

CIBC Western Institutional Conference

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Ford Credit



Further Information

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INFORMATION ON FORD:

www.shareholder.ford.com

- 10-K Annual Reports
- 10-Q Quarterly Reports
- 8-K Current Reports

INFORMATION ON FORD MOTOR CREDIT COMPANY:

www.fordcredit.com/investor-center

- 10-K Annual Reports
- 10-Q Quarterly Reports
- 8-K Current Reports

Corporate



Ford

Delivering Ford+

2024 Ford Maverick



Safe Harbor Statement And Disclosures

Forward-Looking Statements

This presentation includes forward-looking statements. Forward-looking statements are based on expectations, forecasts, and assumptions by our management and involve a number of risks, uncertainties, and other factors that could cause actual results to differ materially from those stated. For a discussion of these risks, uncertainties, and other factors, please see the “Cautionary Note on Forward-Looking Statements” in this presentation and “Item 1A. Risk Factors” in our Annual Report on Form 10-K for the year ended December 31, 2022, as updated by subsequent Quarterly Reports on Form 10-Q and Current Reports on Form 8-K.

GAAP & Non-GAAP Financial Measures

This presentation includes financial measures calculated in accordance with Generally Accepted Accounting Principles (“GAAP”) and non-GAAP financial measures. The non-GAAP financial measures are intended to be considered supplemental information to their comparable GAAP financial measures. The non-GAAP financial measures are reconciled to the most comparable GAAP financial measures in the Appendix to this presentation.

Additional Information

Calculated results may not sum due to rounding. All variances are year-over-year unless otherwise noted. Visit ford.com for vehicle information.

Ford+ Investment Thesis

Disruptive technology allows us to leverage foundational strengths to build new capabilities enriching customer experiences and deepening loyalty

Customer experience

FOUNDATIONAL STRENGTHS

- + Leading iconic nameplates
- + Leading commercial vehicle portfolio
- + Industrial prowess

Drives strong margins and cash flow

+

ENHANCED CAPABILITIES

- + Integrated hardware and software and services
- + Connectivity
- + Data analytics

Enables deep customer insight

=

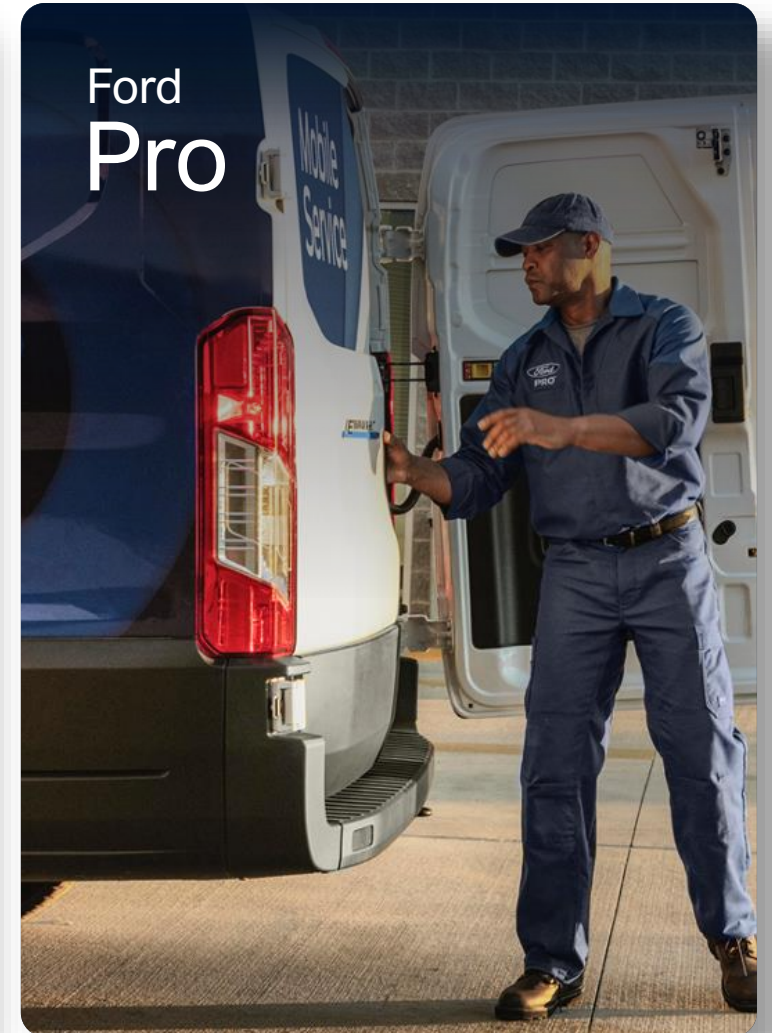
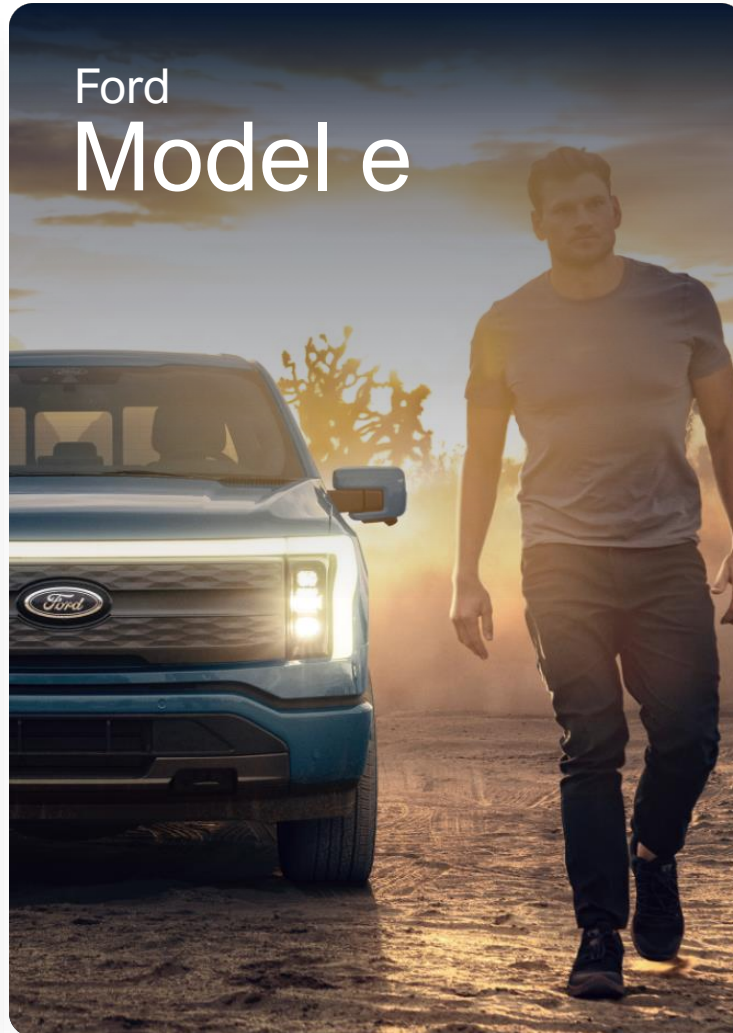
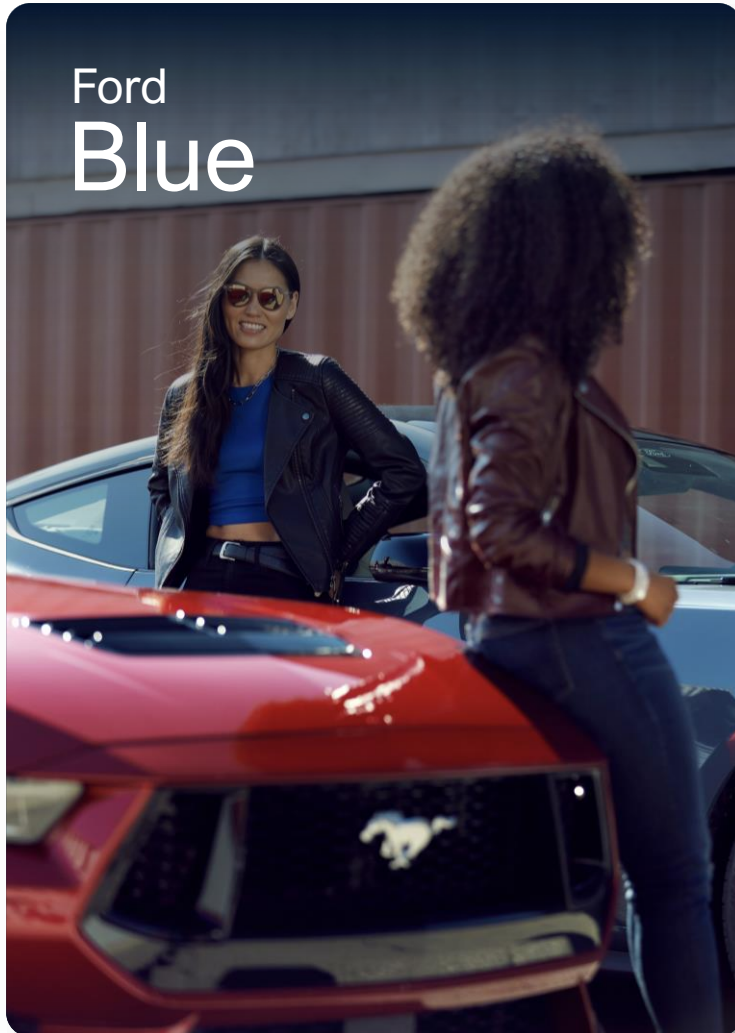
EXPANDED TAM & VALUE CREATION

- + Ford Blue
- + Ford Model e
- + Ford Pro

Unlocks new growth opportunities



Ford+ Business Model Is Designed To Deliver Focused Innovation, Profit & Growth



Q3 Financial Results

Revenue

\$43.8B

▲ 11%

Adj. EBIT

\$2.2B

▲ 22%

Adj. EBIT Margin

5.0%

▲ 0.4pts

Adj. FCF

\$1.2B

▼ \$2.4B

Adj. EPS

\$0.39

▲ \$0.09



Mustang Dark Horse Track Attack
Program Starting January 2024

Ford Blue



Q3 EBIT

\$1.7B

Q3 EBIT Margin

6.7%

Ford Model e



Q3 EBIT

\$(1.3)B

Q3 EBIT Margin

(75.6)%

Ford Pro



Q3 EBIT

\$1.7B

Q3 EBIT Margin

12.0%

Year-To-Date Financial Results

Revenue

\$130.2B

▲ 14%

Adj. EBIT

\$9.4B

▲ 19%

Adj. EBIT Margin

7.2%

▲ 0.3pts

Adj. FCF

\$4.8B

▼ \$1.8B

Adj. EPS

\$1.73

▲ \$0.36



New 2024 Ford Super Duty

Ford Blue



YTD EBIT

\$6.6B

YTD EBIT Margin

8.8%

Ford Model e



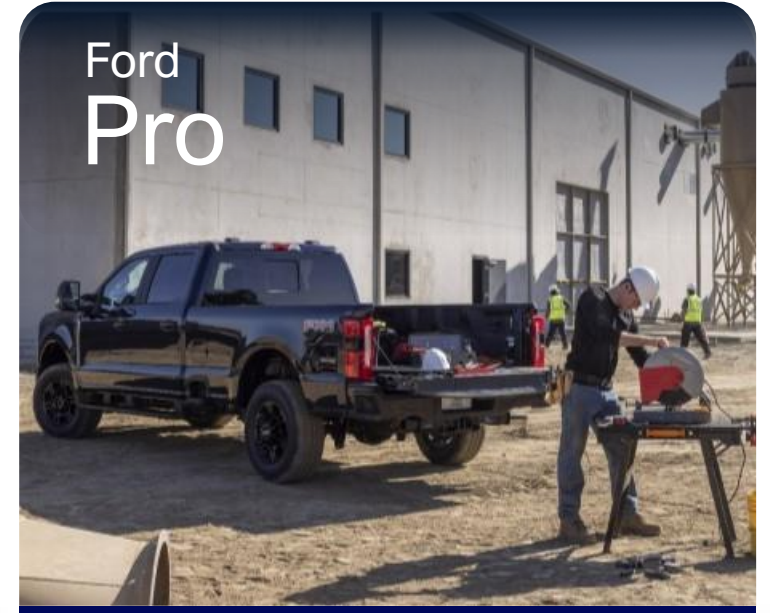
YTD EBIT

\$(3.1)B

YTD EBIT Margin

(72.8)%

Ford Pro



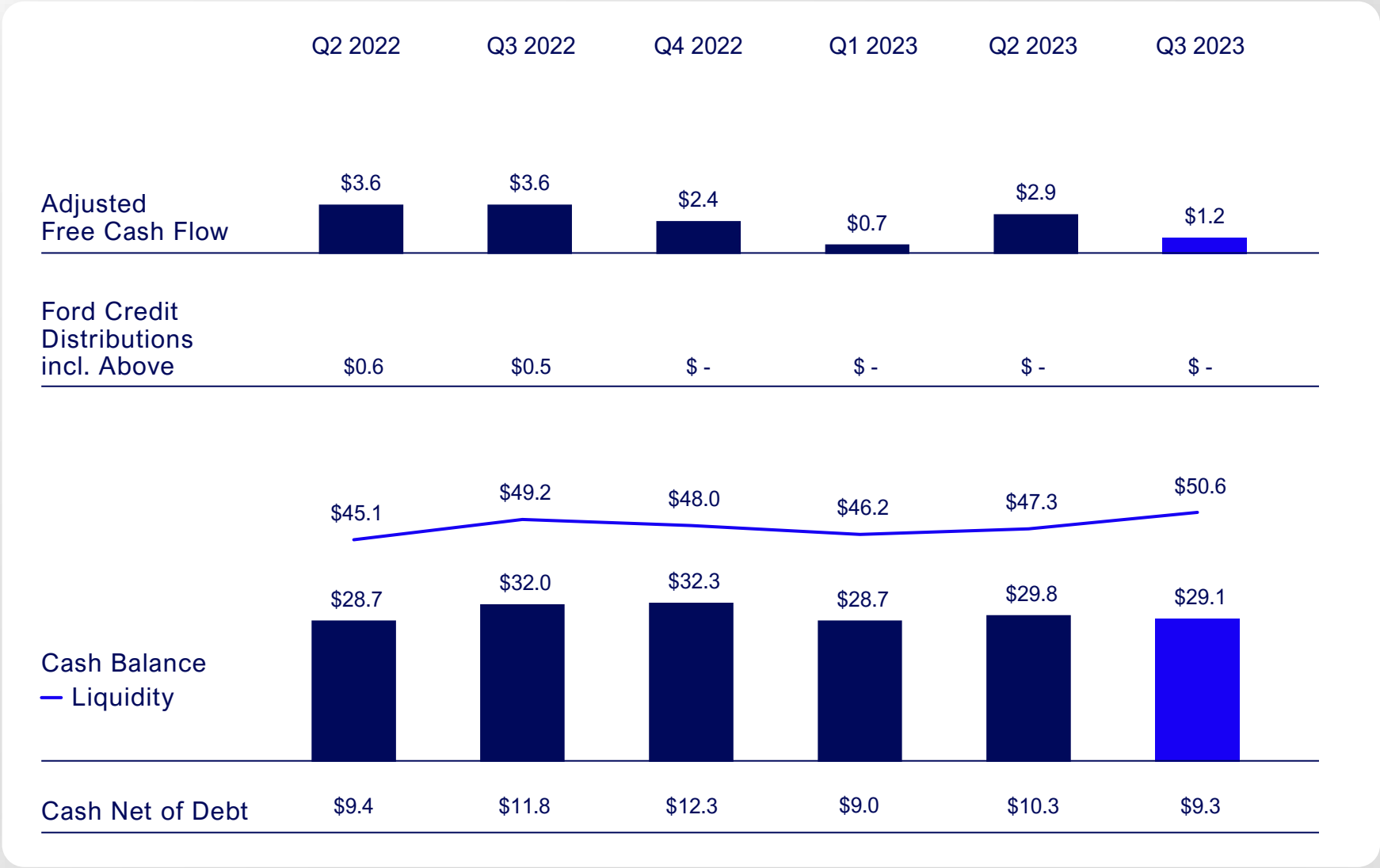
YTD EBIT

\$5.4B

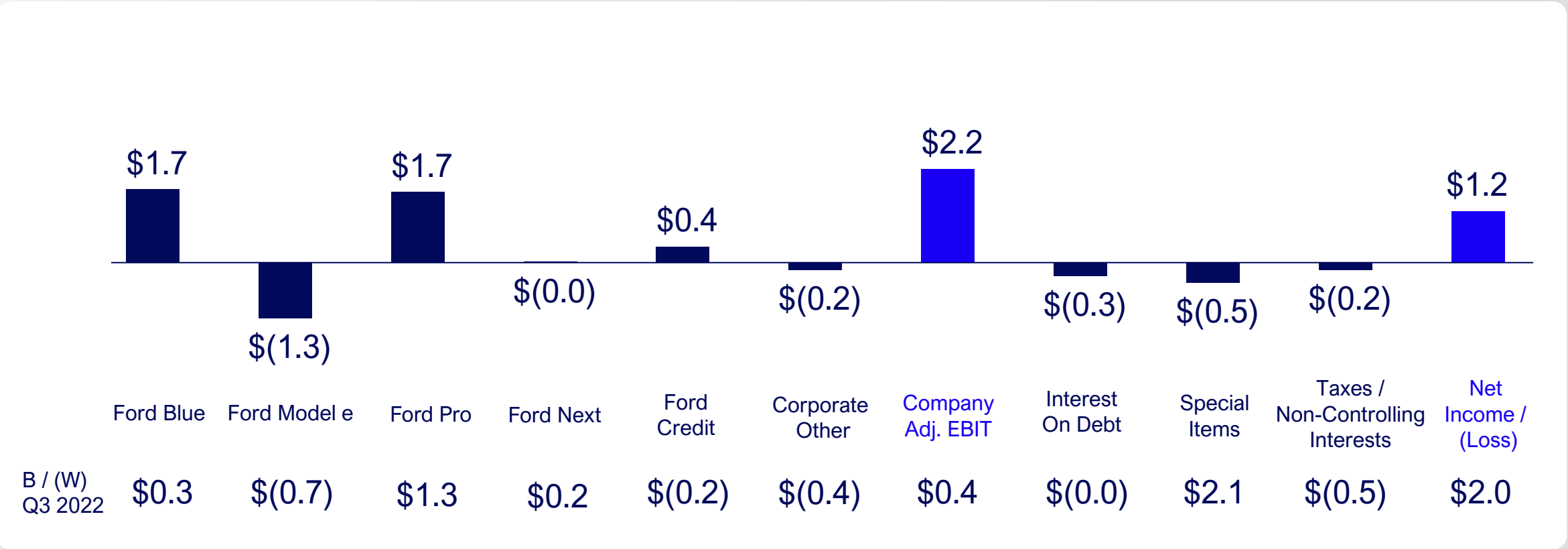
YTD EBIT Margin

12.7%

Q3 Cash Flow, Cash Balance & Liquidity (\$B)



Q3 2023 Results (\$B)



Q3 2023 Adjusted EBIT (\$B)

	Ford Blue	Ford Model e	Ford Pro	Ford Next	Ford Credit	Corporate Other	Total Company
Q3 2022	\$ 1.5	\$ (0.6)	\$ 0.4	\$ (0.2)	\$ 0.6	\$ 0.2	\$ 1.8
YoY Change:							
Volume / Mix	\$ 0.0	\$ (0.0)	\$ (0.4)	\$ -	\$ -	\$ -	\$ (0.4)
Net Pricing	0.4	(0.2)	1.9	-	-	-	2.1
Cost	(0.3)	(0.5)	(0.3)	0.1	-	(0.5)	(1.5)
Exchange	(0.1)	(0.0)	0.0	-	-	-	(0.2)
Other	0.3	0.0	(0.0)	0.1	(0.2)	0.1	0.3
Total Change	\$ 0.3	\$ (0.7)	\$ 1.3	\$ 0.2	\$ (0.2)	\$ (0.4)	\$ 0.4
Q3 2023	\$ 1.7	\$ (1.3)	\$ 1.7	\$ (0.0)	\$ 0.4	\$ (0.2)	\$ 2.2

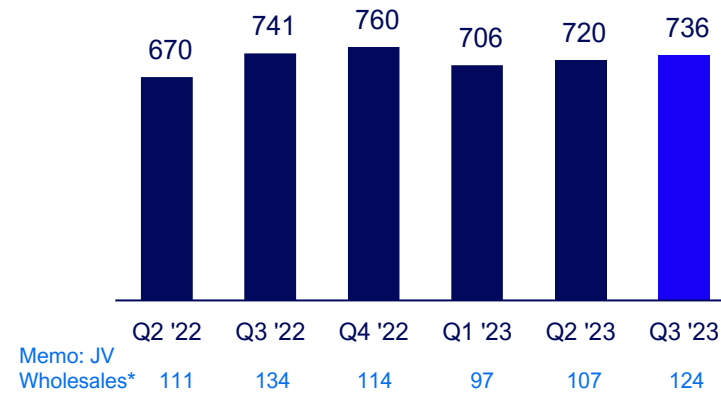
Warranty \$(1.2)
Material / Freight (0.6)
Pension / OPEB (0.5)
Structural (0.3)
Commodities 1.1

Ford Blue

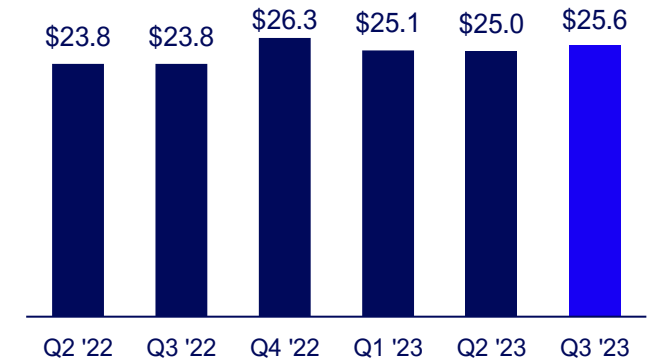
Iconic gas and hybrid passion products like F-150, Bronco and Mustang

- + Continued strength in product portfolio drove higher revenue
- + Lower volume with sunset of Fiesta and EcoSport
- + EBIT improvement dampened by higher warranty cost
- + Profitable in all regions

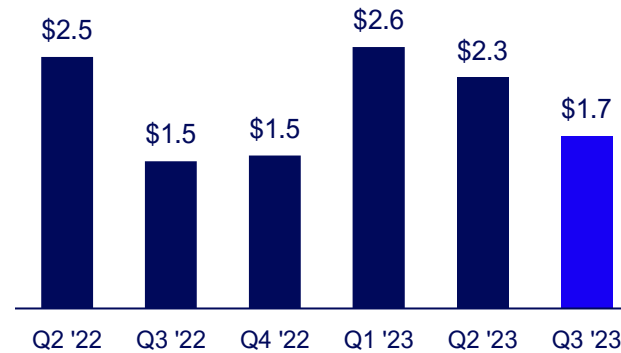
Wholesale Units (000)



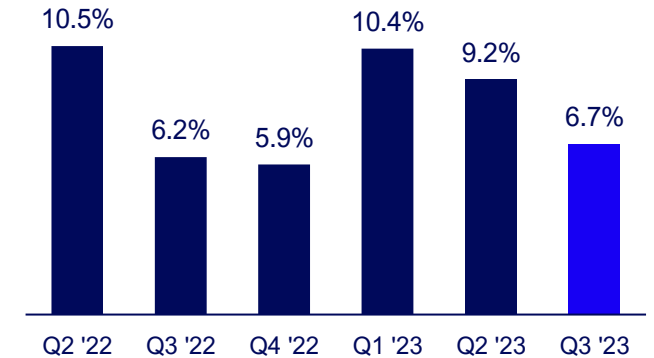
Revenue (\$B)



EBIT (\$B)



EBIT Margin (%)



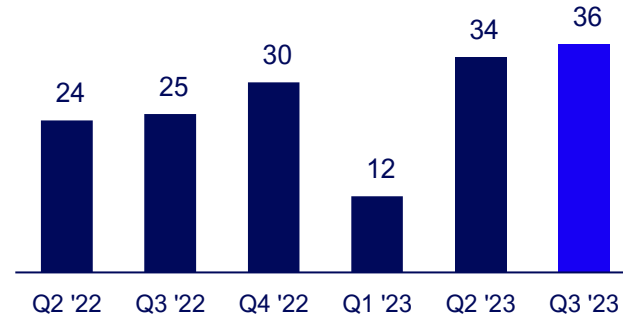
* Includes Ford and Lincoln brand and Jiangling Motors Corporation (JMC) brand vehicles produced and sold in China by our unconsolidated affiliates

Ford Model e

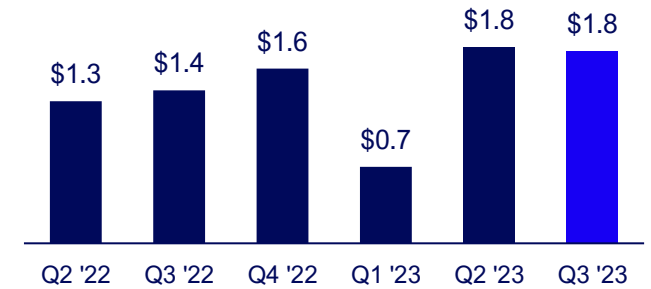
Designing and scaling breakthrough, connected EVs, and all of Ford's electric architecture and embedded software

- + Volume up 44%, driven by increased production capacity of Mustang Mach-E
- + Industry-wide EV price compression continues
- + Disciplined capital investments; focused on balancing growth and profitability
- + Engineering amazing and cost-effective Gen-2 products

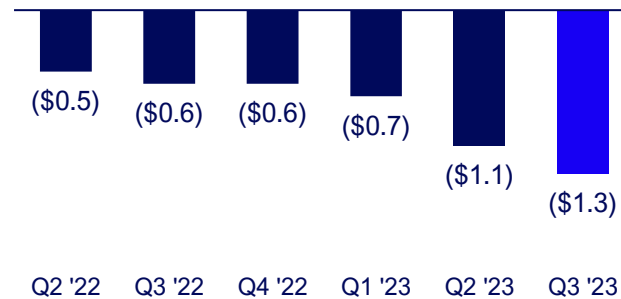
Wholesale Units (000)



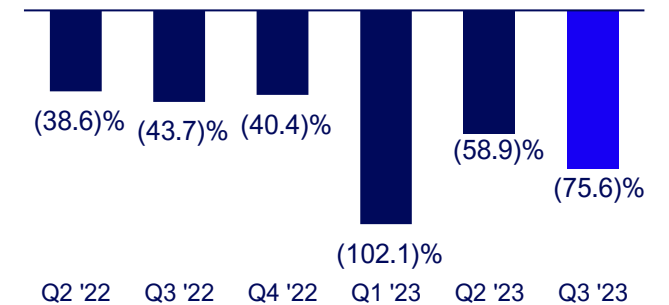
Revenue (\$B)



EBIT (\$B)



EBIT Margin (%)

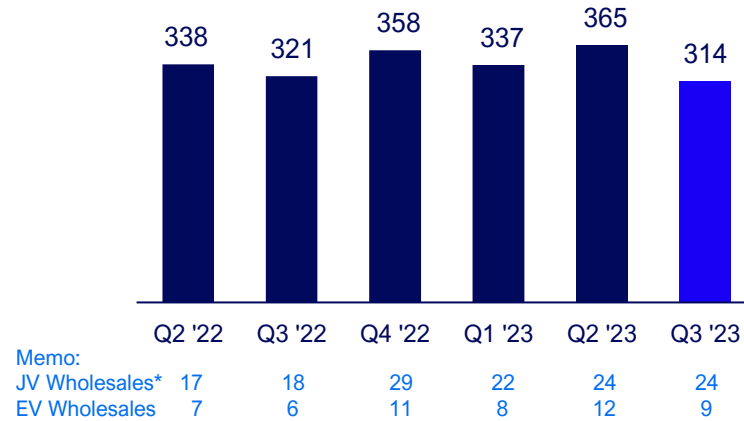


Ford Pro

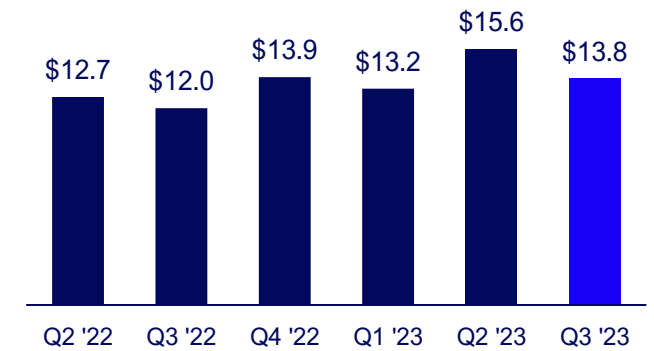
Integrated vehicle hardware, software, service, charging and financing solutions that increase commercial customer productivity

- + Revenue up 16%, 12% EBIT margin
- + Volume impacted by new product launch changeover and supply constraints
- + Super Duty continues to drive higher net pricing
- + Customer demand for key products outstripped supply

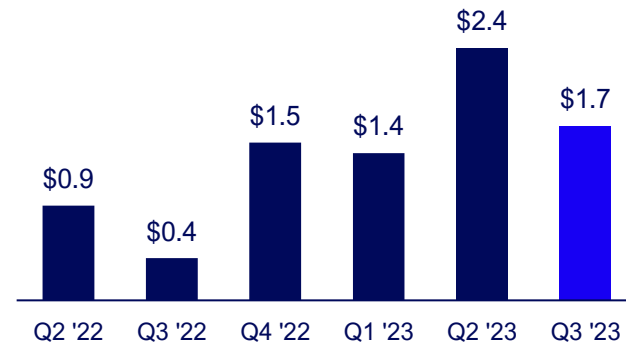
Wholesale Units (000)



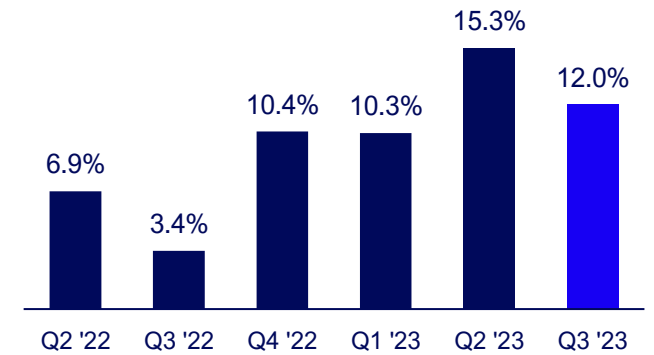
Revenue (\$B)



EBIT (\$B)



EBIT Margin (%)



* Includes Ford brand vehicles produced and sold by our unconsolidated affiliate Ford Otosan in Türkiye

Cash Flow And Balance Sheet (\$B)

	Third Quarter		Year-To-Date	
	2022	2023	2022	2023
Company Adj. EBIT excl. Ford Credit	\$ 1.2	\$ 1.8	\$ 5.4	\$ 8.3
Capital spending	\$ (1.6)	\$ (2.2)	\$ (4.5)	\$ (5.9)
Depreciation and tooling amortization	1.3	1.3	3.9	3.9
Net Spending	\$ (0.3)	\$ (0.9)	\$ (0.6)	\$ (2.0)
Receivables	\$ (0.1)	\$ (0.6)	\$ (0.6)	\$ (0.8)
Inventory	(1.7)	(0.8)	(4.1)	(4.2)
Trade payables	3.9	0.2	5.9	1.9
Changes in Working Capital	\$ 2.2	\$ (1.1)	\$ 1.1	\$ (3.1)
Ford Credit distributions	\$ 0.5	\$ -	\$ 2.1	\$ -
Interest on debt and cash taxes	(0.3)	(0.4)	(1.2)	(1.7)
All Other and timing differences (a)	0.3	1.8	(0.2)	3.3
Company Adjusted FCF	\$ 3.6	\$ 1.2	\$ 6.6	\$ 4.8
Restructuring	\$ (0.2)	\$ (0.3)	\$ (0.0)	\$ (0.4)
Changes in debt	1.0	0.0	0.1	(0.2)
Funded pension contributions	(0.1)	(0.2)	(0.5)	(0.4)
Shareholder distributions	(0.6)	(0.6)	(1.4)	(4.4)
All Other (b)	(0.3)	(0.9)	(9.3)	(2.6)
Change in Cash	\$ 3.3	\$ (0.8)	\$ (4.5)	\$ (3.2)

	Balance Sheet	
	2022 Dec 31	2023 Sep 30
Company Cash Balance	\$ 32.3	\$ 29.1
Liquidity	48.0	50.6
Debt	(19.9)	(19.8)
Cash Net of Debt	12.3	9.3
<u>Pension Funded Status</u>		
Funded Plans	\$ 4.1	\$ 3.9
Unfunded Plans	(4.3)	(4.1)
Total Global Pension	\$ (0.2)	\$ (0.2)
Total Funded Status OPEB	\$ (4.5)	\$ (4.4)

a. Includes differences between accrual-based EBIT and associated cash flows (e.g., pension and OPEB income or expense; compensation payments; marketing incentive and warranty payments to dealers)

b. Includes a \$0.6B gain and \$7.3B loss on our Rivian investment in the third quarter and first nine months of 2022, respectively

Special Items (\$B)

	Third Quarter		Year-To-Date	
	2022	2023	2022	2023
<u>Restructuring (by Geography)</u>				
China	\$ (0.0)	\$ (0.1)	\$ (0.0)	\$ (0.9)
Europe	(0.0)	(0.0)	(0.1)	(0.5)
Ford Credit - Brazil	-	-	(0.2)	-
Other (a)	(0.4)	0.0	(0.5)	(0.1)
Subtotal Restructuring	\$ (0.4)	\$ (0.1)	\$ (0.7)	\$ (1.5)
<u>Pension and OPEB Gain / (Loss)</u>				
Pension and OPEB remeasurement	\$ (0.0)	\$ (0.2)	\$ (0.0)	\$ (0.4)
Pension settlements and curtailments	-	(0.1)	-	(0.2)
Subtotal Pension and OPEB Gain / (Loss)	\$ (0.0)	\$ (0.2)	\$ (0.0)	\$ (0.6)
<u>Other Items</u>				
Gain / (loss) on Rivian investment	\$ 0.6	\$ -	\$ (7.3)	\$ (0.0)
AV strategy including Argo Impairment	(2.7)	-	(2.7)	-
Transit Connect customs matter	-	(0.1)	-	(0.4)
Russia suspension of operations / asset write-off	0.0	-	(0.1)	-
Patent matters related to prior calendar years	-	-	(0.1)	0.0
Other (including gains / (losses) on investments)	(0.1)	(0.0)	(0.1)	(0.2)
Subtotal Other Items	\$ (2.2)	\$ (0.1)	\$ (10.4)	\$ (0.6)
Total EBIT Special Items	\$ (2.6)	\$ (0.5)	\$ (11.1)	\$ (2.6)

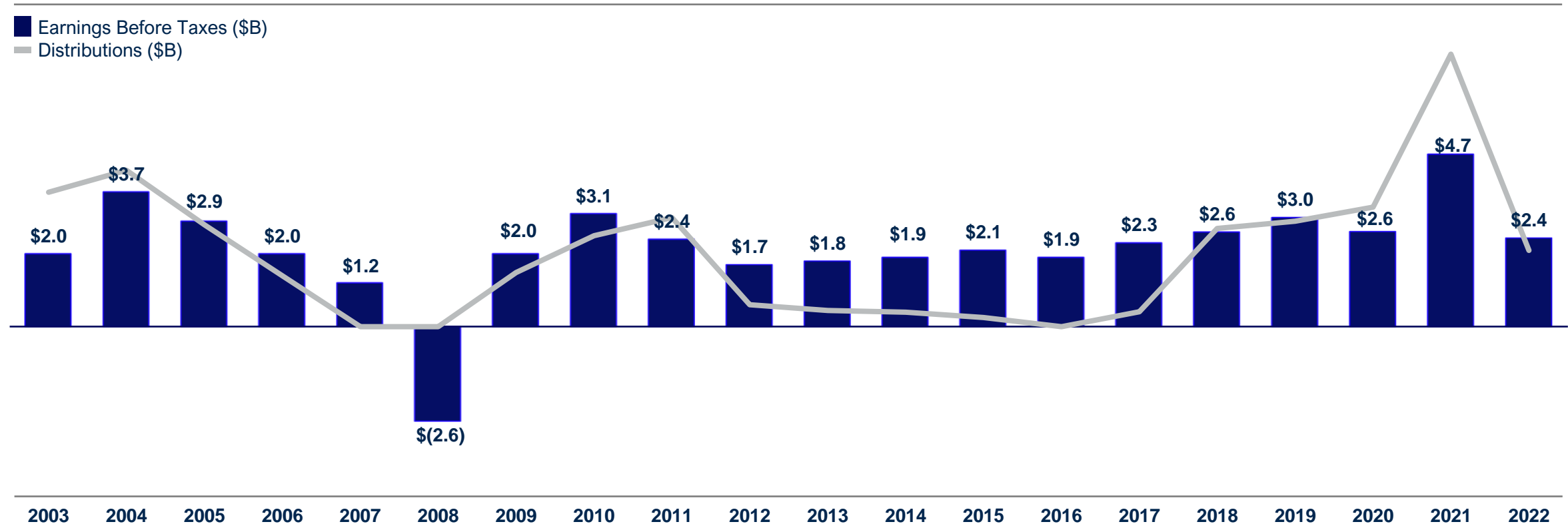
a. Includes restructuring charges of \$0.2B in both the third quarter and the first nine months of 2022 related to North America, and \$0.2B in the third quarter and \$0.3B in the first nine months of 2022 related to India

Ford Credit



New 2024 Ford F-150 Raptor
Available Spring 2024

Ford Credit – A Strategic Asset



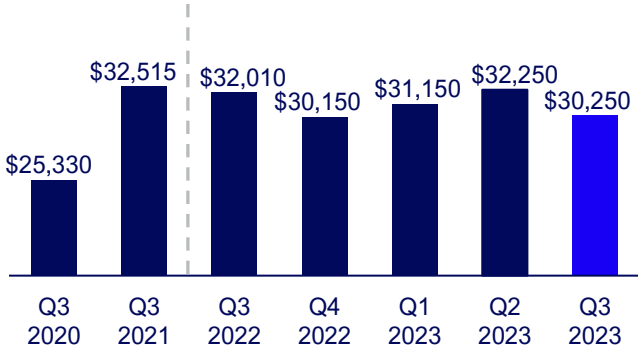
Over The Last 20 Years, Ford Credit Generated
\$44 Billion In Earnings Before Taxes And \$40 Billion In Distributions

Key Metrics

Best-in-class finance company

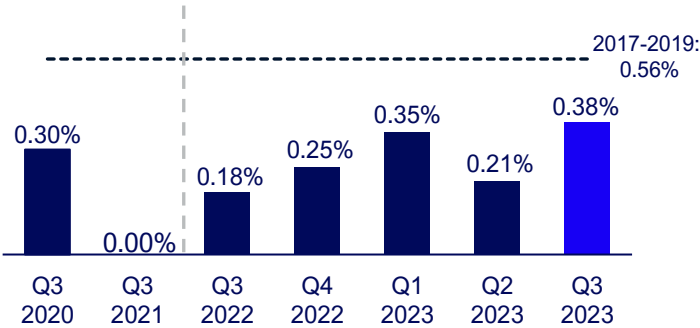
- + EBT down, in line with expectations, reflecting lower lease residual performance, the non-recurrence of derivative market valuation gains, lower financing margin and higher credit losses
- + Lower financing margin due to higher borrowing costs
- + Credit losses remain below historical average but are normalizing
- + Auction values remain strong, but expect industry decline as supply of new vehicles improves

Auction Values (Per Unit)*

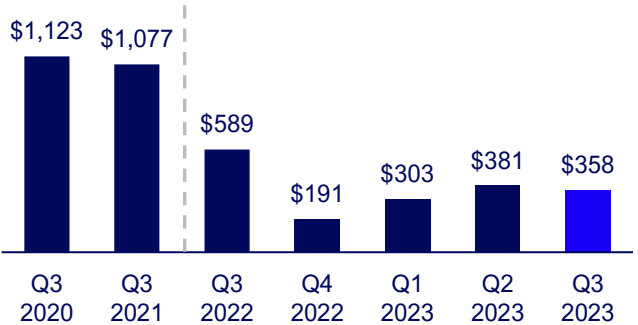


* U.S. 36-month off-lease auction values at Q3 2023 mix

U.S. Retail Loss-to-Receivables (“LTR”) Ratio (%)

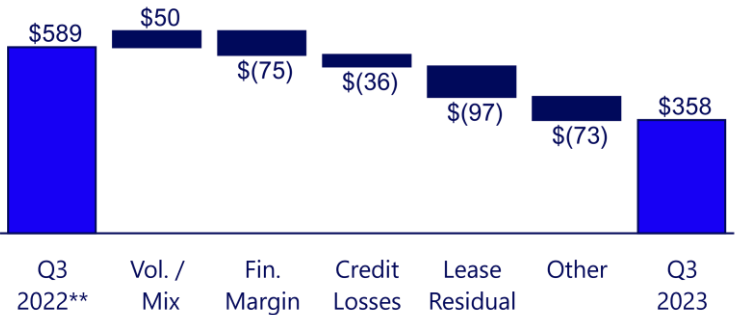


EBT (\$M)



Distributions \$575 \$1,500 \$500 \$ – \$ – \$ – \$ –

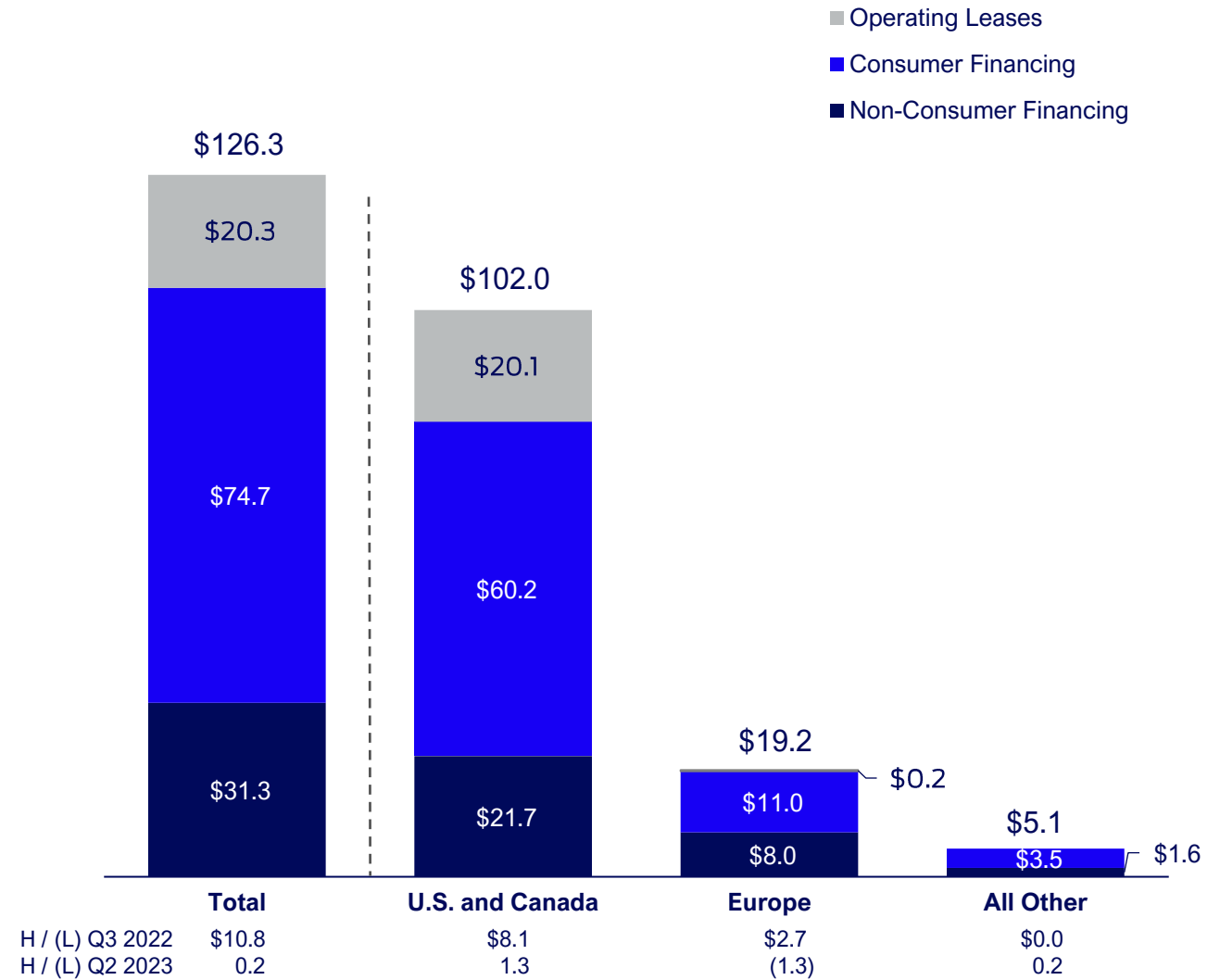
Q3 EBT YoY (\$M)



** Includes \$(10)M of special items

Q3 2023 Net Receivables Mix (\$B)

- + Total Net Receivables increased \$10.8B YoY and \$0.2B sequentially
- + Non-Consumer Financing increased \$6.1B YoY
- + Operating lease portfolio was 16% of Total Net Receivables



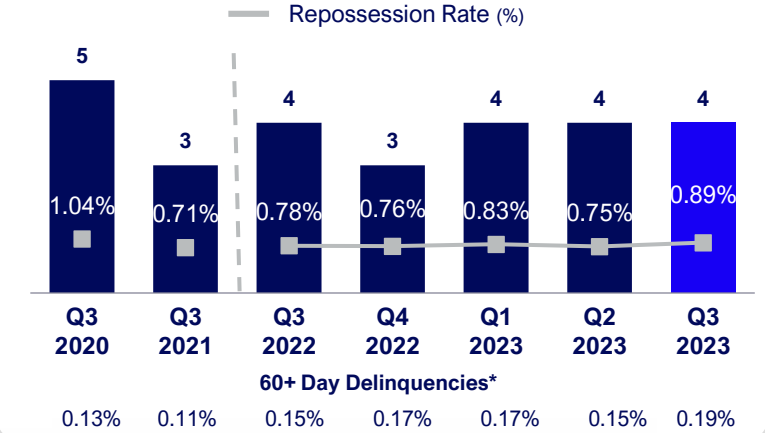
U.S. Origination Metrics And Credit Loss Drivers

- + Disciplined and consistent underwriting practices
- + Portfolio quality evidenced by FICO scores and consistent risk mix
- + Retail Net Charge-Offs and LTR Ratio higher sequentially, reflecting seasonality; higher YoY due to higher severity and increased repossessions

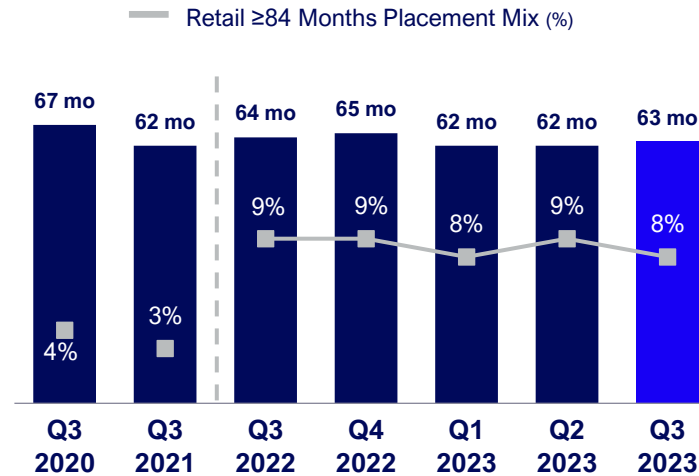
Retail & Lease FICO and Higher Risk Mix (%)



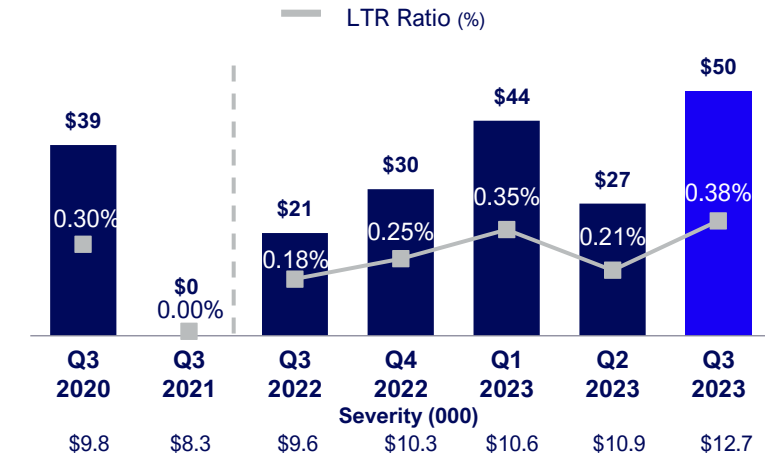
Retail Repossessions (000) and Repossession Rate (%)



Retail Contract Terms



Retail Net Charge-Offs (\$M) and LTR Ratio (%)

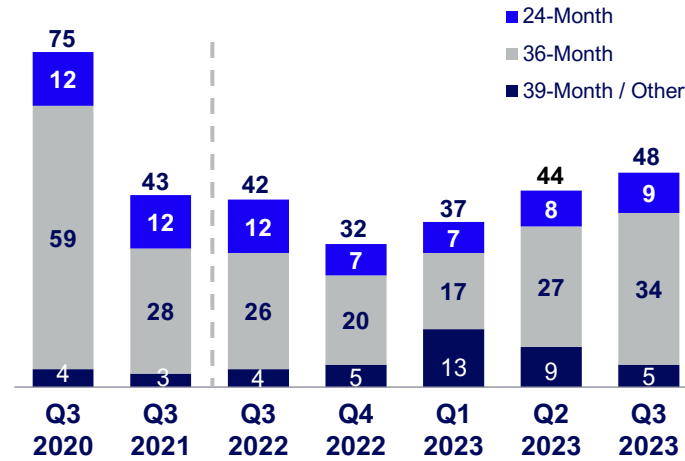


* Excluding bankruptcies

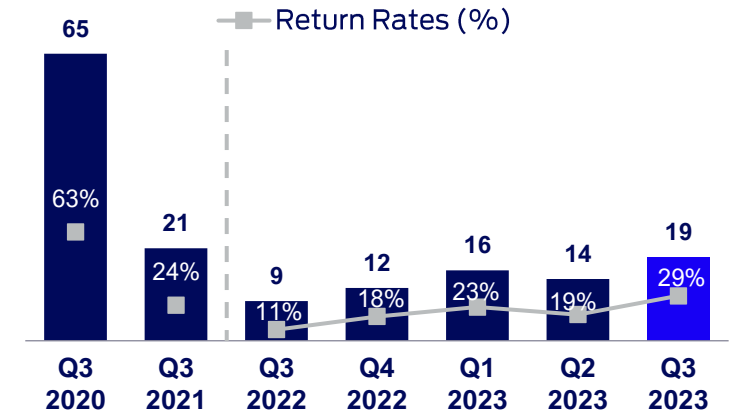
U.S. Lease Metrics

- + Aligned with expectations, lease return rates have begun to increase from historical lows, reflecting the impact of declining auction values
- + Auction values decreased 5% YoY and 6% sequentially

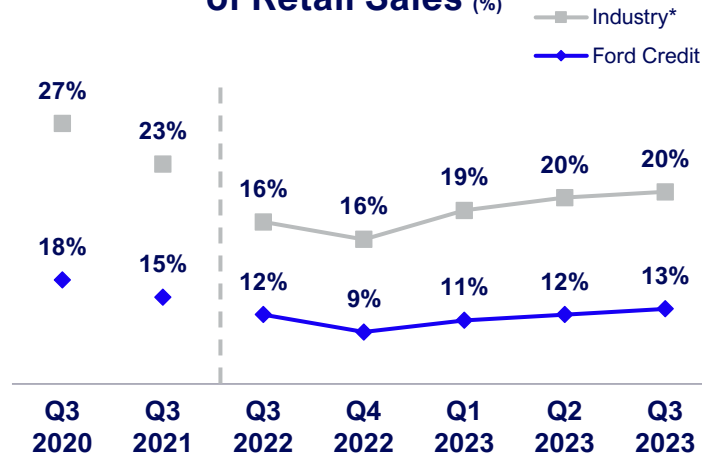
Lease Placement Volume (000)



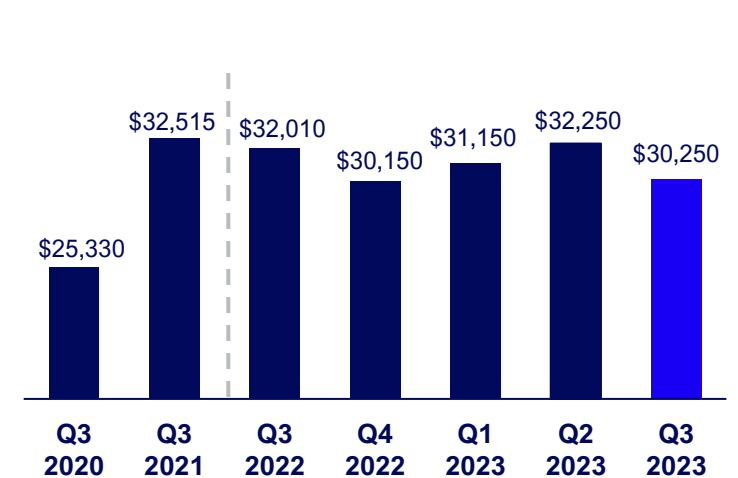
Lease Return Volume and Return Rates (%)



Lease Share of Retail Sales (%)



Auction Values (Per Unit)**



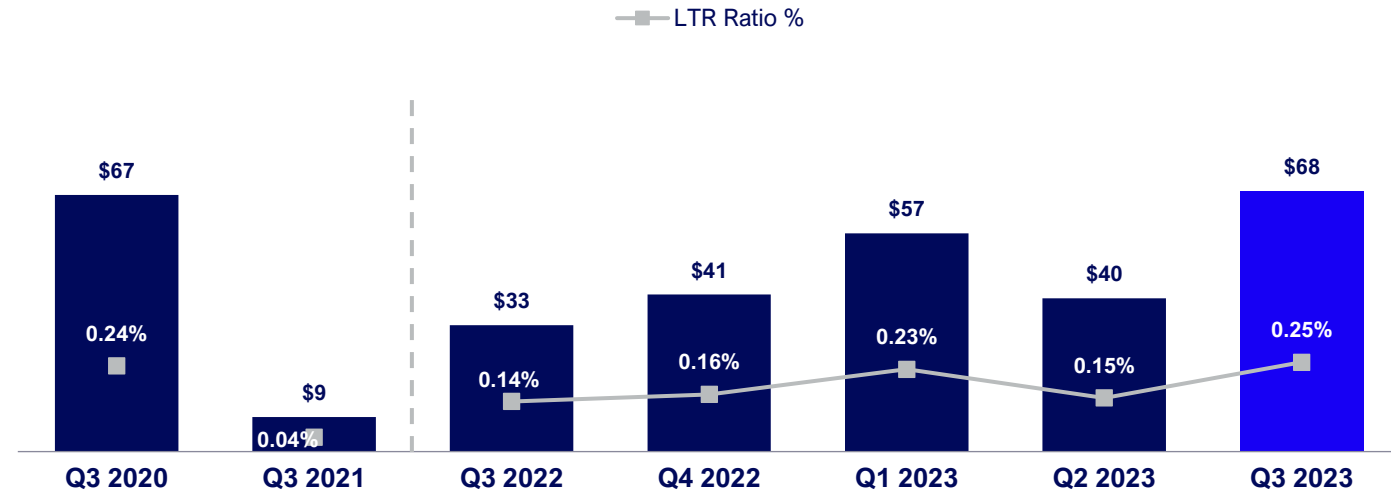
* Source: J.D. Power PIN

** U.S. 36-month off-lease auction values at Q3 2023 mix

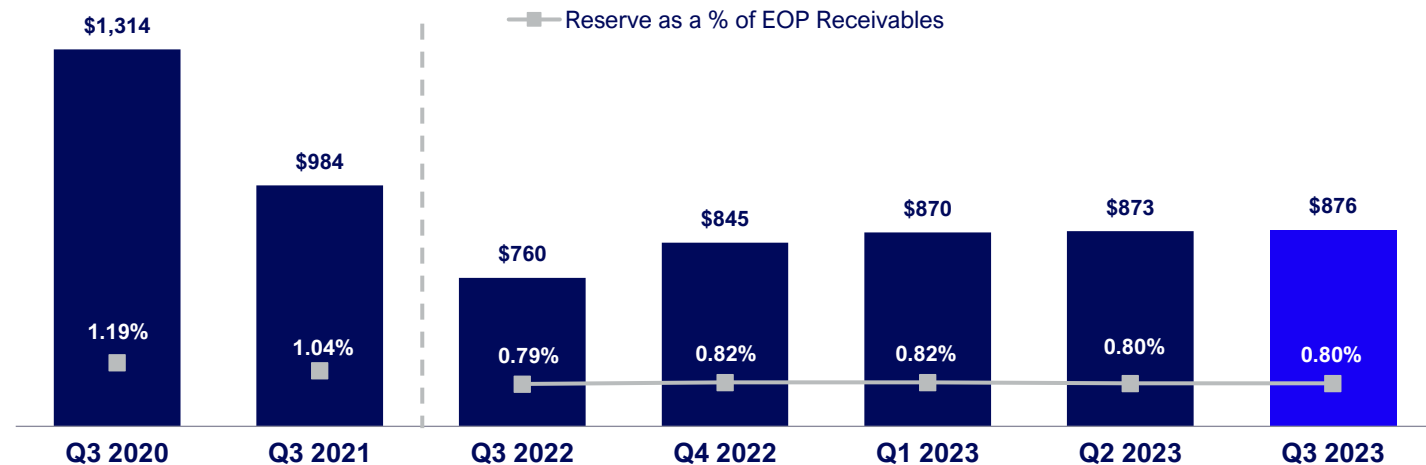
Worldwide Credit Loss Metrics

- + Worldwide credit loss metrics remain strong, reflecting low losses
- + Credit Loss Reserve as a % of EOP Receivables remains consistent

Net Charge-Offs (\$M) and LTR Ratio (%)



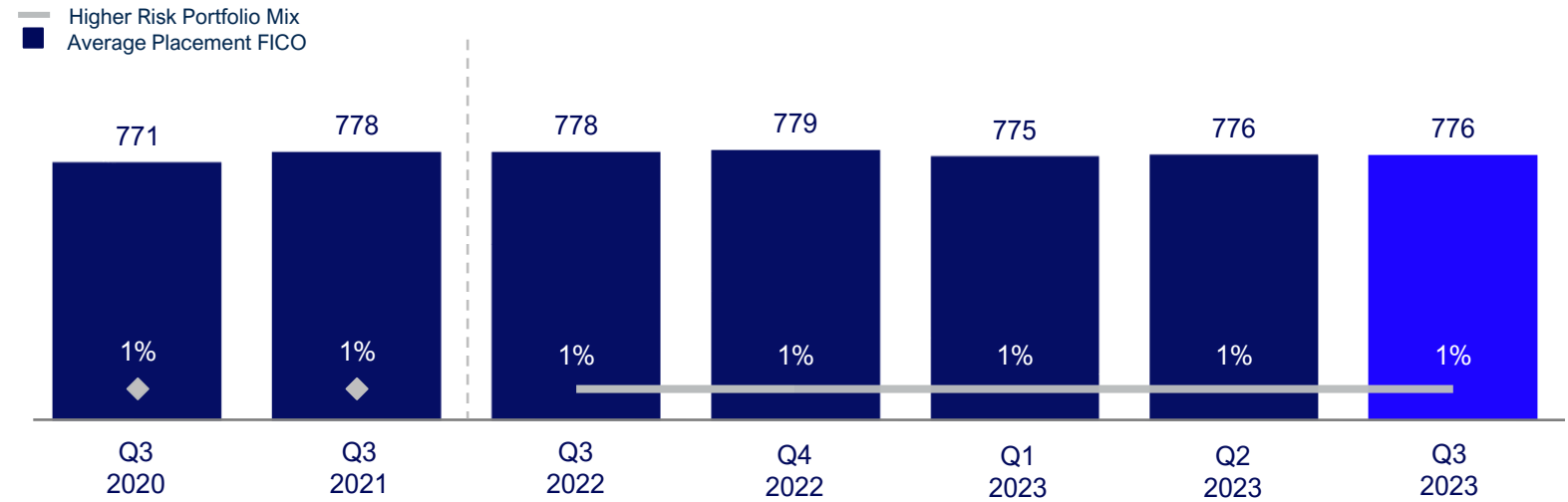
Credit Loss Reserve (\$M) and Reserve as a % of EOP Receivables



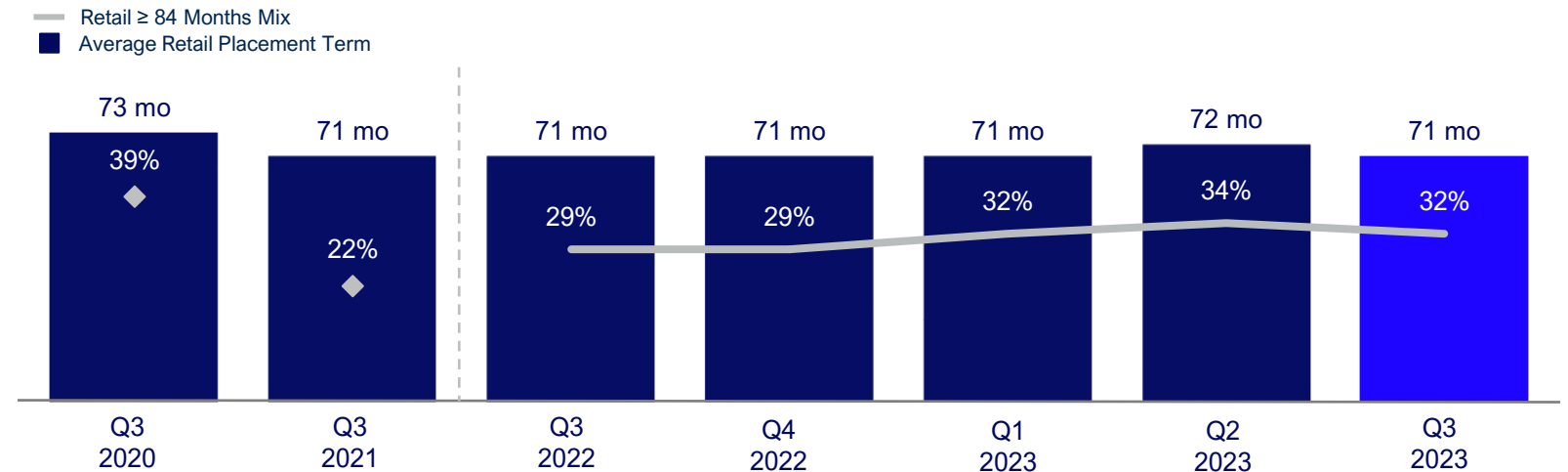
Ford Credit Canada Origination Metrics

- + Disciplined and consistent underwriting practices
- + Portfolio quality evidenced by FICO scores and consistent risk mix
- + Extended-term contracts remain a significant part of FCC's business and consistent with the market

Retail & Lease FICO and Higher Risk Mix (%)



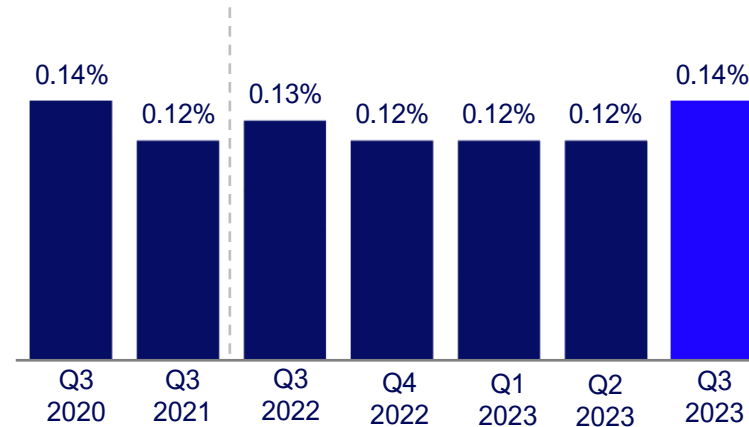
Retail Contract Terms



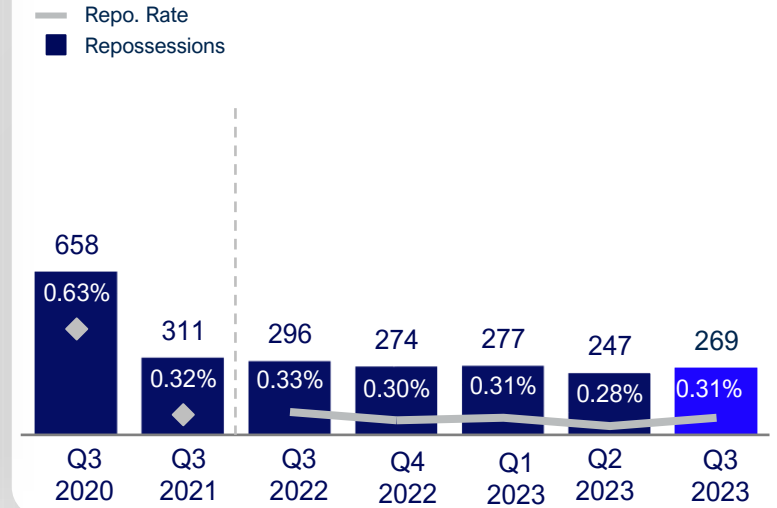
Ford Credit Canada Retail Credit Loss Drivers

- + Delinquencies and repossessions remain low
- + Strong loss metrics reflect healthy consumer credit conditions

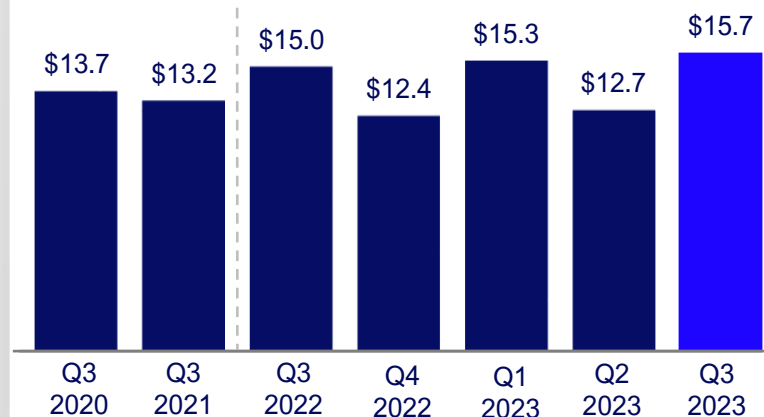
Avg. Over-60-Day Delinquencies (excl. Bankruptcies)



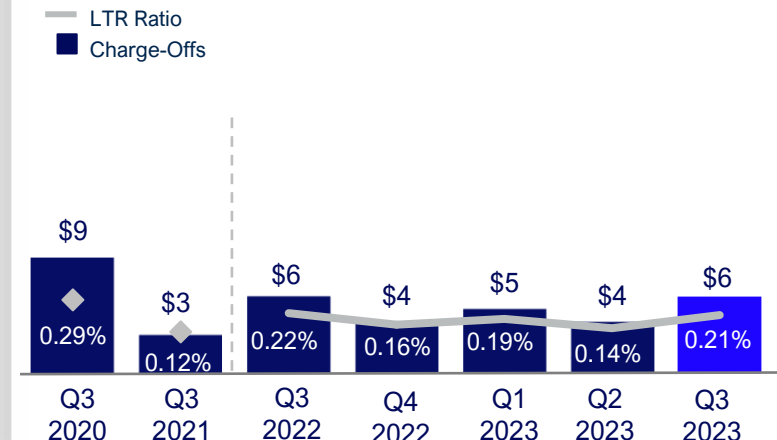
Repossessions and Repo Rate (%)



Severity (000)



Charge-Offs (\$M) and LTR Ratio (%)



Funding Structure (\$B)

- + Well capitalized with a strong balance sheet; funding diversified across platforms and markets
- + Further improvement of key balance sheet metrics; \$27B in net liquidity
- + Upgraded to Investment Grade by Fitch to BBB- (stable outlook) in September
- + Leverage is within the target range of 9:1 to 10:1

	2022 Dec. 31	2023 Sep. 30
Term Unsecured Debt	\$ 48.3	\$ 50.7
Term Asset-Backed Securities	56.4	55.9
Deposits / Ford Interest Advantage (FIA)	14.3	16.3
Other	2.6	2.2
Equity	11.9	12.6
Adjustments for Cash	(11.2)	(11.4)
Total Net Receivables	<u>\$ 122.3</u>	<u>\$ 126.3</u>
Securitized Funding as Pct. of Total Debt	47.4%	45.5%
Net Liquidity	\$ 21.1	\$ 27.0
Financial Statement Leverage	10.0	9.7

Public Term Funding Plan (\$B)

- + Completed \$28B of public issuance in 2023
- + Liquidity and diverse funding sources provide flexibility

	2020 Actual	2021 Actual	2022 Actual	2023 Actual
Unsecured	\$ 14	\$ 5	\$ 6	\$ 14
Securitizations*	13	9	10	14
Total	<u>\$ 27</u>	<u>\$ 14</u>	<u>\$ 16</u>	<u>\$ 28</u>

Liquidity Sources (\$B)

- + \$27B of net liquidity, up \$5.9B from year-end 2022
- + Reflects strong access to public and private funding markets

	2022 Sep. 30	2022 Dec. 31	2023 Sep. 30
<u>Liquidity Sources</u>			
Cash	\$ 7.6	\$ 11.3	\$ 11.6
Committed asset-backed facilities	34.2	37.4	42.3
Other unsecured credit facilities	2.1	2.3	2.4
Total liquidity sources	\$ 43.9	\$ 51.0	\$ 56.3
<u>Utilization of Liquidity</u>			
Securitization & restricted cash	\$ (2.7)	\$ (2.9)	\$ (2.9)
Committed asset-backed facilities	(20.0)	(26.6)	(25.8)
Other unsecured credit facilities	(0.5)	(0.8)	(0.7)
Total utilization of liquidity	\$ (23.2)	\$ (30.3)	\$ (29.4)
Gross liquidity	\$ 20.7	\$ 20.7	\$ 26.9
Other adjustments	0.3	0.4	0.1
Net liquidity available for use	<u>\$ 21.0</u>	<u>\$ 21.1</u>	<u>\$ 27.0</u>

Cautionary Note On Forward-Looking Statements

Statements included or incorporated by reference herein may constitute “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are based on expectations, forecasts, and assumptions by our management and involve a number of risks, uncertainties, and other factors that could cause actual results to differ materially from those stated, including, without limitation:

- Ford and Ford Credit's financial condition and results of operations have been and may continue to be adversely affected by public health issues, including epidemics or pandemics such as COVID-19;
- Ford is highly dependent on its suppliers to deliver components in accordance with Ford's production schedule and specifications, and a shortage of or inability to acquire key components, such as semiconductors, or raw materials, such as lithium, cobalt, nickel, graphite, and manganese, can disrupt Ford's production of vehicles;
- To facilitate access to the raw materials necessary for the production of electric vehicles, Ford has entered into, and expects to continue to enter into, multi-year commitments to raw material suppliers that subject Ford to risks associated with lower future demand for such materials as well as costs that fluctuate and are difficult to accurately forecast;
- Ford's long-term competitiveness depends on the successful execution of Ford+;
- Ford's vehicles could be affected by defects that result in delays in new model launches, recall campaigns, or increased warranty costs;
- Ford may not realize the anticipated benefits of existing or pending strategic alliances, joint ventures, acquisitions, divestitures, restructurings, or new business strategies;
- Operational systems, security systems, vehicles, and services could be affected by cyber incidents, ransomware attacks, and other disruptions and impact Ford and Ford Credit as well as their suppliers and dealers;
- Ford's production, as well as Ford's suppliers' production, and/or the ability to deliver products to consumers could be disrupted by labor issues, natural or man-made disasters, adverse effects of climate change, financial distress, production difficulties, capacity limitations, or other factors;
- Ford's ability to maintain a competitive cost structure could be affected by labor or other constraints;
- Ford's ability to attract and retain talented, diverse, and highly skilled employees is critical to its success and competitiveness;
- Ford's new and existing products and digital, software, and physical services are subject to market acceptance and face significant competition from existing and new entrants in the automotive and digital and software services industries and its reputation may be harmed if it is unable to achieve the initiatives it has announced;
- Ford's results are dependent on sales of larger, more profitable vehicles, particularly in the United States;
- With a global footprint, Ford's results could be adversely affected by economic or geopolitical developments, including protectionist trade policies such as tariffs, or other events;
- Industry sales volume can be volatile and could decline if there is a financial crisis, recession, or significant geopolitical event;
- Ford may face increased price competition or a reduction in demand for its products resulting from industry excess capacity, currency fluctuations, competitive actions, or other factors;
- Inflationary pressure and fluctuations in commodity and energy prices, foreign currency exchange rates, interest rates, and market value of Ford or Ford Credit's investments, including marketable securities, can have a significant effect on results;
- Ford and Ford Credit's access to debt, securitization, or derivative markets around the world at competitive rates or in sufficient amounts could be affected by credit rating downgrades, market volatility, market disruption, regulatory requirements, or other factors;
- The impact of government incentives on Ford's business could be significant, and Ford's receipt of government incentives could be subject to reduction, termination, or clawback;
- Ford Credit could experience higher-than-expected credit losses, lower-than-anticipated residual values, or higher-than-expected return volumes for leased vehicles;
- Economic and demographic experience for pension and OPEB plans (e.g., discount rates or investment returns) could be worse than Ford has assumed;
- Pension and other postretirement liabilities could adversely affect Ford's liquidity and financial condition;
- Ford and Ford Credit could experience unusual or significant litigation, governmental investigations, or adverse publicity arising out of alleged defects in products, services, perceived environmental impacts, or otherwise;
- Ford may need to substantially modify its product plans and facilities to comply with safety, emissions, fuel economy, autonomous driving technology, environmental, and other regulations;
- Ford and Ford Credit could be affected by the continued development of more stringent privacy, data use, and data protection laws and regulations as well as consumers' heightened expectations to safeguard their personal information; and
- Ford Credit could be subject to new or increased credit regulations, consumer protection regulations, or other regulations.

We cannot be certain that any expectation, forecast, or assumption made in preparing forward-looking statements will prove accurate, or that any projection will be realized. It is to be expected that there may be differences between projected and actual results. Our forward-looking statements speak only as of the date of their initial issuance, and we do not undertake any obligation to update or revise publicly any forward-looking statement, whether as a result of new information, future events, or otherwise. For additional discussion, see “Item 1A. Risk Factors” in our Annual Report on Form 10-K for the year ended December 31, 2022, as updated by subsequent Quarterly Reports on Form 10-Q and Current Reports on Form 8-K.

Canada Retail Securitization

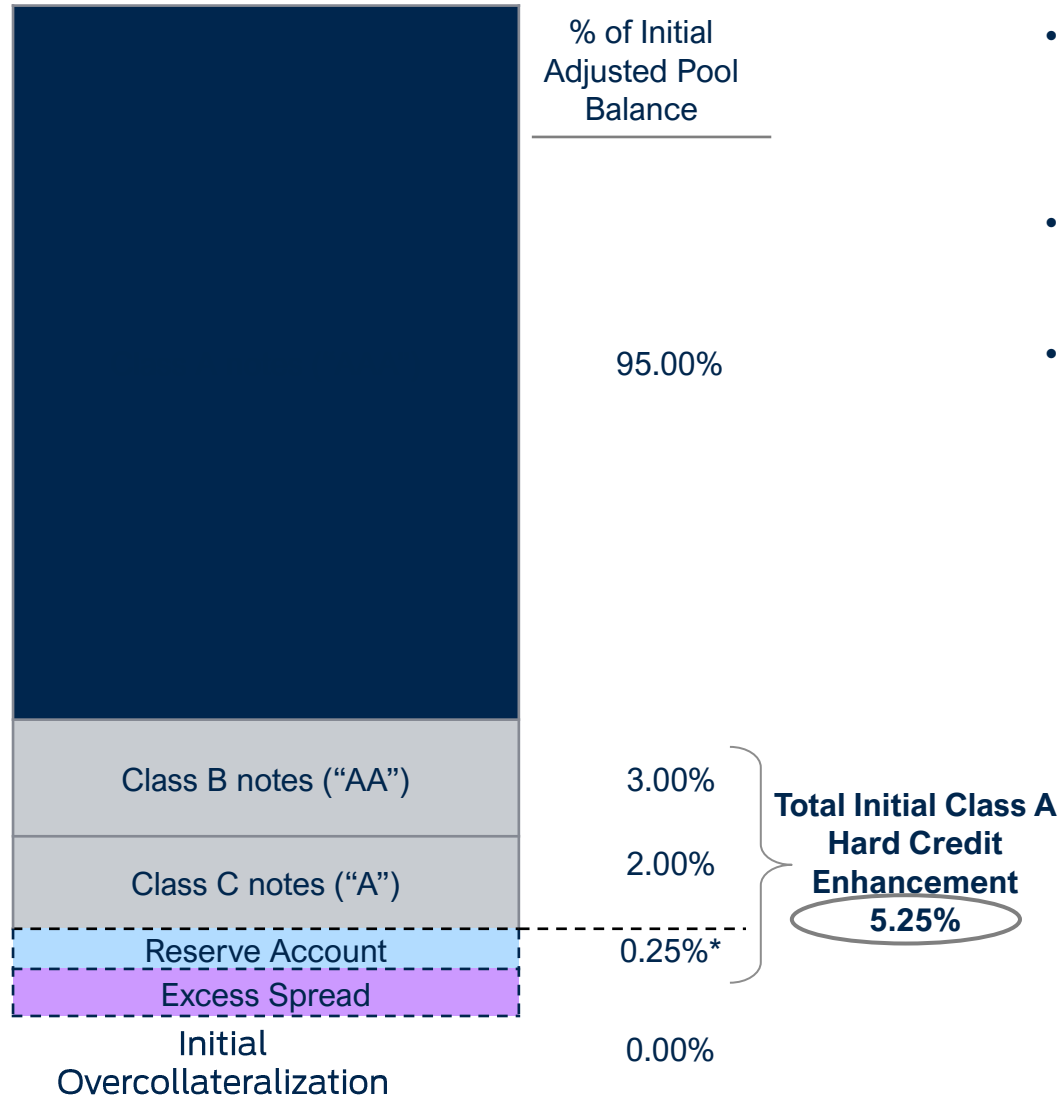


2023 Ford Explorer

Canadian Retail Securitization – Overview

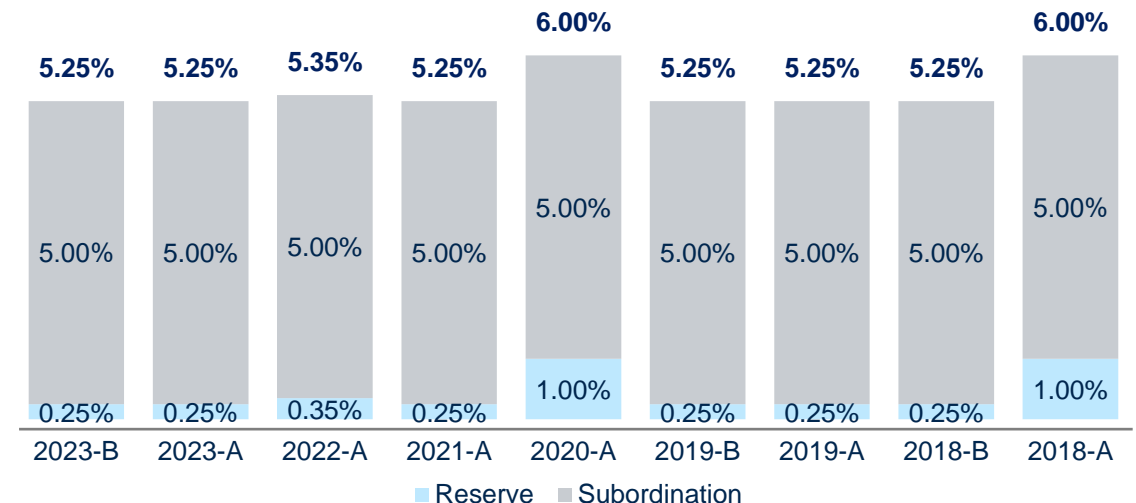
- FCCC has been securitizing its receivables in Canada since 1999
- FCCC formed Ford Auto Securitization Trust (“FAST”) in 2008 and Ford Auto Securitization Trust II (“FAST II”) in 2022 (collectively, the “trusts”). The trusts first issued a public securitization transaction in 2009. The most recent widely distributed issuance was in October 2023
- The trusts’ series of notes are backed by retail conditional sale contracts and issued through various channels:
 - Widely distributed private placement transactions (Canada)
 - Rule 144A transactions (U.S.)
 - Private placement transactions with bank-sponsored conduits and other financial institutions

Transaction Credit Enhancement



- **Senior / subordinate, sequential pay structure**
- **Credit enhancement largely consistent over the life of the program:**
 - Subordination of junior notes
 - Cash reserve
 - Excess spread (used to build target overcollateralization)
- **Overcollateralization (OC) builds to a target amount:**
 - Target OC amount is reached before any funds are released to the residual interest
- **Target OC is the sum of:**
 - Yield supplemental overcollateralization (YSOC)
 - 2.0% of initial adjusted pool balance
 - Excess of 1.5% of current pool balance over reserve account

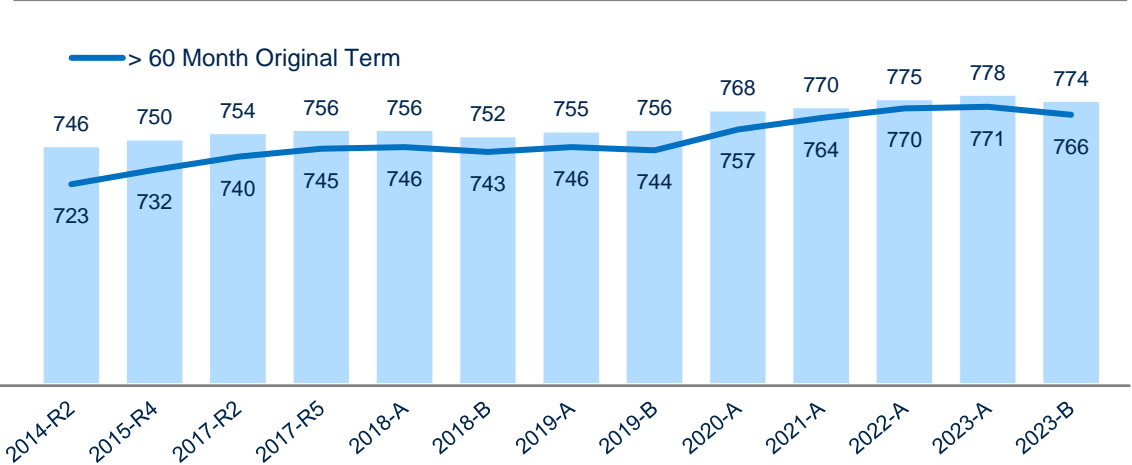
Initial Class A Hard Credit Enhancement



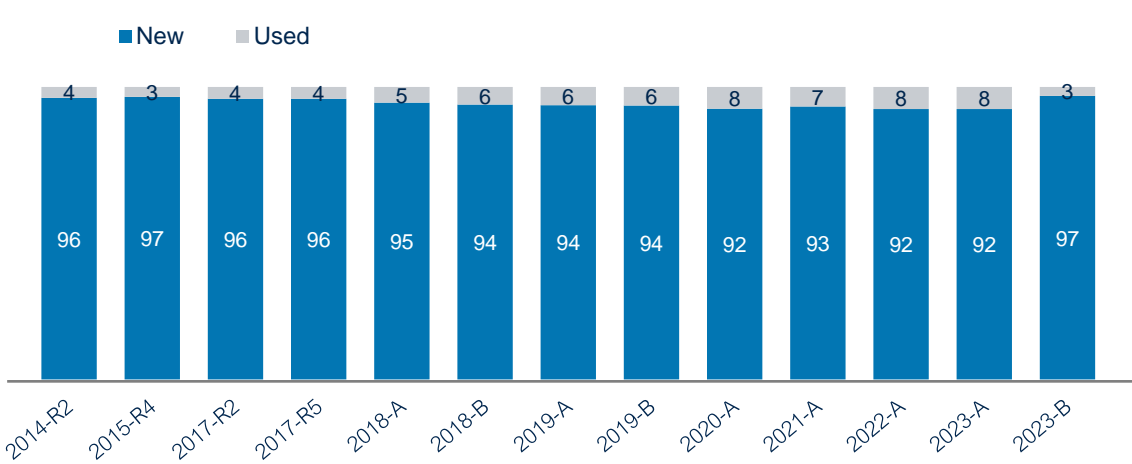
* The reserve account will be funded on the closing date in an amount equal to at least 0.25% of the initial adjusted pool balance

Canada Retail Securitization – Pool Metrics

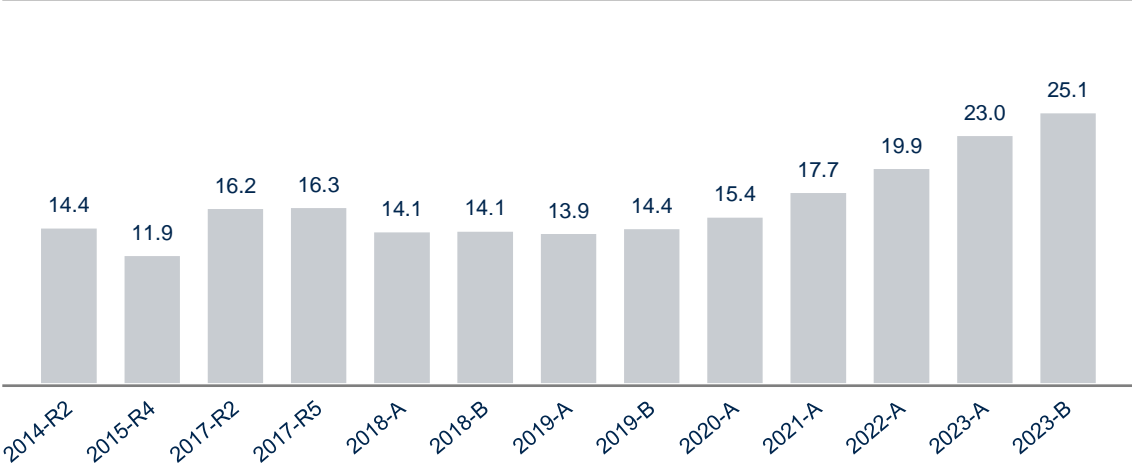
Weighted Average FICO® at Origination



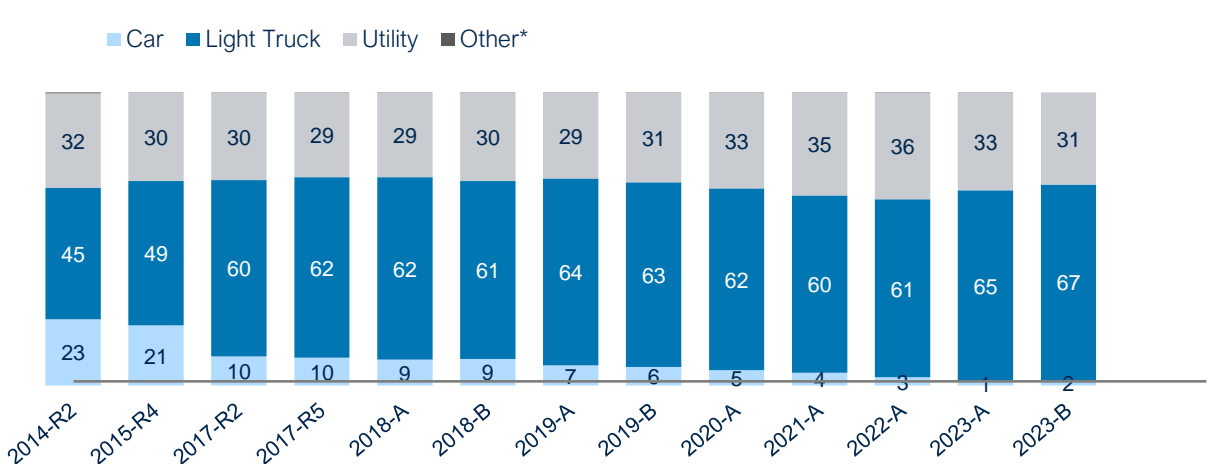
New / Used (%)



Commercial Use (%)



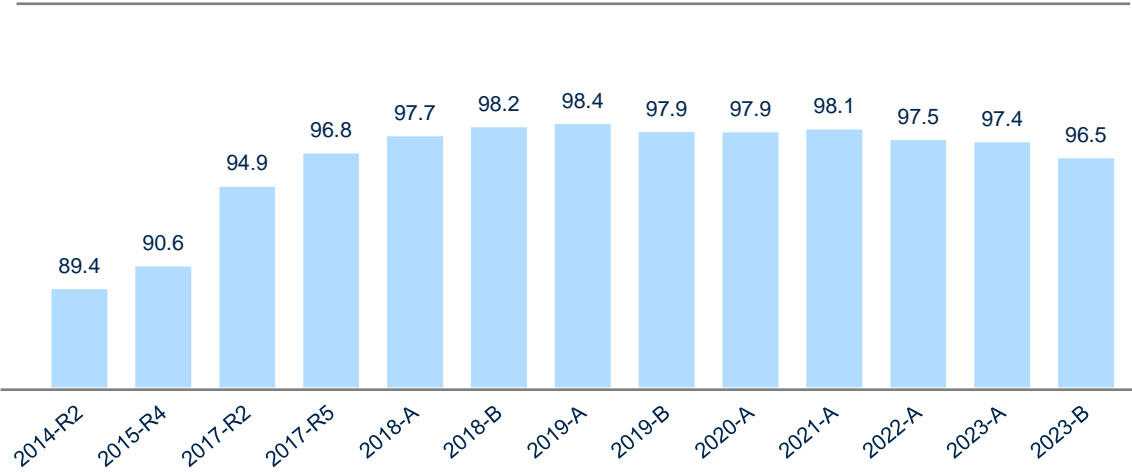
Car / Light Truck / Utility (%)



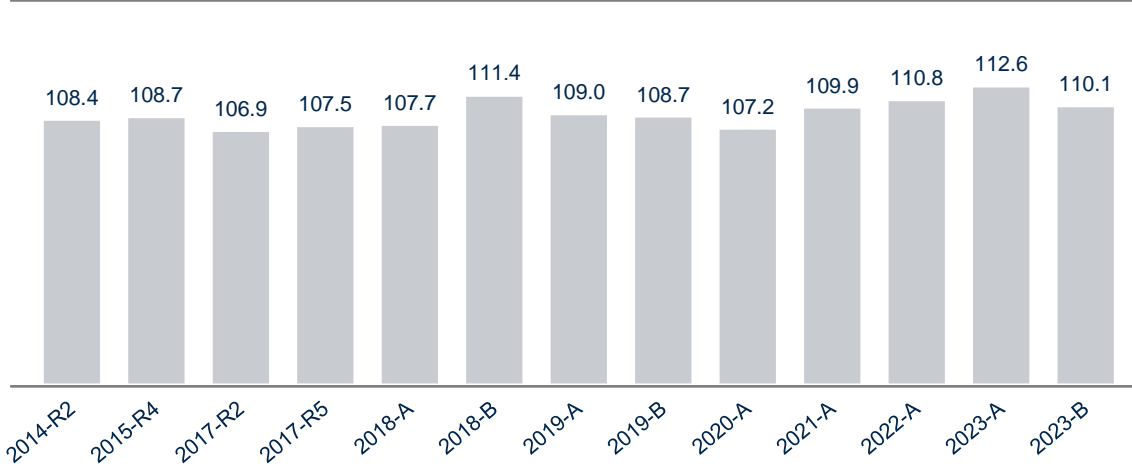
* Primarily non-Ford / Lincoln vehicles which FCCC does not categorize

Canada Retail Securitization – Pool Metrics

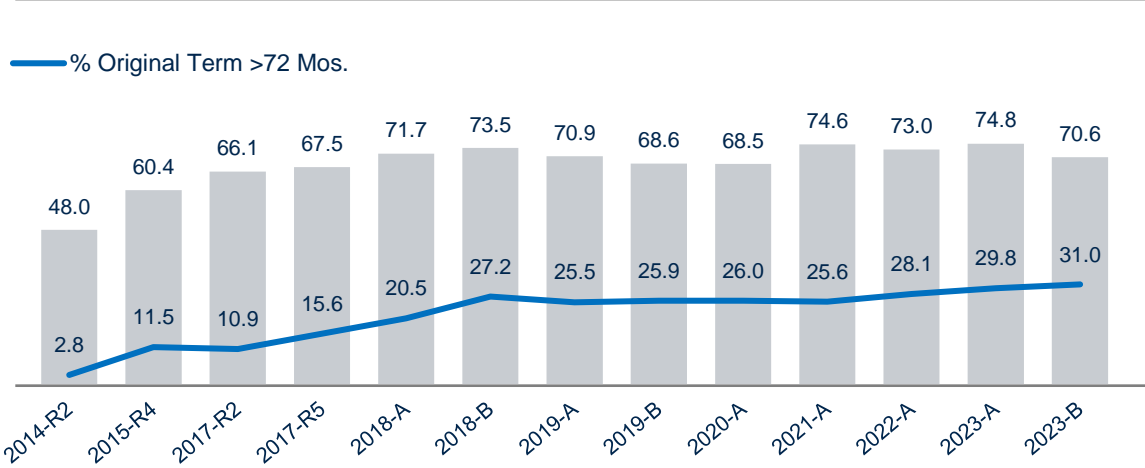
% Subvened-APR Receivables (%)



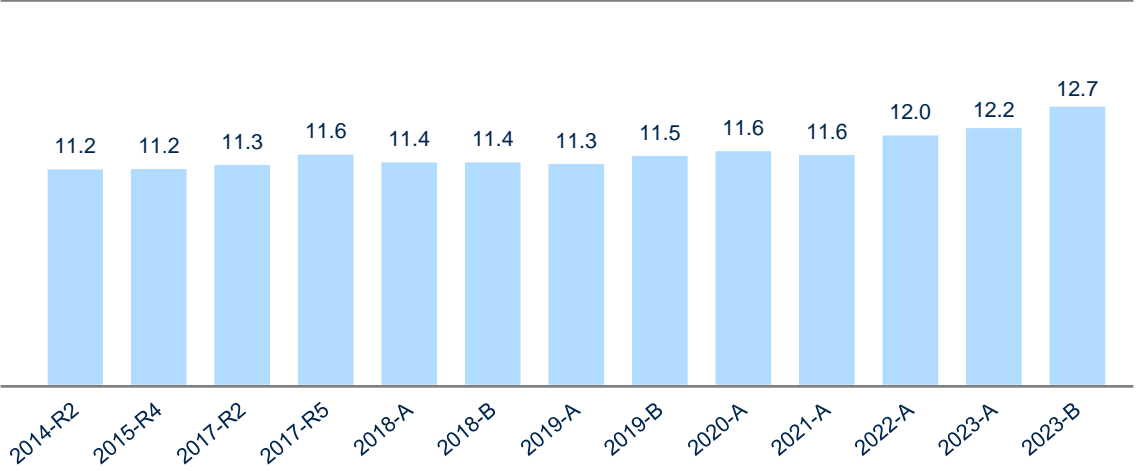
Weighted Average Loan-to-Value (%)



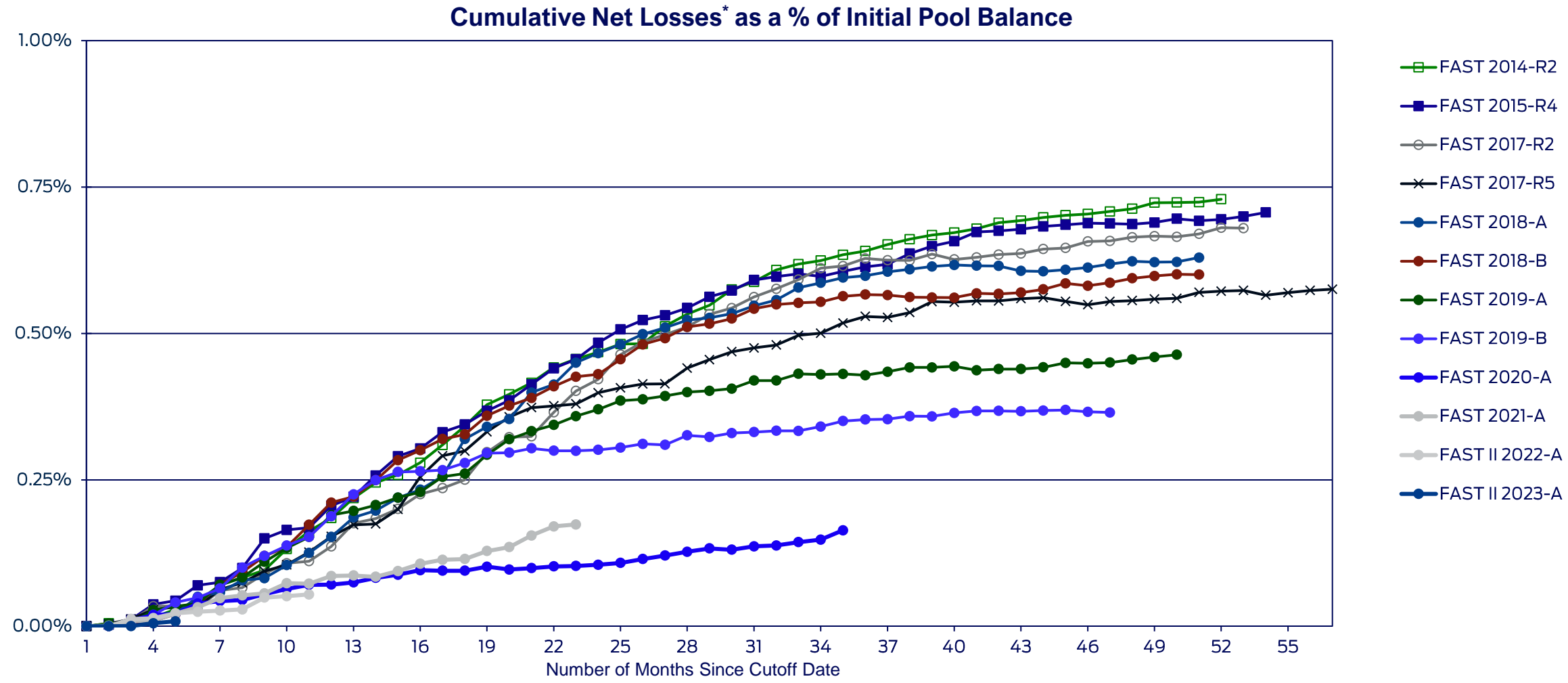
% of Contracts > 60 Month Original Term (%)



Weighted Average Payment-to-Income (%)

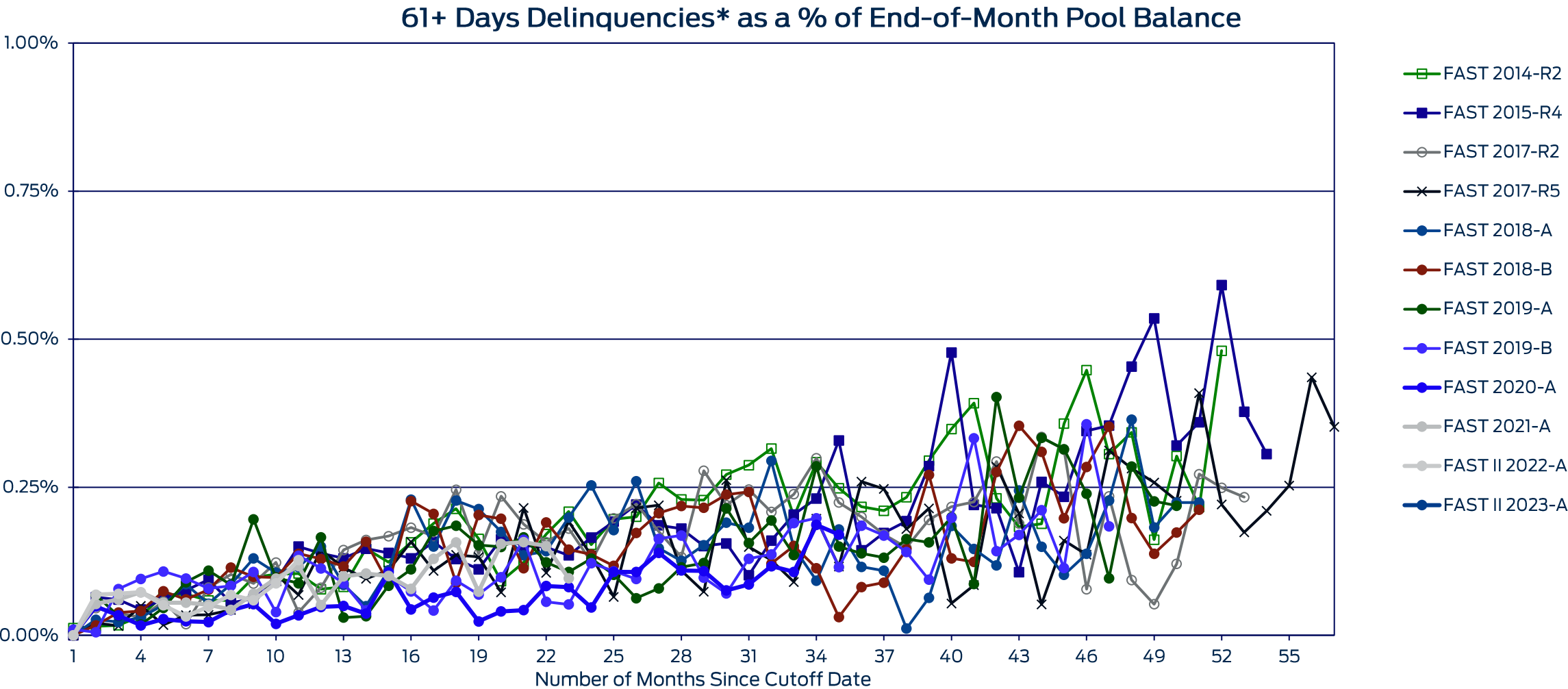


Canada Retail Securitization – Pool Performance



* Cumulative Net Losses are the aggregate principal balance of all receivables that the servicer determined to be uncollectible less any liquidation proceeds (primarily auction proceeds) and other recoveries. Net Losses include all external costs for repossession and disposition of the financed vehicle and for continued collection efforts after charge off.

Canada Retail Securitization – Pool Performance



• The period of delinquency is the number of days that more than \$49.99 of a scheduled payment is past due. The dollar amounts represent the aggregate outstanding principal balances of the delinquent receivables as of the end of the month. The percentages represent the aggregate outstanding principal balances of the delinquent receivables as of the end of the month as a percentage of the End-of-Month Pool Balance. Delinquencies include receivables with bankrupt obligors and exclude receivables in repossession status or that have been charged off by the servicer.

Appendix



| Ford Credit



New 2024 Ford Super Duty Tremor

Key Metrics

	EBIT (\$B)						Revenue (\$B)					
	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023	Q3 2023	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023	Q3 2023
Ford Blue	\$ 2.5	\$ 1.5	\$ 1.5	\$ 2.6	\$ 2.3	\$ 1.7	\$ 23.8	\$ 23.8	\$ 26.3	\$ 25.1	\$ 25.0	\$ 25.6
Ford Model e	(0.5)	(0.6)	(0.6)	(0.7)	(1.1)	(1.3)	1.3	1.4	1.6	0.7	1.8	1.8
Ford Pro	0.9	0.4	1.5	1.4	2.4	1.7	12.7	12.0	13.9	13.2	15.6	13.8
Ford Next	(0.2)	(0.2)	(0.2)	(0.0)	(0.0)	(0.0)	0.0	0.0	(0.0)	0.0	0.0	0.0
Ford Credit*	0.9	0.6	0.2	0.3	0.4	0.4	2.3	2.2	2.3	2.4	2.5	2.6
Corporate Other	0.1	0.2	0.2	(0.1)	(0.2)	(0.2)	0.0	0.0	0.0	0.0	0.0	0.0
Total Company (Adjusted)	\$ 3.7	\$ 1.8	\$ 2.6	\$ 3.4	\$ 3.8	\$ 2.2	\$ 40.2	\$ 39.4	\$ 44.0	\$ 41.5	\$ 45.0	\$ 43.8

	EBIT Margin (%)						Wholesale Units (000)					
	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023	Q3 2023	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023	Q3 2023
Ford Blue	10.5 %	6.2 %	5.9 %	10.4 %	9.2 %	6.7 %	670	741	760	706	720	736
Ford Model e	(38.6)	(43.7)	(40.4)	(102.1)	(58.9)	(75.6)	24	25	30	12	34	36
Ford Pro	6.9	3.4	10.4	10.3	15.3	12.0	338	321	358	337	365	314
Total Company (Adjusted)	9.3 %	4.6 %	5.8 %	8.1 %	8.4 %	5.0 %	1,032	1,086	1,147	1,056	1,119	1,086

* Ford Credit EBT

Memo: EV						
Wholesales	31	32	43	21	47	48

Key Metrics

	EBIT (\$B)						Revenue (\$B)					
	Q3 2022	Q3 2023	2023 B / (W) 2022	2022 YTD	2023 YTD	2023 B / (W) 2022	Q3 2022	Q3 2023	2023 B / (W) 2022	2022 YTD	2023 YTD	2023 B / (W) 2022
Ford Blue	\$ 1.5	\$ 1.7	\$ 0.3	\$ 5.3	\$ 6.6	\$ 1.4	\$ 23.8	\$ 25.6	\$ 1.8	\$ 68.5	\$ 75.7	\$ 7.2
Ford Model e	(0.6)	(1.3)	(0.7)	(1.5)	(3.1)	(1.6)	1.4	1.8	0.4	3.7	4.3	0.6
Ford Pro	0.4	1.7	1.3	1.8	5.4	3.6	12.0	13.8	1.9	35.0	42.7	7.6
Ford Next	(0.2)	(0.0)	0.2	(0.7)	(0.1)	0.6	0.0	0.0	(0.0)	0.1	0.0	(0.1)
Ford Credit*	0.6	0.4	(0.2)	2.5	1.1	(1.4)	2.2	2.6	0.4	6.7	7.5	0.8
Corporate Other	0.2	(0.2)	(0.4)	0.5	(0.5)	(1.1)	0.0	0.0	(0.0)	0.0	0.0	(0.0)
Total Company (Adjusted)	\$ 1.8	\$ 2.2	\$ 0.4	\$ 7.9	\$ 9.4	\$ 1.5	\$ 39.4	\$ 43.8	\$ 4.4	\$ 114.1	\$ 130.2	\$ 16.2

	EBIT Margin (%)						Wholesale Units (000)					
	Q3 2022	Q3 2023	2023 B / (W) 2022	2022 YTD	2023 YTD	2023 B / (W) 2022	Q3 2022	Q3 2023	2023 B / (W) 2022	2022 YTD	2023 YTD	2023 B / (W) 2022
Ford Blue	6.2 %	6.7 %	0.6 ppts	7.7 %	8.8 %	1.0 ppts	741	736	(5)	2,074	2,162	88
Ford Model e	(43.7)	(75.6)	(31.9)	(40.7)	(72.8)	(32.1)	25	36	11	67	82	16
Ford Pro	3.4	12.0	8.6	5.1	12.7	7.6	321	314	(6)	943	1,016	73
Total Company (Adjusted)	4.6 %	5.0 %	0.4 ppts	6.9 %	7.2 %	0.3 ppts	1,086	1,086	(0)	3,084	3,261	177

* Ford Credit EBT	Memo: EV Wholesales						32	48	16	85	116	31
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Q3 Results (\$M)

	Third Quarter			Year-To-Date		
	2022	2023	2023 B / (W) 2022	2022	2023	2023 B / (W) 2022
Ford Blue	\$ 1,466	\$ 1,718	\$ 252	\$ 5,298	\$ 6,649	\$ 1,351
Ford Model e	(612)	(1,329)	(717)	(1,502)	(3,131)	(1,629)
Ford Pro	402	1,654	1,252	1,772	5,411	3,639
Ford Next	(244)	(17)	227	(707)	(87)	620
Ford Credit	599	358	(241)	2,466	1,051	(1,415)
Corporate Other	192	(186)	(378)	524	(530)	(1,054)
Adjusted EBIT	\$ 1,803	\$ 2,198	\$ 395	\$ 7,851	\$ 9,363	\$ 1,512
Interest on Debt	(321)	(324)	(3)	(941)	(936)	5
Special Items (excl. tax)	(2,607)	(487)	2,120	(11,092)	(2,593)	8,499
Taxes	195	(214)	(409)	771	(982)	(1,753)
Less: Non-Controlling Interests	(103)	(26)	77	(141)	(21)	120
Net Income / (Loss) Attributable to Ford	<u>\$ (827)</u>	<u>\$ 1,199</u>	<u>\$ 2,026</u>	<u>\$ (3,270)</u>	<u>\$ 4,873</u>	<u>\$ 8,143</u>
Company Adjusted Free Cash Flow (\$B)	\$ 3.6	\$ 1.2	\$ (2.4)	\$ 6.6	\$ 4.8	\$ (1.8)
Revenue (\$B)	39.4	43.8	4.4	114.1	130.2	16.2
Company Adjusted EBIT Margin (%)	4.6 %	5.0 %	0.4 ppts	6.9 %	7.2 %	0.3 ppts
Net Income / (Loss) Margin (%)	(2.1)	2.7	4.8	(2.9)	3.7	6.6
Adjusted ROIC (Trailing Four Quarters) (%)	10.7	15.1	4.4			
Adjusted EPS	\$ 0.30	\$ 0.39	\$ 0.09	\$ 1.37	\$ 1.73	\$ 0.36
EPS (GAAP)	(0.21)	0.30	0.51	(0.81)	1.21	2.02

Year-To-Date 2023 Adjusted EBIT (\$B)

	Ford Blue	Ford Model e	Ford Pro	Ford Next	Ford Credit	Corporate Other	Total Company
Year-To-Date 2022	\$ 5.3	\$ (1.5)	\$ 1.8	\$ (0.7)	\$ 2.5	\$ 0.5	\$ 7.9
YoY Change:							
Volume / Mix	\$ 2.5	\$ (0.0)	\$ 0.3	\$ -	\$ -	\$ -	\$ 2.8
Net Pricing	0.7	(0.4)	5.3	-	-	-	5.6
Cost	(1.3)	(1.3)	(1.6)	0.2	-	(1.5)	(5.4)
Exchange	(0.6)	0.0	(0.1)	-	-	-	(0.7)
Other	0.1	0.1	(0.2)	0.4	(1.4)	0.4	(0.7)
Total Change	\$ 1.4	\$ (1.6)	\$ 3.6	\$ 0.6	\$ (1.4)	\$ (1.1)	\$ 1.5
Year-To-Date 2023	\$ 6.6	\$ (3.1)	\$ 5.4	\$ (0.1)	\$ 1.1	\$ (0.5)	\$ 9.4

Material / Freight \$(2.3)
 Warranty (1.7)
 Pension / OPEB (1.4)
 Structural (1.3)
 Commodities 1.3

Quarterly Results (\$M)

	2022					2023		
	Q1	Q2	Q3	Q4	Full Year	Q1	Q2	Q3
Ford Blue	\$ 1,328	\$ 2,504	\$ 1,466	\$ 1,549	\$ 6,847	\$ 2,623	\$ 2,308	\$ 1,718
Ford Model e	(380)	(510)	(612)	(631)	(2,133)	(722)	(1,080)	(1,329)
Ford Pro	491	879	402	1,450	3,222	1,366	2,391	1,654
Ford Next	(242)	(221)	(244)	(219)	(926)	(44)	(26)	(17)
Ford Credit	928	939	599	191	2,657	303	390	358
Corporate Other	201	131	192	224	748	(147)	(197)	(186)
Adjusted EBIT	\$ 2,326	\$ 3,722	\$ 1,803	\$ 2,564	\$ 10,415	\$ 3,379	\$ 3,786	\$ 2,198
Interest on Debt	(308)	(312)	(321)	(318)	(1,259)	(308)	(304)	(324)
Special Items (excl. tax)	(5,866)	(2,619)	(2,607)	(1,080)	(12,172)	(912)	(1,194)	(487)
Taxes	729	(153)	195	93	864	(496)	(272)	(214)
Less: Non-Controlling Interests	(9)	(29)	(103)	(30)	(171)	(94)	99	(26)
Net Income / (Loss) Attributable to Ford	\$ (3,110)	\$ 667	\$ (827)	\$ 1,289	\$ (1,981)	\$ 1,757	\$ 1,917	\$ 1,199
Company Adjusted Free Cash Flow (\$B)	\$ (0.6)	\$ 3.6	\$ 3.6	\$ 2.4	\$ 9.1	\$ 0.7	\$ 2.9	\$ 1.2
Revenue (\$B)	34.5	40.2	39.4	44.0	158.1	41.5	45.0	43.8
Company Adjusted EBIT Margin (%)	6.7 %	9.3 %	4.6 %	5.8 %	6.6 %	8.1 %	8.4 %	5.0 %
Net Income / (Loss) Margin (%)	(9.0)	1.7	(2.1)	2.9	(1.3)	4.2	4.3	2.7
Adjusted ROIC (Trailing Four Quarters) (%)	7.8	11.6	10.7	11.2	11.2	13.5	14.2	15.1
Adjusted EPS	\$ 0.38	\$ 0.68	\$ 0.30	\$ 0.51	\$ 1.88	\$ 0.63	\$ 0.72	\$ 0.39
EPS (GAAP)	(0.78)	0.16	(0.21)	0.32	(0.49)	0.44	0.47	0.30

Net Income / (Loss) Reconciliation To Adjusted EBIT (\$M)

	Third Quarter		Year-To-Date		Memo:
	2022	2023	2022	2023	FY 2022
Net income / (loss) attributable to Ford (GAAP)	\$ (827)	\$ 1,199	\$ (3,270)	\$ 4,873	\$ (1,981)
Income / (loss) attributable to non-controlling interests	(103)	(26)	(141)	(21)	(171)
Net income / (loss)	\$ (930)	\$ 1,173	\$ (3,411)	\$ 4,852	\$ (2,152)
Less: (Provision for) / Benefit from income taxes	195	(214)	771	(982)	864
Income / (loss) before income taxes	\$ (1,125)	\$ 1,387	\$ (4,182)	\$ 5,834	\$ (3,016)
Less: Special items pre-tax	(2,607)	(487)	(11,092)	(2,593)	(12,172)
Income / (loss) before special items pre-tax	\$ 1,482	\$ 1,874	\$ 6,910	\$ 8,427	\$ 9,156
Less: Interest on debt	(321)	(324)	(941)	(936)	(1,259)
Adjusted EBIT (Non-GAAP)	<u>\$ 1,803</u>	<u>\$ 2,198</u>	<u>\$ 7,851</u>	<u>\$ 9,363</u>	<u>\$ 10,415</u>
Memo:					
Revenue (\$B)	\$ 39.4	\$ 43.8	\$ 114.1	\$ 130.2	\$ 158.1
Net income / (loss) margin (GAAP) (%)	(2.1) %	2.7 %	(2.9) %	3.7 %	(1.3) %
Adjusted EBIT margin (Non-GAAP) (%)	4.6 %	5.0 %	6.9 %	7.2 %	6.6 %

Net Cash Provided By / (Used In) Operating Activities Reconciliation To Company Adj. FCF (\$M)

	2022				2023			Year-To-Date	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	2022	2023
Net cash provided by / (used in) operating activities (GAAP)	\$ (1,084)	\$ 2,947	\$ 3,812	\$ 1,178	\$ 2,800	\$ 5,035	\$ 4,591	\$ 5,675	\$ 12,426
Less: <u>Items Not Included in Company Adjusted Free Cash Flows</u>									
Ford Credit operating cash flows	(419)	(1,340)	(439)	(3,218)	626	581	1,800	(2,198)	3,007
Funded pension contributions	(174)	(154)	(130)	(109)	(125)	(109)	(190)	(458)	(424)
Restructuring (including separations)*	(176)	(137)	(179)	(343)	(81)	(118)	(297)	(492)	(496)
Ford Credit tax payments / (refunds) under tax sharing agreement	-	-	22	125	(5)	-	-	22	(5)
Other, net	(20)	20	(150)	92	(140)	(73)	(151)	(150)	(364)
Add: <u>Items Included in Company Adjusted Free Cash Flows</u>									
Company excluding Ford Credit capital spending	(1,349)	(1,503)	(1,613)	(2,046)	(1,760)	(1,927)	(2,191)	(4,465)	(5,878)
Ford Credit distributions	1,000	600	500	-	-	-	-	2,100	-
Settlement of derivatives	64	(36)	26	(144)	(72)	92	(13)	54	7
Company adjusted free cash flow (Non-GAAP)	<u>\$ (580)</u>	<u>\$ 3,619</u>	<u>\$ 3,601</u>	<u>\$ 2,441</u>	<u>\$ 693</u>	<u>\$ 2,919</u>	<u>\$ 1,225</u>	<u>\$ 6,640</u>	<u>\$ 4,837</u>

* Restructuring excludes cash flows reported in investing activities

Earnings / (Loss) Per Share Reconciliation To Adjusted Earnings / (Loss) Per Share

	Third Quarter		Year-To-Date	
	2022	2023	2022	2023
<u>Diluted After-Tax Results</u> (\$M)				
Diluted after-tax results (GAAP)	\$ (827)	\$ 1,199	\$ (3,270)	\$ 4,873
Less: Impact of pre-tax and tax special items ^(a)	(2,063)	(376)	(8,819)	(2,098)
Adjusted net income – diluted (Non-GAAP)	<u>\$ 1,236</u>	<u>\$ 1,575</u>	<u>\$ 5,549</u>	<u>\$ 6,971</u>
<u>Basic and Diluted Shares</u> (M)				
Basic shares (average shares outstanding)	4,021	4,004	4,017	3,999
Net dilutive options, unvested restricted stock units, unvested restricted stock shares, and convertible debt	38	46	42	41
Diluted shares	<u>4,059</u>	<u>4,050</u>	<u>4,059</u>	<u>4,040</u>
Earnings / (Loss) per share – diluted (GAAP) ^(b)	\$ (0.21)	\$ 0.30	\$ (0.81)	\$ 1.21
Less: Net impact of adjustments	(0.51)	(0.09)	(2.18)	(0.52)
Adjusted earnings per share – diluted (Non-GAAP)	<u>\$ 0.30</u>	<u>\$ 0.39</u>	<u>\$ 1.37</u>	<u>\$ 1.73</u>

a. For 2023, includes adjustment for noncontrolling interest

b. In the third quarter and first nine months of 2022, there were 38 million and 42 million shares, respectively, excluded from the calculation of diluted earnings / (loss) per share, due to their anti-dilutive effect

Effective Tax Rate Reconciliation To Adjusted Effective Tax Rate

	2023		Memo:
	Q3	Year-To-Date	Full Year 2022
<u>Pre-Tax Results (\$M)</u>			
Income / (loss) before income taxes (GAAP)	\$ 1,387	\$ 5,834	\$ (3,016)
Less: Impact of special items	(487)	(2,593)	(12,172)
Adjusted earnings before taxes (Non-GAAP)	<u>\$ 1,874</u>	<u>\$ 8,427</u>	<u>\$ 9,156</u>
<u>Taxes (\$M)</u>			
(Provision for) / benefit from income taxes (GAAP)	\$ (214)	\$ (982)	\$ 864
Less: Impact of special items*	87	408	2,573
Adjusted (provision for) / benefit from income taxes (Non-GAAP)	<u>\$ (301)</u>	<u>\$ (1,390)</u>	<u>\$ (1,709)</u>
<u>Tax Rate (%)</u>			
Effective tax rate (GAAP)	15.4 %	16.8 %	28.6 %
Adjusted effective tax rate (Non-GAAP)	16.1 %	16.5 %	18.7 %

* 2022 reflects the tax consequences of unrealized losses on marketable securities and favorable changes in our valuation allowances

Adjusted ROIC (\$B)

	Four Quarters Ending Q3 2022	Four Quarters Ending Q3 2023
<u>Adjusted Net Operating Profit / (Loss) After Cash Tax</u>		
Net income / (loss) attributable to Ford	\$ 9.0	\$ 6.2
Add: Non-controlling interest	0.1	(0.3)
Less: Income tax	1.8	(0.9)
Add: Cash tax	(0.6)	(1.1)
Less: Interest on debt	(1.4)	(1.3)
Less: Total pension / OPEB income / (cost)	4.3	(1.2)
Add: Pension / OPEB service costs	(1.0)	(0.7)
Net operating profit / (loss) after cash tax	\$ 2.7	\$ 7.5
Less: Special items (excl. pension / OPEB) pre-tax	(4.9)	(2.7)
Adj. net operating profit / (loss) after cash tax	<u>\$ 7.6</u>	<u>\$ 10.2</u>
<u>Invested Capital</u>		
Equity	\$ 42.1	\$ 44.3
Debt (excl. Ford Credit)	20.3	19.8
Net pension and OPEB liability	4.6	4.6
Invested capital (end of period)	<u>\$ 66.9</u>	<u>\$ 68.6</u>
Average invested capital	<u>\$ 71.0</u>	<u>\$ 67.5</u>
ROIC ^(a)	3.8 %	11.1 %
Adjusted ROIC (Non-GAAP) ^(b)	10.7 %	15.1 %

a. Calculated as the sum of net operating profit / (loss) after cash tax from the last four quarters, divided by the average invested capital over the last four quarters

b. Calculated as the sum of adjusted net operating profit / (loss) after cash tax from the last four quarters, divided by the average invested capital over the last four quarters

EBT By Segment* (\$M)

	Q3		YTD	
	2023	H / (L) 2022	2023	H / (L) 2022
<u>Results**</u>				
United States and Canada segment	\$ 257	\$ (137)	\$ 801	\$ (1,039)
Europe segment	78	4	269	13
All Other segment	21	(3)	70	218
Total segments	\$ 356	\$ (136)	\$ 1,140	\$ (808)
Unallocated other	2	(95)	(98)	(396)
Earnings before taxes	\$ 358	\$ (231)	\$ 1,042	\$ (1,204)
Provision for/(Benefit from) Taxes	119	(32)	277	(58)
Net income	<u>\$ 239</u>	<u>\$ (199)</u>	<u>\$ 765</u>	<u>\$ (1,146)</u>
Distributions	\$ -	\$ (500)	\$ -	\$ (2,100)

* See Appendix for definitions

** Beginning in Q3 2022, there were changes in the allocation of interest and governance expenses among the operating segments. Prior periods have been adjusted retrospectively to reflect these changes

Financing Share And Contract Placement Volume

	Q3		YTD	
	2023	2022	2023	2022
<u>Share of Ford Sales*</u>				
United States	50 %	41 %	50 %	41 %
Canada	67	77	70	70
U.K.	34	36	34	35
Germany	33	33	32	35
China	34	46	38	45
<u>Wholesale Share</u>				
United States	71 %	73 %	71 %	73 %
U.K.	100	100	100	100
Germany	89	92	88	91
China	72	69	71	68
<u>Contract Placement Volume - New and Used (000)</u>				
United States	210	172	607	484
Canada	32	43	89	101
U.K.	23	25	69	70
Germany	14	12	41	42
China	25	37	73	97

* United States and Canada exclude Fleet sales, other markets include Fleet

Non-GAAP Financial Measures That Supplement GAAP Measures

We use both GAAP and non-GAAP financial measures for operational and financial decision making, and to assess Company and segment business performance. The non-GAAP measures listed below are intended to be considered by users as supplemental information to their equivalent GAAP measures, to aid investors in better understanding our financial results. We believe that these non-GAAP measures provide useful perspective on underlying operating results and trends, and a means to compare our period-over-period results. These non-GAAP measures should not be considered as a substitute for, or superior to, measures of financial performance prepared in accordance with GAAP. These non-GAAP measures may not be the same as similarly titled measures used by other companies due to possible differences in method and in items or events being adjusted.

- **Company Adjusted EBIT** (Most Comparable GAAP Measure: Net income / (Loss) attributable to Ford) – Earnings Before Interest and Taxes (EBIT) excludes interest on debt (excl. Ford Credit Debt), taxes and pre-tax special items. This non-GAAP measure is useful to management and investors because it focuses on underlying operating results and trends, and improves comparability of our period-over-period results. Our management ordinarily excludes special items from its review of the results of the operating segments for purposes of measuring segment profitability and allocating resources. Pre-tax special items consist of (i) pension and OPEB remeasurement gains and losses, (ii) gains and losses on investments in equity securities, (iii) significant personnel expenses, supplier- and dealer-related costs, and facility-related charges stemming from our efforts to match production capacity and cost structure to market demand and changing model mix, and (iv) other items that we do not necessarily consider to be indicative of earnings from ongoing operating activities. When we provide guidance for adjusted EBIT, we do not provide guidance on a net income basis because the GAAP measure will include potentially significant special items that have not yet occurred and are difficult to predict with reasonable certainty, including gains and losses on pension and OPEB remeasurements and on investments in equity securities.
- **Company Adjusted EBIT Margin** (Most Comparable GAAP Measure: Company Net Income / (Loss) Margin) – Company Adjusted EBIT Margin is Company Adjusted EBIT divided by Company revenue. This non-GAAP measure is useful to management and investors because it allows users to evaluate our operating results aligned with industry reporting.
- **Adjusted Earnings / (Loss) Per Share** (Most Comparable GAAP Measure: Earnings / (Loss) Per Share) – Measure of Company's diluted net earnings / (loss) per share adjusted for impact of pre-tax special items (described above), tax special items and restructuring impacts in noncontrolling interests. The measure provides investors with useful information to evaluate performance of our business excluding items not indicative of earnings from ongoing operating activities. When we provide guidance for adjusted earnings / (loss) per share, we do not provide guidance on an earnings / (loss) per share basis because the GAAP measure will include potentially significant special items that have not yet occurred and are difficult to predict with reasonable certainty prior to year-end, including pension and OPEB remeasurement gains and losses.
- **Adjusted Effective Tax Rate** (Most Comparable GAAP Measure: Effective Tax Rate) – Measure of Company's tax rate excluding pre-tax special items (described above) and tax special items. The measure provides an ongoing effective rate which investors find useful for historical comparisons and for forecasting. When we provide guidance for adjusted effective tax rate, we do not provide guidance on an effective tax rate basis because the GAAP measure will include potentially significant special items that have not yet occurred and are difficult to predict with reasonable certainty prior to year-end, including pension and OPEB remeasurement gains and losses.

Non-GAAP Financial Measures That Supplement GAAP Measures

- Company Adjusted Free Cash Flow (FCF) (Most Comparable GAAP Measure: Net Cash Provided By / (Used In) Operating Activities) – Measure of Company's operating cash flow excluding Ford Credit's operating cash flows. The measure contains elements management considers operating activities, including Company excluding Ford Credit capital spending, Ford Credit distributions to its parent, and settlement of derivatives. The measure excludes cash outflows for funded pension contributions, restructuring actions, and other items that are considered operating cash flows under GAAP. This measure is useful to management and investors because it is consistent with management's assessment of the Company's operating cash flow performance. When we provide guidance for Company Adjusted FCF, we do not provide guidance for net cash provided by / (used in) operating activities because the GAAP measure will include items that are difficult to quantify or predict with reasonable certainty, including cash flows related to the Company's exposures to foreign currency exchange rates and certain commodity prices (separate from any related hedges), Ford Credit's operating cash flows, and cash flows related to special items, including separation payments, each of which individually or in the aggregate could have a significant impact to our net cash provided by / (used in) our operating activities.
- Adjusted ROIC – Calculated as the sum of adjusted net operating profit / (loss) after-cash tax from the last four quarters, divided by the average invested capital over the last four quarters. This calculation provides management and investors with useful information to evaluate the Company's after-cash tax operating return on its invested capital for the period presented. Adjusted net operating profit / (loss) after-cash tax measures operating results less special items, interest on debt (excl. Ford Credit Debt), and certain pension / OPEB costs. Average invested capital is the sum of average balance sheet equity, debt (excl. Ford Credit Debt), and net pension / OPEB liability.

Definitions And Calculations

Wholesale Units and Revenue

- Wholesale unit volumes include all Ford and Lincoln badged units (whether produced by Ford or by an unconsolidated affiliate) that are sold to dealerships or others, units manufactured by Ford that are sold to other manufacturers, units distributed by Ford for other manufacturers, and local brand units produced by our China joint venture, Jiangling Motors Corporation, Ltd. (“JMC”), that are sold to dealerships or others. Vehicles sold to daily rental car companies that are subject to a guaranteed repurchase option (i.e., rental repurchase), as well as other sales of finished vehicles for which the recognition of revenue is deferred (e.g., consignments), also are included in wholesale unit volumes. Revenue from certain vehicles in wholesale unit volumes (specifically, Ford badged vehicles produced and distributed by our unconsolidated affiliates, as well as JMC brand vehicles) are not included in our revenue. Excludes transactions between Ford Blue, Ford Model e and Ford Pro segments

Industry Volume and Market Share

- Industry volume and market share are based, in part, on estimated vehicle registrations; includes medium and heavy-duty trucks

SAAR

- SAAR means seasonally adjusted annual rate

Company Cash

- Company cash includes cash, cash equivalents, marketable securities and restricted cash (including cash held for sale); excludes Ford Credit’s cash, cash equivalents, marketable securities and restricted cash

Market Factors

- Volume and Mix – primarily measures EBIT variance from changes in wholesale unit volumes (at prior-year average contribution margin per unit) driven by changes in industry volume, market share, and dealer stocks, as well as the EBIT variance resulting from changes in product mix, including mix among vehicle lines and mix of trim levels and options within a vehicle line
- Net Pricing – primarily measures EBIT variance driven by changes in wholesale unit prices to dealers and marketing incentive programs such as rebate programs, low-rate financing offers, special lease offers and stock adjustments on dealer inventory
- Market Factors exclude the impact of unconsolidated affiliate wholesale units

Earnings Before Taxes (EBT)

- Reflects Income before income taxes

Definitions And Calculations

Assets (as shown on the Cumulative Maturities chart)

- Includes gross finance receivables less the allowance for credit losses, investment in operating leases net of accumulated depreciation, cash and cash equivalents, and marketable securities (excluding amounts related to insurance activities). Amounts shown include the impact of expected prepayments

Cash (as shown in the Funding Structure and Liquidity Sources tables)

- Cash and cash equivalents and Marketable securities reported on Ford Credit's balance sheet, excluding amounts related to insurance activities

Debt (as shown on the Cumulative Maturities chart)

- All wholesale securitization transactions are shown maturing in the next 12 months, even if the maturities extend beyond Q1 2023. Also, the chart reflects adjustments to debt maturities to match the asset-backed debt maturities with the underlying asset maturities

Debt (as used in the Leverage calculation)

- Debt on Ford Credit's balance sheet. Includes debt issued in securitizations and payable only out of collections on the underlying securitized assets and related enhancements. Ford Credit holds the right to receive the excess cash flows not needed to pay the debt issued by, and other obligations of, the securitization entities that are parties to those securitization transactions

Committed Asset-Backed Security ("ABS") Facilities (as shown in the Liquidity Sources table)

- Committed ABS facilities are subject to availability of sufficient assets, ability to obtain derivatives to manage interest rate risk, and exclude FCE Bank plc ("FCE") access to the Bank of England's Discount Window Facility

Earnings Before Taxes ("EBT")

- Reflects Income before income taxes as reported on Ford Credit's income statement

Leverage, Financial Statement Leverage (as shown in the Funding Structure table)

- We use leverage, or the debt-to-equity ratio, to make various business decisions, including evaluating and establishing pricing for finance receivable and operating lease financing, and assessing our capital structure. We refer to our shareholder's interest as equity

Loss-To-Receiveables ("LTR") Ratio (as shown in credit loss tables)

- LTR ratio is calculated using net charge-offs divided by average finance receivables, excluding unearned interest supplements and the allowance for credit losses

Net Charge-Offs

- Net charge-off changes are primarily driven by the number of repossessions, severity per repossession, and recoveries

Other adjustments (as shown in the Liquidity Sources table)

- Includes asset-backed capacity in excess of eligible receivables; cash related to the Ford Credit Revolving Extended Variable-utilization program ("FordREV"), which can be accessed through future sales of receivables

Reserve as a % of EOP Receivables Ratio (as shown in the credit loss tables)

- The reserve as a % of EOP receivables ratio is calculated as the credit loss reserve amount, divided by EOP finance receivables, excluding unearned interest supplements and the allowance for credit losses

Definitions And Calculations

Securitization & restricted cash (as shown in the Liquidity Sources table)

- Securitization cash is cash held for the benefit of the securitization investors (for example, a reserve fund). Restricted cash is primarily held to meet certain local government and regulatory reserve requirements and cash held under the terms of certain contractual agreements

Securitizations (as shown in the Public Term Funding Plan table)

- Public securitization transactions, Rule 144A offerings sponsored by Ford Credit, and widely distributed offerings by Ford Credit Canada

Term Asset-Backed Securities (as shown in the Funding Structure table)

- Obligations issued in securitization transactions that are payable only out of collections on the underlying securitized assets and related enhancements

Total Net Receivables (as shown in the Funding Structure table)

- Includes finance receivables (retail financing and wholesale) sold for legal purposes and net investment in operating leases included in securitization transactions that do not satisfy the requirements for accounting sale treatment. These receivables and operating leases are reported on Ford Credit's balance sheet and are available only for payment of the debt issued by, and other obligations of, the securitization entities that are parties to those securitization transactions; they are not available to pay the other obligations of Ford Credit or the claims of Ford Credit's other creditors

Unallocated other (as shown on the EBT By Segment chart)

- Items excluded in assessing segment performance because they are managed at the corporate level, including market valuation adjustments to derivatives and exchange-rate fluctuations on foreign currency-denominated transactions