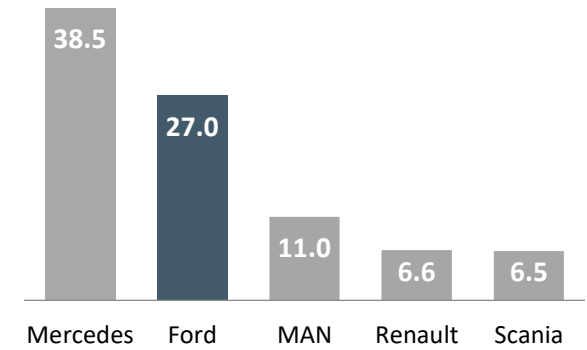
Light Commercial Vehicles



Medium Commercial Vehicles



Heavy Trucks



* Courier and Connect

** Transit, Custom & Ranger

Source: ODD and TAID

Turkish Market & Ford Otosan Retail* Sales (Units)

	May '19	May '18	YoY Change	May '19 YTD	May '18 YTD	YoY Change	Apr '19	MoM Change	2018
PC									
Ford Otosan	728	3.204	-77%	4.101	11.959	-66%	909	-20%	23.748
Industry	27.126	57.227	-53%	120.354	234.645	-49%	24.416	11%	486.321
Share	2,7%	5,6%	-2.9	3,4%	5,1%	-1.7	3,7%	-1.0	4,9%
LCV									
Ford Otosan	960	2.716	-65%	4.916	9.299	-47%	1.040	-8%	17.999
Industry	2.987	7.773	-62%	15.850	33.360	-52%	3.361	-11%	66.448
Share	32,1%	34,9%	-2.8	31,0%	27,9%	3.1	30,9%	1.2	27,1%
MCV									
Ford Otosan	1.065	2.636	-60%	7.087	11.395	-38%	1.281	-17%	23.681
Industry	2.903	7.755	-63%	16.252	34.306	-53%	3.194	-9%	68.168
Share	36,7%	34,0%	2.7	43,6%	33,2%	10.4	40,1%	-3.4	34,7%
Truck									
Ford Otosan	150	382	-61%	691	2.111	-67%	196	-23%	3.410
Industry	525	1.511	-65%	2.555	7.166	-64%	597	-12%	11.984
Share	28,6%	25,3%	3.3	27,0%	29,5%	-2.5	32,8%	-4.2	28,5%
Total									
Ford Otosan	2.903	8.938	-68%	16.795	34.764	-52%	3.426	-15%	68.838
Industry	33.638	74.422	-55%	155.336	310.367	-50%	31.650	6%	634.540
Share	8,6%	12,0%	-3.4	10,8%	11,2%	-0.4	10,8%	-2.2	10,8%

* Retail sales are Ford branded vehicles sold domestically by Ford dealers. They include dealer inventory and define the market share.

Monthly Production and Export Units

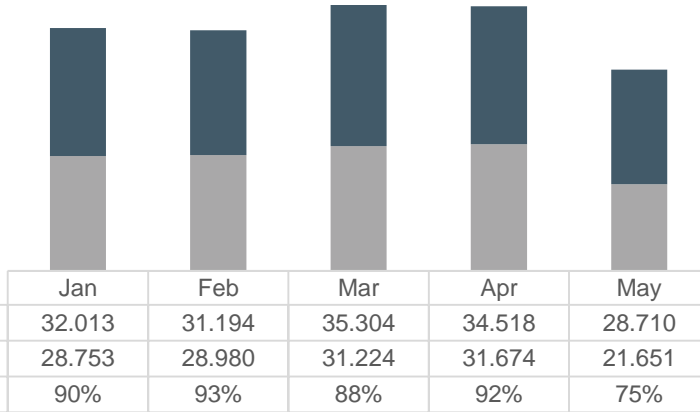
2019

May 2019 YTD

Production: 161,739

Export*:142,282

Export/Production: 88%



*As reported to AMA

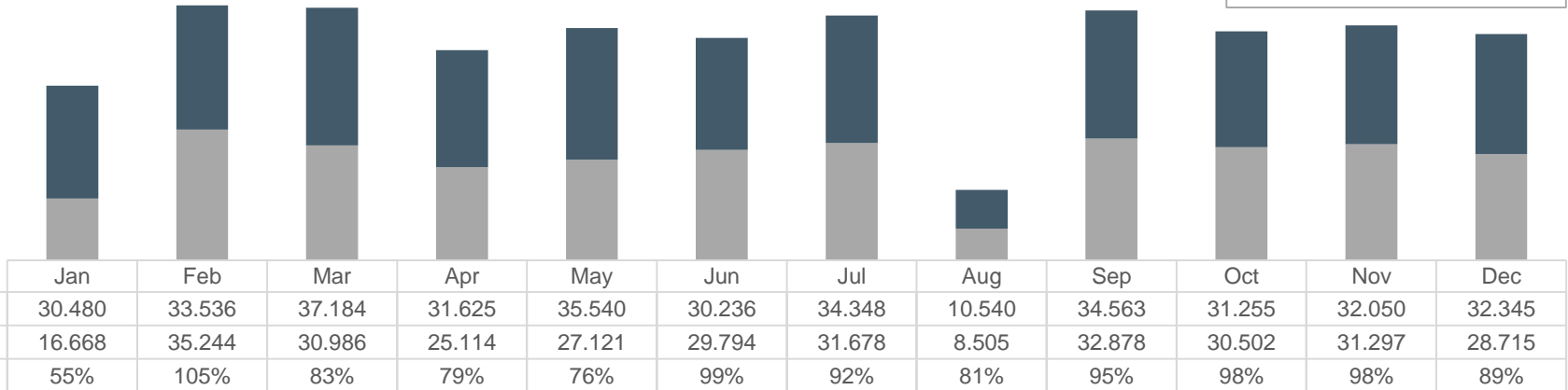
2018

2018

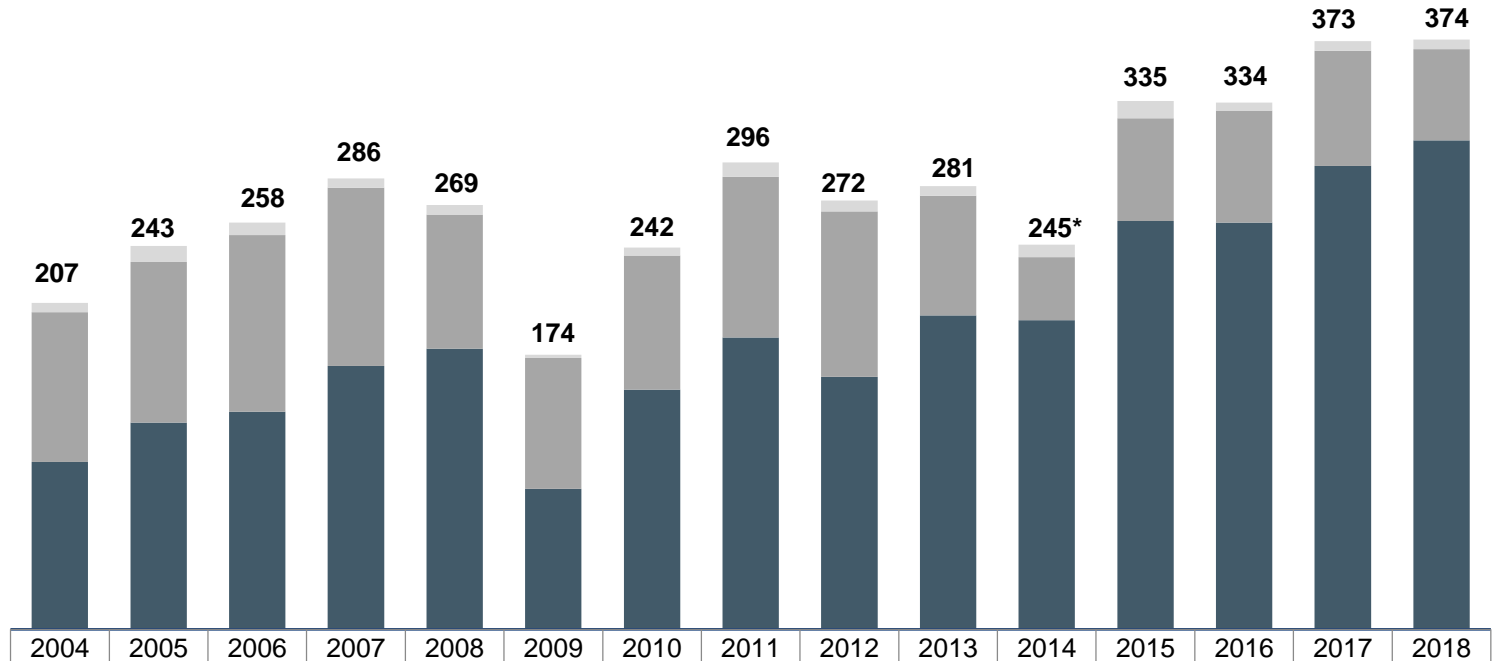
Production: 373,702

Export: 328,502

Export/Production: 88%

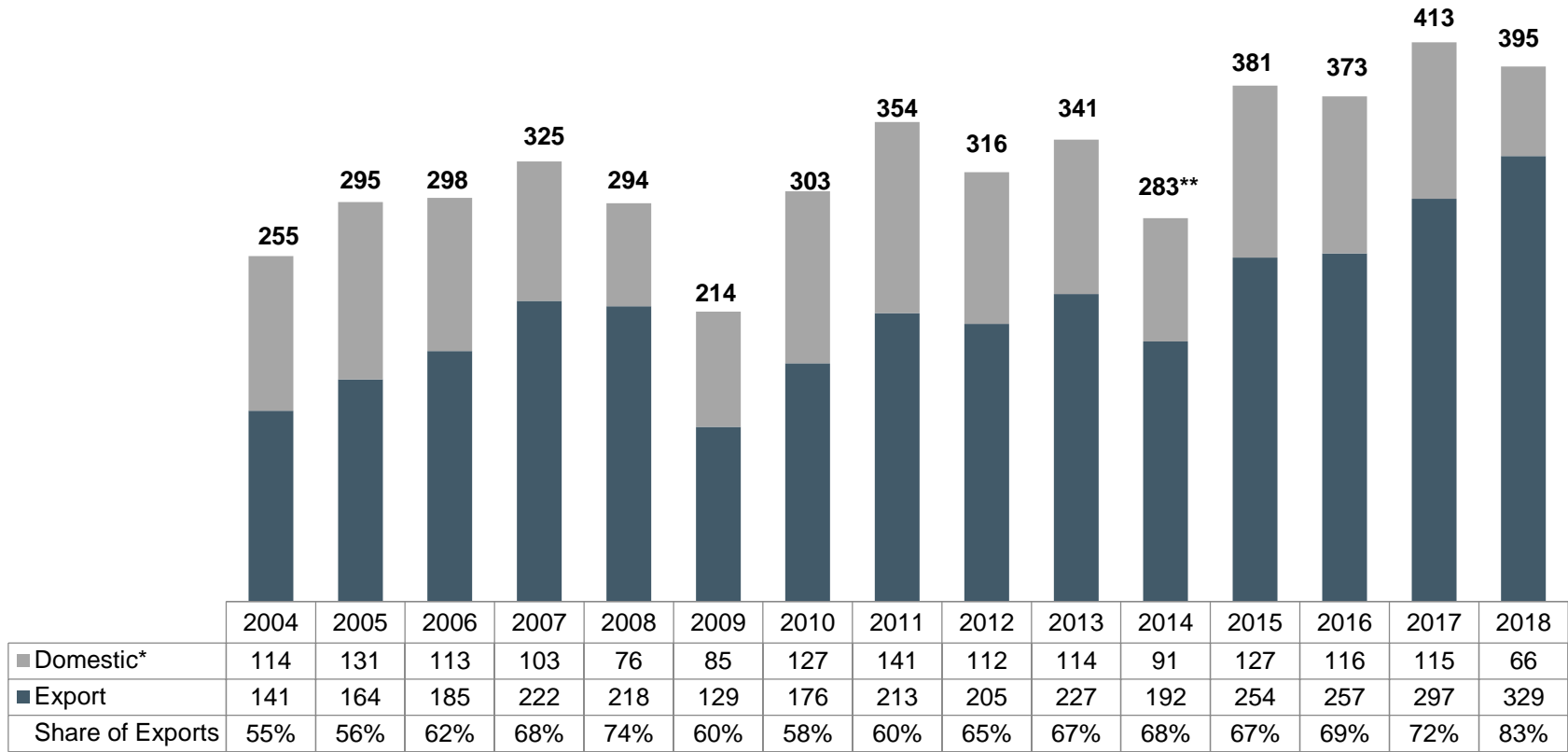


Production Volume (000 units)



*2014 numbers reflect the transition to new product range and relevant ramp-up period.

Wholesale Volume (000 units)



* Domestic wholesale volumes are vehicles sold by Ford Otosan to our dealers. They form the basis of IFRS financials.

** 2014 numbers reflect the transition to new product range and relevant ramp-up period.

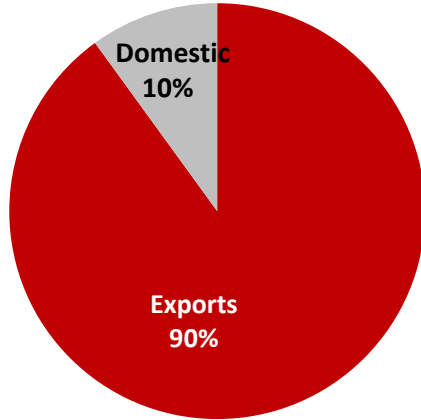
Sales Volume by Model

	1Q19	1Q18	YoY%
Total Domestic	10.441	19.162	-46%
PC	2.045	5.304	-61%
LCV	3.354	6.774	-50%
Transit Courier	3.266	6.541	-50%
Transit Connect	88	233	-62%
MCV	4.602	5.822	-21%
Transit	3.130	4.469	-30%
Transit Custom	1.236	1.154	7%
Ranger	236	199	19%
Truck	440	1.262	-65%
Total Export	89.193	83.068	7%
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%
Total Wholesale	99.634	102.230	-3%

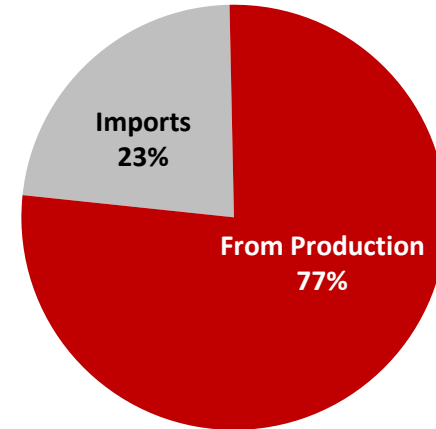
Record

Sales Analysis, 1Q19 (units)

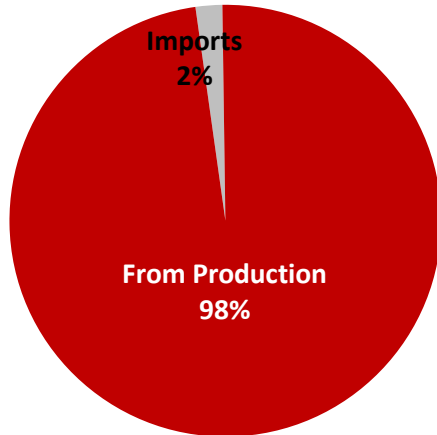
Total Sales



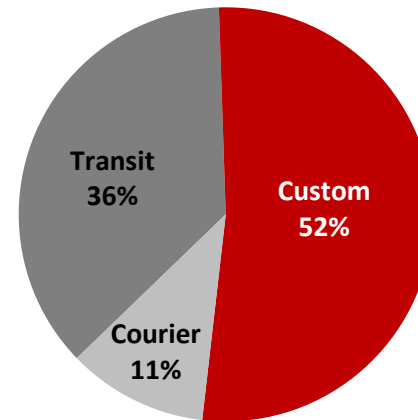
Domestic Sales



Total Sales



Exports by Model



1Q19 Financial Results

TL 9,284 million

Revenues, +27% YoY

- Robust export performance

TL 781 million

EBITDA, +22% YoY

- Strong OpEx control
- Cost reduction actions

TL 8,141 million

Export Revenues, +42% YoY

- Record volumes
- Currency impact

TL 477 million

Profit Before Tax, +8% YoY

- Pressure from 78% rise in net financial expenses driven by 83% more net fx loss due to prior period fx losses from cash flow hedge reserve.

TL 1,143 million

Domestic Revenues, -26% YoY

- 46% volume decline due to market contraction and profitability focus
- Pricing discipline and focus on high margin products limited further decline

TL 478 million

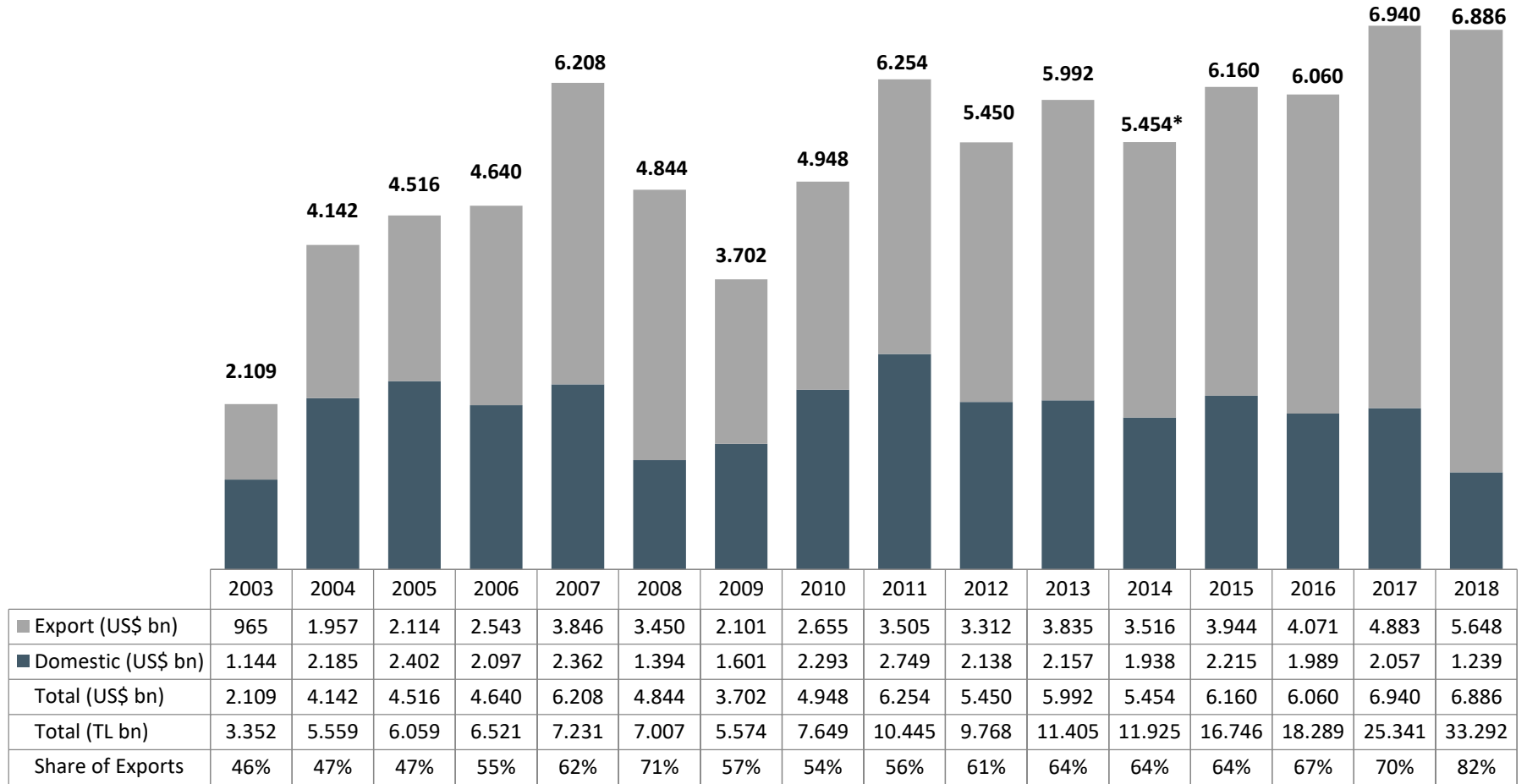
Net Income, +11% YoY

Main Financial Indicators

Million TL	1Q19	1Q18	YoY %
Total Revenues	9.284	7.282	27%
Export	8.141	5.728	42%
Domestic	1.143	1.554	-26%
Gross Profit	944	757	25%
Operating Profit	603	513	18%
EBITDA	781	642	22%
Profit Before Tax	477	441	8%
Net Income	478	432	11%
Other Financial Data			
Depreciation & Amortization*	178	128	39%
Financial Income / (Expense)	-126	-71	78%

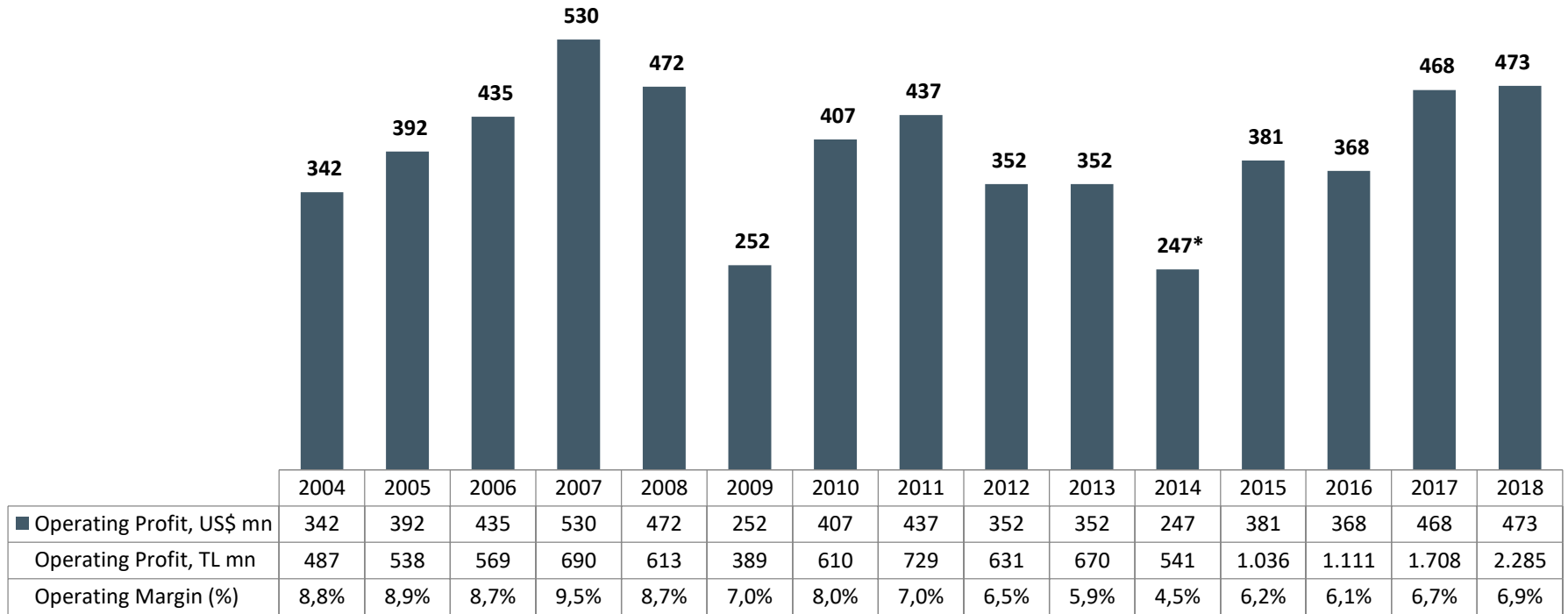
*1Q19 numbers include TL 11 million impact from IFRS16 due to classification from manufacturing overhead and operating expenses to depreciation and amortization. Please refer to footnotes 2,10,11,33 of the financial statements for further details.

Revenues - Domestic & Export



*2014 numbers reflect the transition to new product range and relevant ramp-up period.

Operating Profit and Margin



*2014 numbers reflect the transition to new product range and relevant ramp-up period.

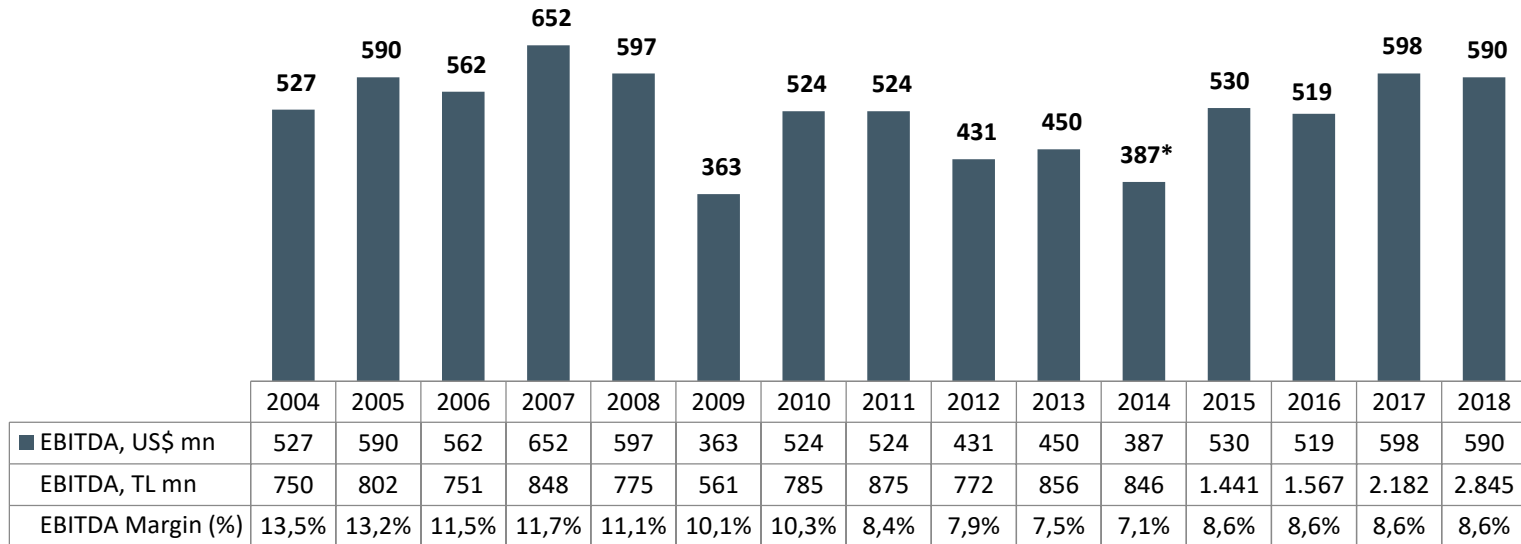
EBITDA and EBITDA Margin

Profitability rise post 2015 explained:

- Strong volumes with new products
- Favorable domestic sales mix
- Pricing focus to offset the weak and volatile TL
- Higher capacity utilization
- Cost reduction actions

2010-2014 margin decline explained:

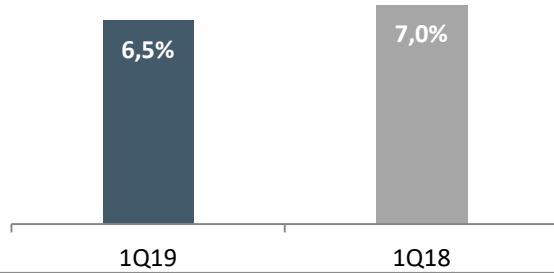
- Changing business mix
- Highly competitive domestic pricing landscape
- Industry shift towards PC = Less favorable sales mix
- Aged product portfolio
- TL volatility causing higher import costs and financial expenses



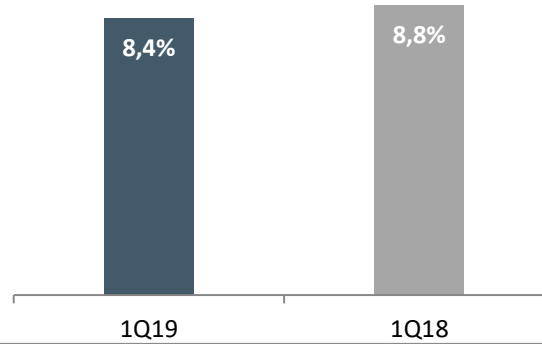
*2014 numbers reflect the transition to new product range and relevant ramp-up period.

1Q19 Margins

Operating Margin



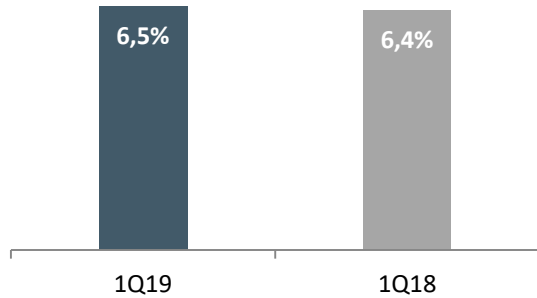
EBITDA Margin



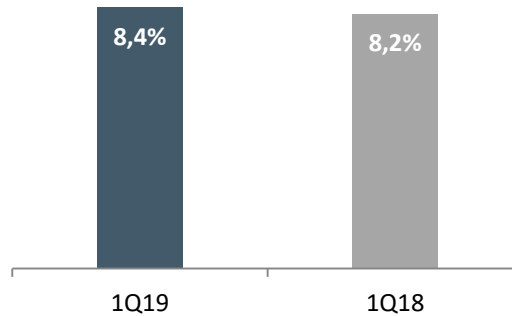
Drivers:

- + Rising export demand
- + Cost reduction actions
- + Strong OpEx control
- + Pricing discipline

Operating Margin (excl. Other items)



EBITDA Margin (excl. Other items)



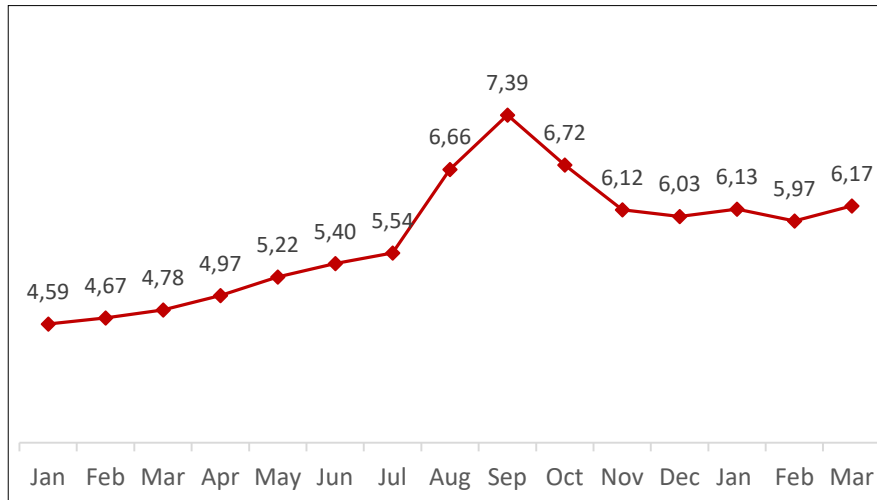
Challenges:

- Considerable cost pressure resulting from weaker €/TL (+30% YoY) and high inflation
- Contracting domestic volumes due to domestic market decline

Ongoing Cost Pressure

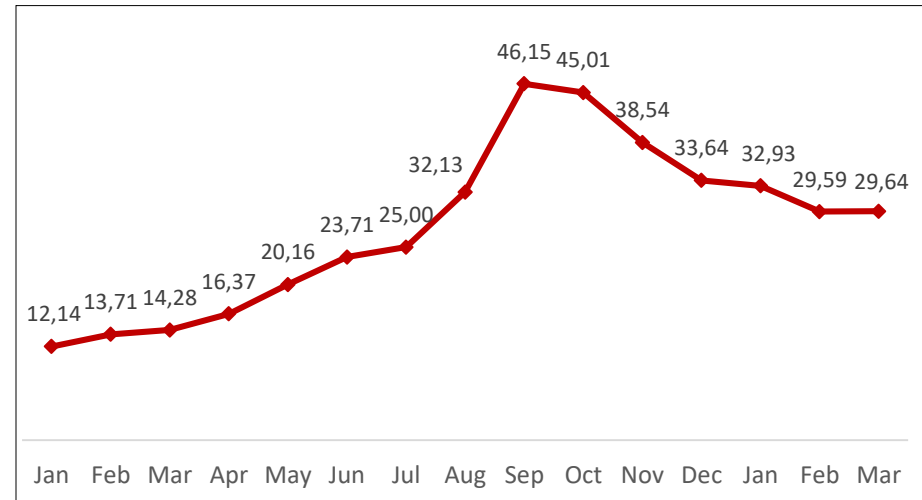
YoY change	1Q19/1Q18	2018/2017
Production Volume	-3%	0%
Raw Material Costs	28%	40%
€ / TL Average	30%	38%

EUR/TL Rate, Average



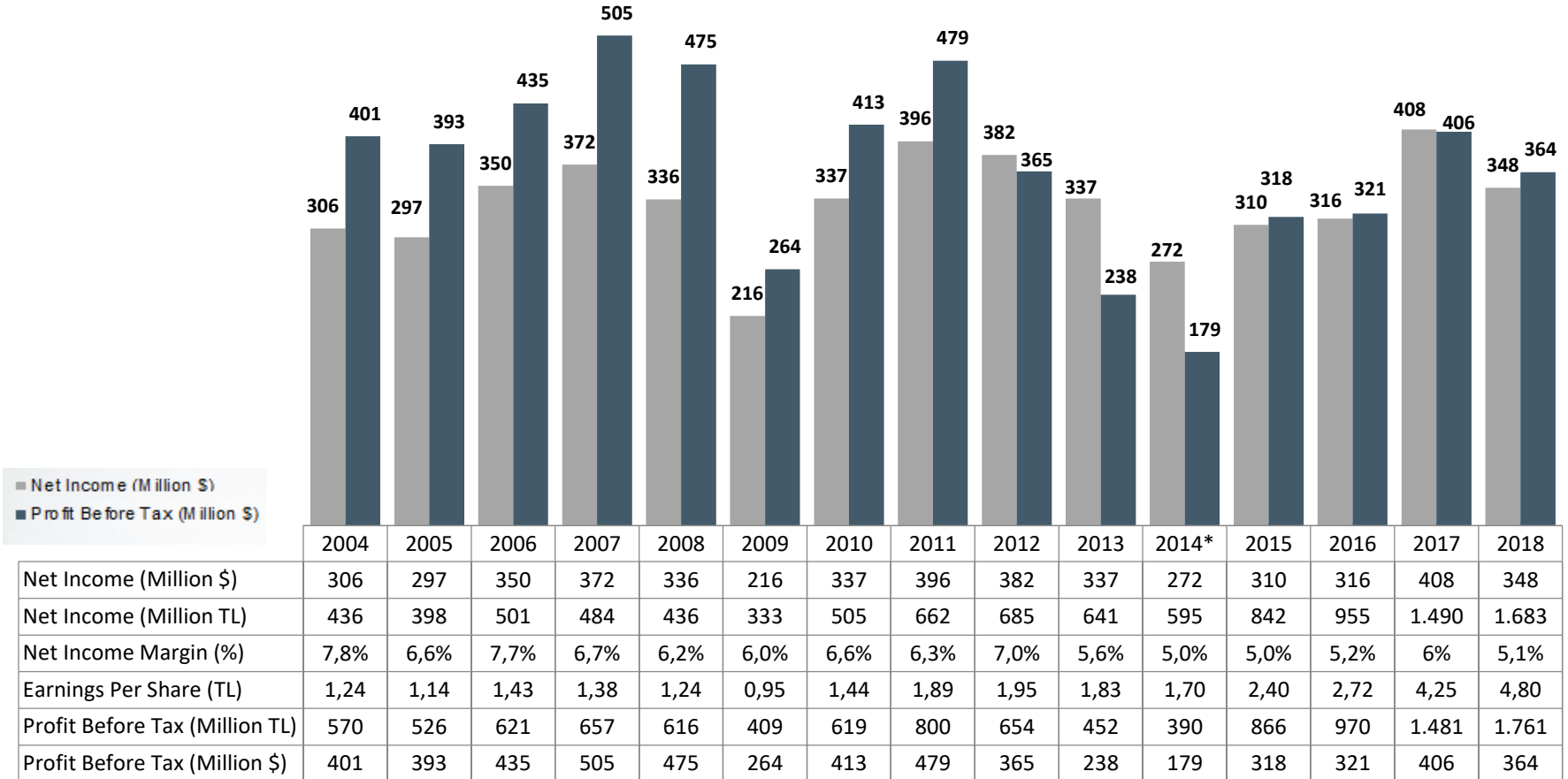
Source: CBT

PPI Inflation. %



Source: CBT

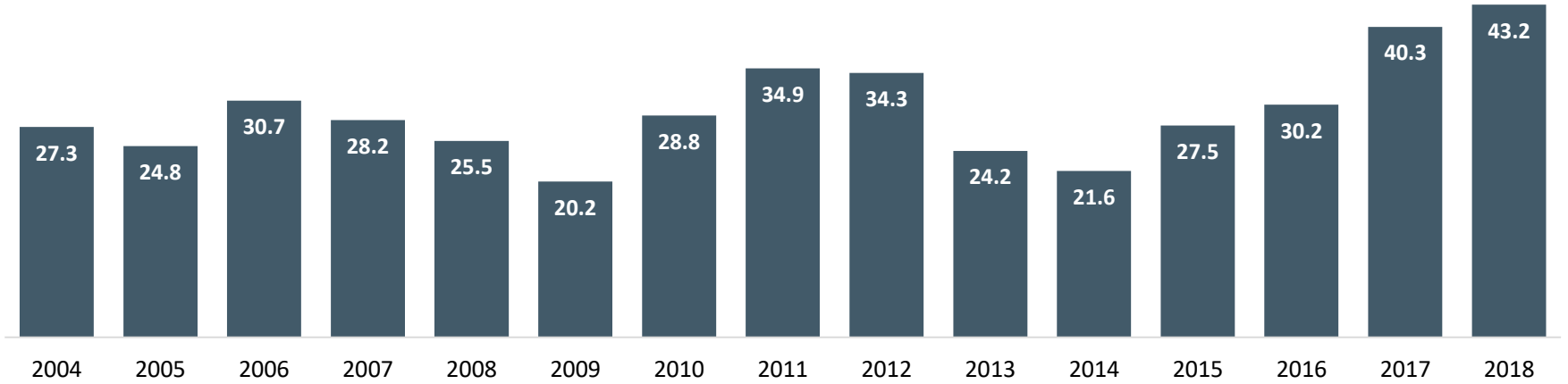
PBT & Net Income



2014 numbers reflect the transition to new product range and relevant ramp-up period.

Deferred tax asset resulted in higher net income than PBT in certain years.

Return on Equity, %



*2014 numbers reflect the transition to new product range and relevant ramp-up period.

Financial Risk Management

Credit Risk

Receivables from domestic dealers are collected using a Direct Debit System
Receivables from Ford Motor Company and its subsidiaries are collected within 14 days
Other exports are guaranteed using L/C. letter of guarantee or cash collection

Liquidity Risk

Cash, credit commitment and factoring capacity is maintained to meet 21 days' cash outflow
€100 million credit commitment & €120 million factoring agreements for potential needs
Net debt as of 1Q19 is TL 3,2 billion

FX Risk

Excess cash is invested in hard currencies to minimize fx exposure
Natural hedge against volatility due to fx-denominated export revenues: 88% of revenues
Ford Otosan is a net exporter: US\$ 4.9 billion in the last 5 years (2012-2017)

Capital Risk

Net Financial Debt/EBITDA is monitored as a management criteria; capped at 3.5x.
(EBITDA is calculated on a rolling basis of the last four quarters.)

Debt Profile & Financial Ratios

Cash Position (TL mn)	31.03.2019	31.12.2018
Cash & Cash Equivalents	2.105	1.393
Total Financial Debt	-5.234	-4.483
Net Financial Debt	-3.129	-3.090
Financial Ratios	31.03.2019	31.12.2018
Current ratio	0,97	1,02
Liquidity ratio	0,62	0,64
Net Debt / Tangible Net Worth	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	0,77
Return on Equity	54,8%	43,2%
Margins	31.03.2019	31.03.2018
Gross Margin	10,2%	10,4%
EBITDA Margin	8,4%	8,8%
EBITDA Margin (excl.other items)	8,4%	8,2%
Operating Margin	6,5%	7,0%
Net Margin	5,1%	5,9%

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

2019 Guidance

Ford Otosan provides guidance 4 times a year as part of quarterly financial statements.
Guidance updated in April 2019 with 1Q19 results. Next update will be in August 2019 as part of 2Q19 results.

	2018A	2019F
Turkish Industry Volume	635 K	380 K – 430 K
Ford Otosan Retail Sales Volume	69 K	40 K – 50 K
Exports	329 K	340 K – 350 K
Wholesale Volume	395 K	380 K – 400 K
Production Volume	374 K	375 K – 385 K
Capex (fixed assets)	€ 166 mn	€160 – 180 mn

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Burak Çekmece

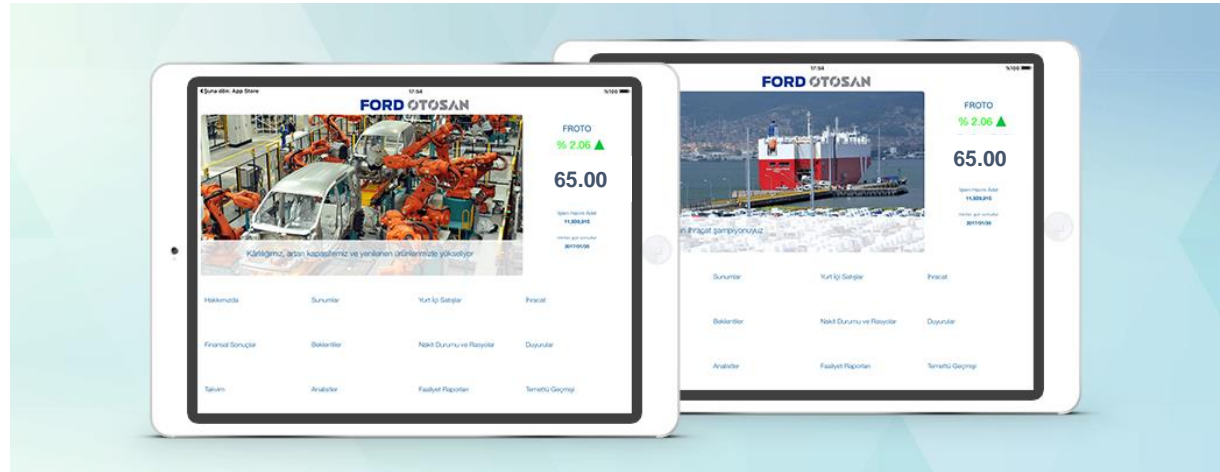
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Investor Relations App



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Android cihazlar için,



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