

# 2022 Auto Finance Forum

February 17, 2022



2021 Mustang Mach-E



| Ford Credit

# Further Information

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## **INFORMATION ON FORD:**

[www.shareholder.ford.com](http://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](http://www.fordcredit.com/investor-center)

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

# Information Regarding This Presentation

## **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” at the end of this presentation and “Item 1A. Risk Factors” in our most recent Annual Report on Form 10-K, as updated by subsequent filings with the United States Securities and Exchange Commission.

## **GAAP AND 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 defined and reconciled to the most comparable GAAP financial measures in the Appendix to this presentation.

## **ADDITIONAL INFORMATION**

Calculated results may not sum due to rounding. N / M denotes “Not Meaningful.” All variances are year-over-year unless otherwise noted. Visit [ford.com](https://ford.com) for vehicle information.

## **REPORTING CHANGES**

Effective with Q4 2021 reporting, we revised our definition of “pre-tax special items” to include gains and losses on investments in equity securities. This action will help ensure that Adjusted EBIT focuses on underlying operating results and trends, and improves comparability of our period-over-period results. Prior period amounts have been recast to conform to this presentation; see slide A6 for details.

Effective with 2021 reporting, certain costs for the benefit of the global enterprise previously reported in Automotive are now reported in Corporate Other, and costs and benefits related to connectivity previously reported in Mobility are now reported in Automotive. Prior period results have been updated to be consistent with 2021 reporting.

In addition, consistent with our adoption of ASU 2019-12 as of January 1, 2021, we no longer allocate a portion of our consolidated U.S. current and deferred tax expense to certain U.S. subsidiaries. As a result, Ford Credit’s income tax expense is reduced, and since this ASU was adopted on a retrospective basis, \$875M of tax sharing payments from Ford Credit to Ford Motor Company in 2020 are now reclassified as distributions from Ford Credit and included in Adjusted Free Cash Flow.

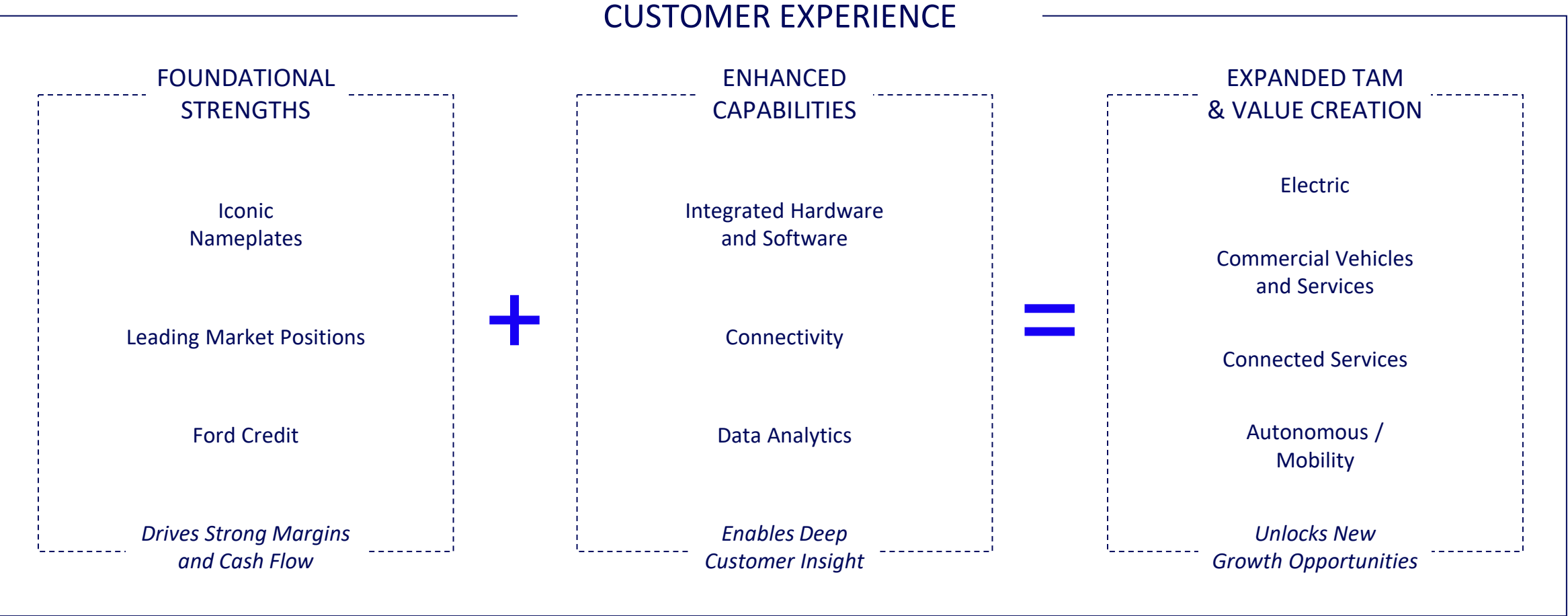
# Corporate



2022 F-150 Tremor

# Ford+ Investment Thesis

Disruptive Technology Allows Us to Leverage Foundational Strengths to Build New Capabilities – Enriching Customer Experiences and Deepening Loyalty



# Executing Our Investment Thesis To Deliver Ford+

FOUNDATIONAL  
STRENGTHS



ENHANCED  
CAPABILITIES



EXPANDED TAM  
& VALUE CREATION

## Iconic Nameplates



Maverick and Bronco named North America Truck and SUV of the Year, respectively

## Integrated Hardware & Software



Launched BlueCruise and Alexa services to enrich the customer driving experience

## Electric



Direct-to-customer model in China for Mustang Mach-E: online and through 25 Ford Select city stores

## Ford Credit



#1 Ranking in U.S. customer satisfaction study (mass-market by J.D. Power)

## Connectivity



Ford has built almost 1M OTA-capable vehicles; will be a leading volume player in OTA by the end of 2022 – expect to scale to 30M+ by 2028

## Ford Pro



Ford Pro Intelligence – new suite of digital services that support commercial customer's total fleet operation

# Executing Our Investment Thesis – 2021 Highlights

Disruptive Technology Allows Us to Leverage Foundational Strengths to Build New Capabilities – Enriching Customer Experiences and Deepening Loyalty

## CUSTOMER EXPERIENCE

### EXPANDED TAM & VALUE CREATION

#### Electric

Commercial Vehicles  
and Services

Connected Services

Autonomous /  
Mobility

*Unlocks New  
Growth Opportunities*



- Announced plan for at least 40% global BEV mix by 2030
- Announced plan for 240GWh global battery capacity by end of the decade
- Unveiled F-150 Lightning to unprecedented demand – increasing size of Rouge Electric Vehicle Center to reach annual production of 150K units by 2023
- \$11.4B investment in BlueOval City and BlueOval SK Battery Park to build the next-generation electric F-Series pickups and advanced batteries
- Broke ground on \$1B Electrification Center in Cologne; JV in Turkey investing \$2.4B to produce electrified Transit vans and battery packs
- On path to double annual BEV capacity to 600K by 2023; challenging to be #1 BEV in U.S.
- Collaboration with Redwood Materials for closed-loop battery recycling

# Fourth Quarter Financial Results

Revenue	Adj. EBIT	Adj. EBIT Margin	Adj. FCF	Adj. EPS
\$37.7B	\$2.0B	5.4%	\$2.3B	\$0.26
Up \$1.7B	Up \$0.3B	Up 0.6 pts	Up \$0.5B	Down \$0.08



2021 Mustang Mach-E GT

Full Year				
\$136.3B	\$10.0B	7.3%	\$4.6B	\$1.59
Up \$9.2B	Up \$7.5B	Up 5.3 pts	Up \$3.3B	Up \$1.23

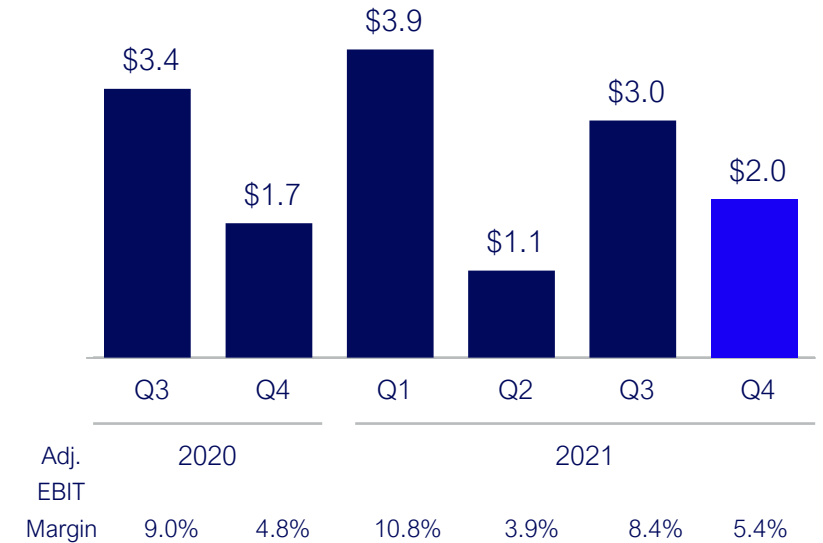
# Q4 Revenue And Adjusted EBIT

- Q4 wholesales down 11%, driven by supply chain disruption
- Revenue up 5%, driven by higher net pricing and mix improvement, offset partially by lower volume
- Adjusted EBIT up \$0.3B, driven by higher net pricing, offset partially by increased commodities prices and lower volume

Wholesale Units (000)  
& Revenue (\$B)



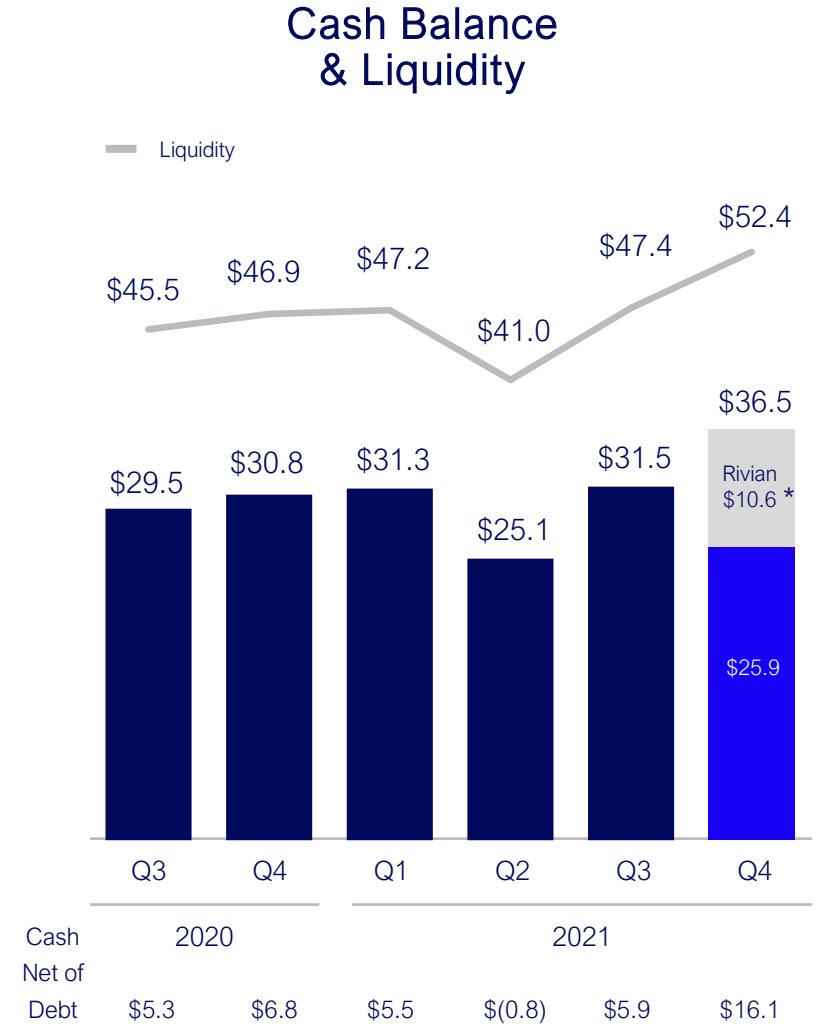
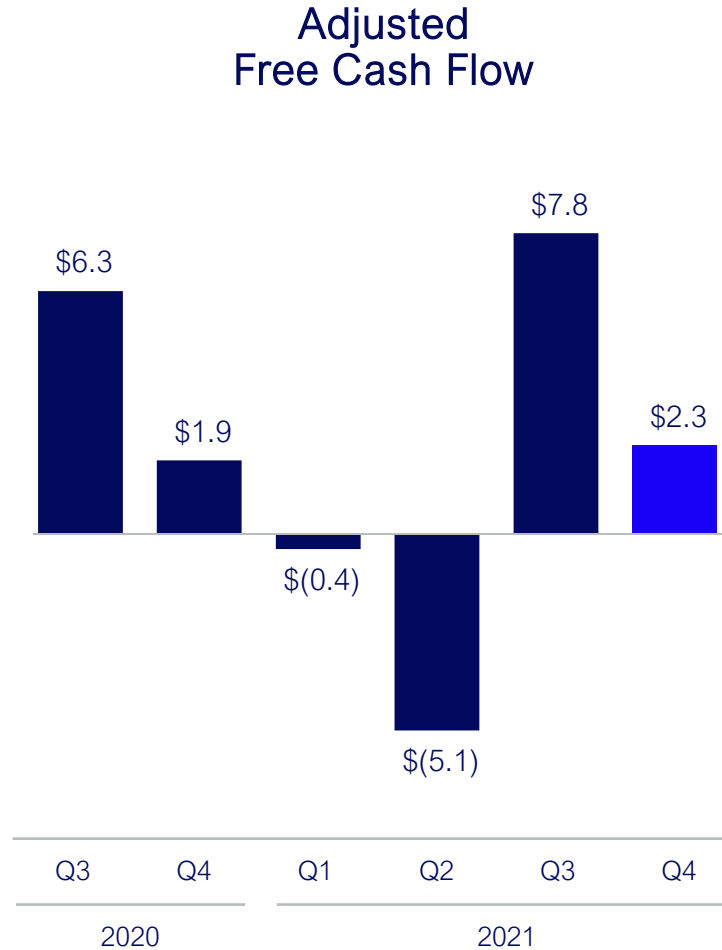
Adjusted EBIT (\$B)  
& EBIT Margin (%)



# Q4 Cash Flow, Cash Balance And Liquidity (\$B)

Q4 Adjusted FCF of \$2.3B driven by:

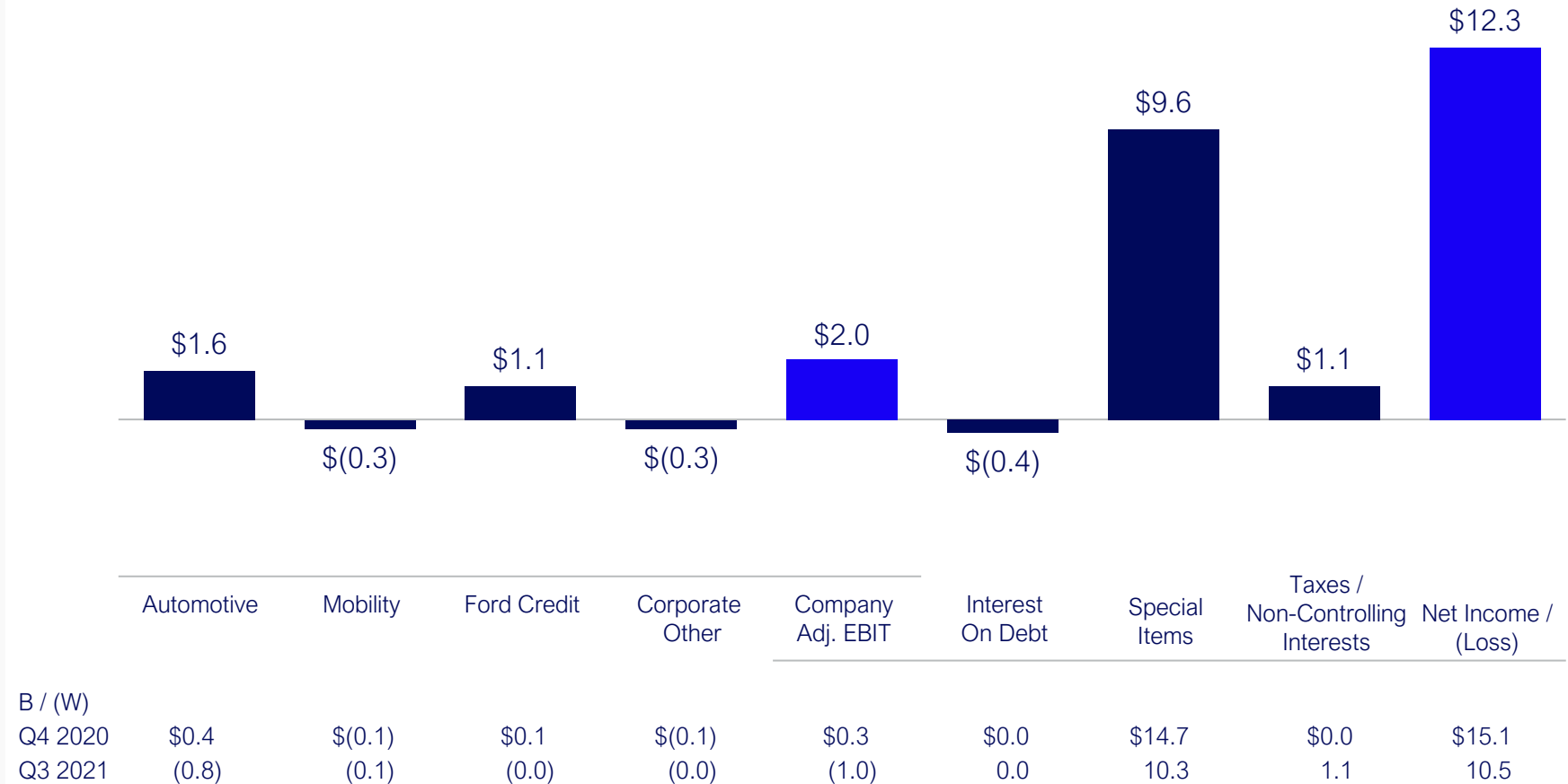
- Favorable working capital due to lower inventory levels
- Automotive EBIT
- Ford Credit distributions
- Favorable timing differences



\* At December 31, 2021, Rivian common shares were valued at \$103.69 per share. Our investment is marked to market on a recurring basis and gains and losses could be material in any period. At February 2, 2022, Rivian common shares were valued at \$64.32 per share

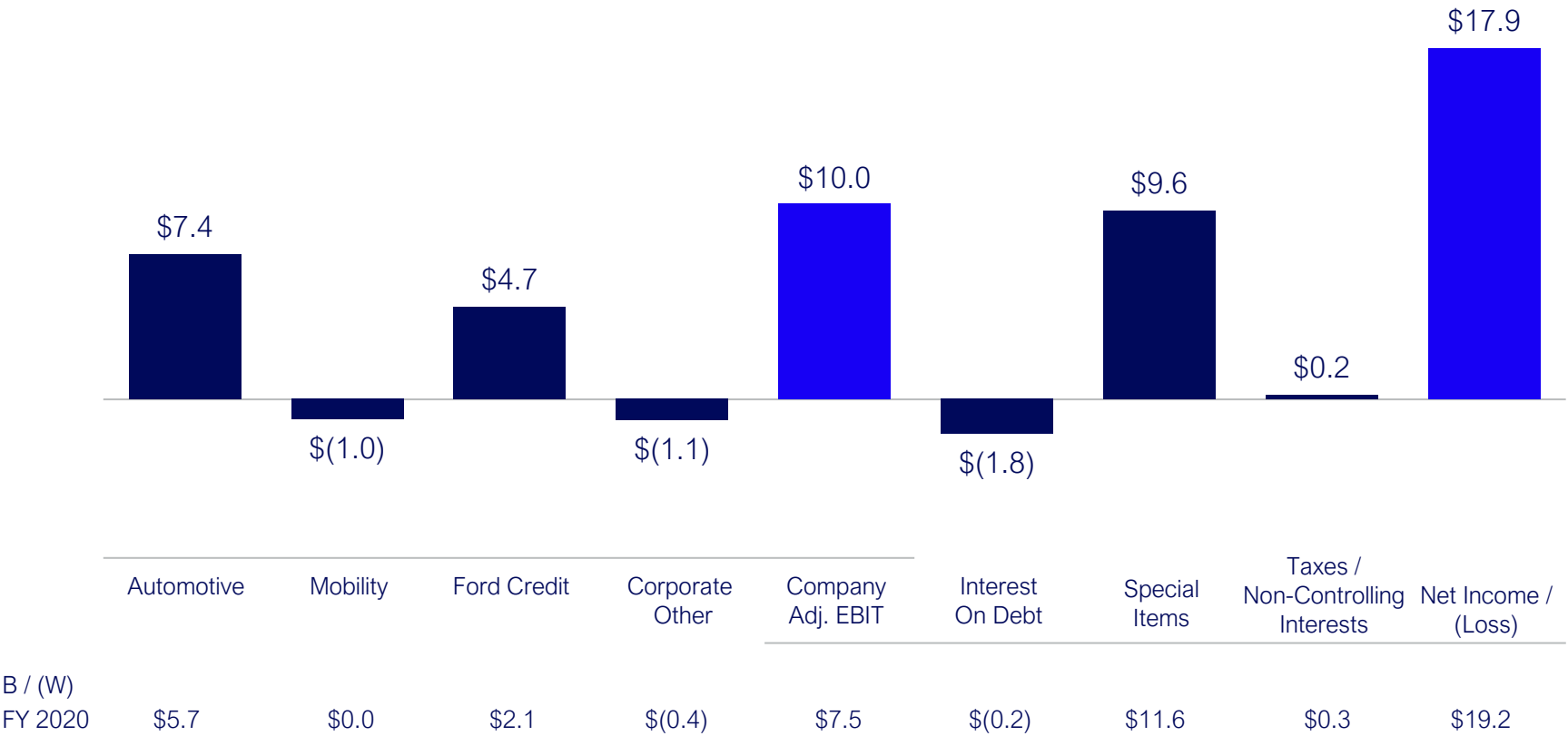
# Q4 2021 Results (\$B)

- Company Adjusted EBIT driven by strong Automotive and Ford Credit results
- Special Items include Rivian IPO and mark-to-market net gain of \$8.2B consistent with our policy change to treat gains / (losses) on our investments in equity securities as special items



# Full Year 2021 Results (\$B)

- Company Adjusted EBIT driven by strong Automotive and Ford Credit results
- Special Items include Rivian IPO and mark-to-market net gain of \$9.1B



# Q4 2021 Adjusted EBIT (\$B)

	North America	South America	Europe	China	IMG	Total Auto	Total Company	
Q4 2020	\$ 1.1	\$ (0.1)	\$ 0.4	\$ (0.1)	\$ (0.1)	\$ 1.3	\$ 1.7	
YoY Change:								
Volume / Mix	\$ 0.1	\$ (0.1)	\$ (0.6)	\$ (0.1)	\$ 0.0	\$ (0.7)	\$ (0.7)	
Net Pricing	1.8	0.2	0.4	0.0	0.1	2.5	2.5	
Cost	(1.3)	0.0	(0.2)	(0.0)	(0.0)	(1.4)	(1.4)	Material / Freight \$(0.2)
Exchange	0.1	(0.0)	(0.1)	0.0	0.1	0.0	0.0	Warranty 0.4
JVs / Other	0.0	0.0	(0.0)	(0.1)	0.0	(0.0)	(0.0)	Commodities (1.4)
Total Automotive	\$ 0.7	\$ 0.1	\$ (0.6)	\$ (0.1)	\$ 0.2	\$ 0.4	\$ 0.4	Structural (0.3)
Mobility							(0.1)	Pension / OPEB 0.1
Ford Credit							0.1	
Corporate Other							(0.1)	
Total Change							\$ 0.3	
Q4 2021	\$ 1.8	\$ 0.0	\$ (0.2)	\$ (0.2)	\$ 0.1	\$ 1.6	<u>\$ 2.0</u>	JVs \$(0.1)
								Other 0.1

# Full Year 2021 Adjusted EBIT (\$B)

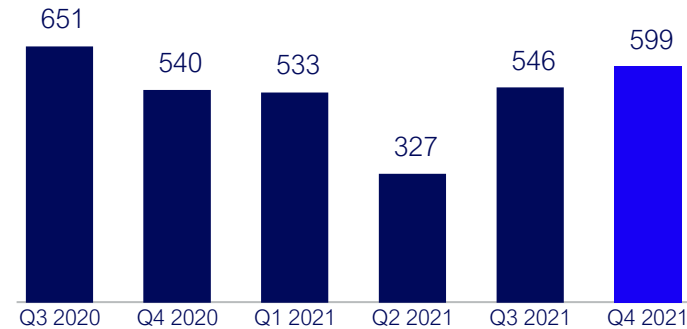
	North America	South America	Europe	China	IMG	Total Auto	Total Company	
FY 2020	\$ 3.7	\$ (0.5)	\$ (0.9)	\$ (0.5)	\$ (0.2)	\$ 1.7	\$ 2.5	
YoY Change:								
Volume / Mix	\$ (1.7)	\$ (0.2)	\$ (0.9)	\$ (0.2)	\$ 0.1	\$ (2.9)	\$ (2.9)	
Net Pricing	7.9	0.6	0.9	0.1	0.2	9.7	9.7	
Cost	(2.7)	(0.0)	0.5	0.0	0.0	(2.2)	(2.2)	Material / Freight \$(0.4)
Exchange	0.2	0.0	(0.1)	0.1	0.3	0.5	0.5	Warranty 1.4
JVs / Other	<u>(0.1)</u>	<u>(0.0)</u>	<u>0.3</u>	<u>0.2</u>	<u>0.1</u>	<u>0.5</u>	<u>0.5</u>	Commodities (3.0)
Total Automotive	\$ 3.7	\$ 0.4	\$ 0.7	\$ 0.2	\$ 0.8	\$ 5.7	\$ 5.7	Structural (0.6)
Mobility							0.0	Pension / OPEB 0.5
Ford Credit							2.1	
Corporate Other							<u>(0.4)</u>	
Total Change							<u>\$ 7.5</u>	
FY 2021	\$ 7.4	\$ (0.1)	\$ (0.2)	\$ (0.3)	\$ 0.6	\$ 7.4	<u>\$ 10.0</u>	JVs \$ 0.3
								Other 0.2

# North America

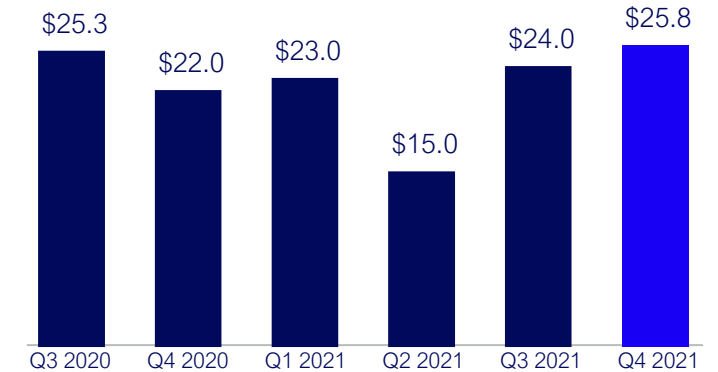
Leadership in trucks and Ford Pro commercial vehicles; plus, utilities and iconic nameplates

- FY EBIT margin of 8.4% - best performance since '17
- Strong pricing / mix more than offset higher commodities and lower volume due to semiconductor constraints
- Launch of BlueCruise and Alexa services to enrich “always-on” customer experience and grow subscription revenue
- Launched E-Transit in Jan. '22; F-150 Lightning launch on track for Spring
- Ended '21 with robust customer orders; continued momentum of freshest product lineup, including BEVs

Wholesale Units (000)



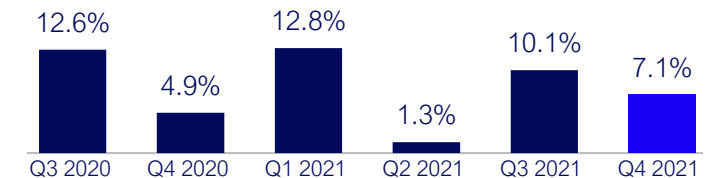
Revenue (\$B)



EBIT (\$B)



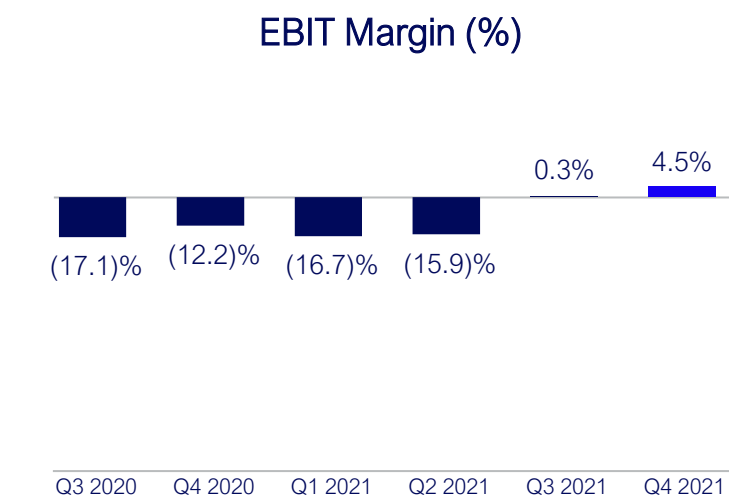
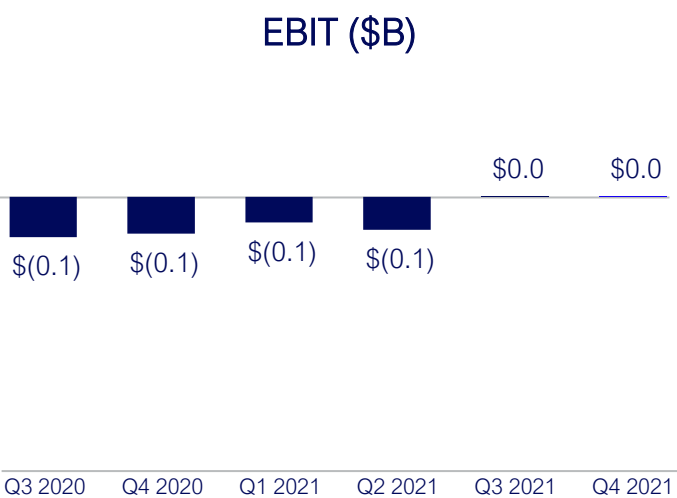
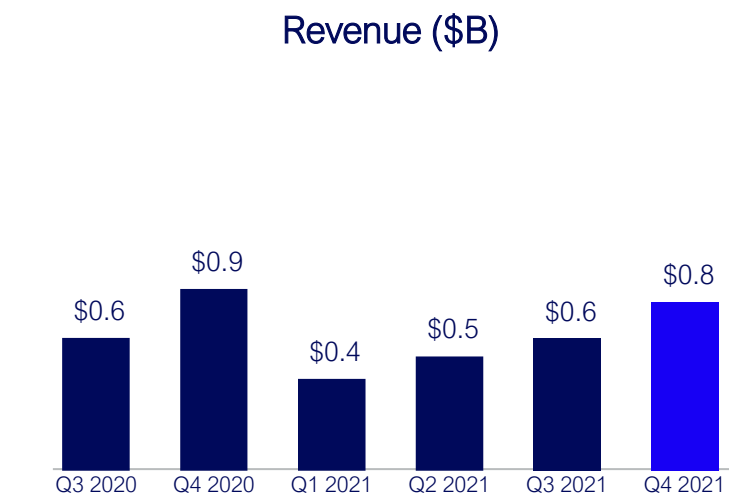
EBIT Margin (%)



# South America

Lean, de-risked and asset-light business, focused on key franchises like Ranger and Transit

- Restructuring of legacy business complete; reduced full year losses by 75%
- Strengthened truck and commercial vehicle portfolio, and enhanced customer experience, supports sustained profitability
- Ready for launch of next-generation Ranger in '23

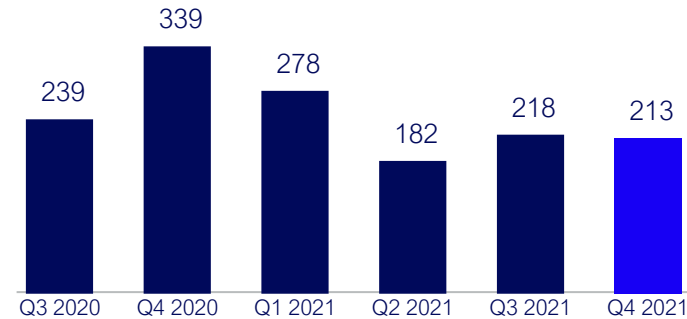


# Europe

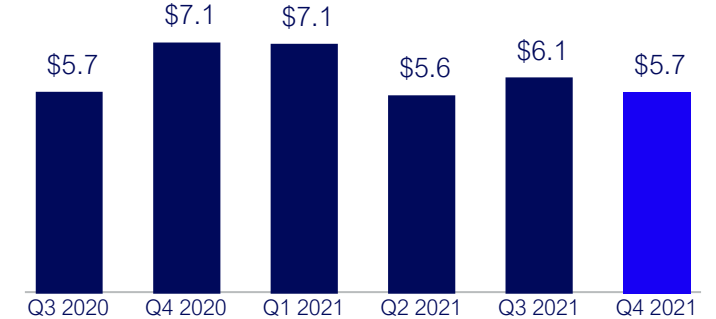
Commercial vehicle strength with Ford Pro, focused passenger portfolio with key imports

- Reduced full year losses by 82% despite lower volume due to semiconductor constraints
- No. 1 commercial vehicle brand in Europe for 7<sup>th</sup> consecutive year; Transit order bank extremely robust
- Strong Mustang Mach-E sales and order bank momentum
- '22 focus: growing Ford Pro

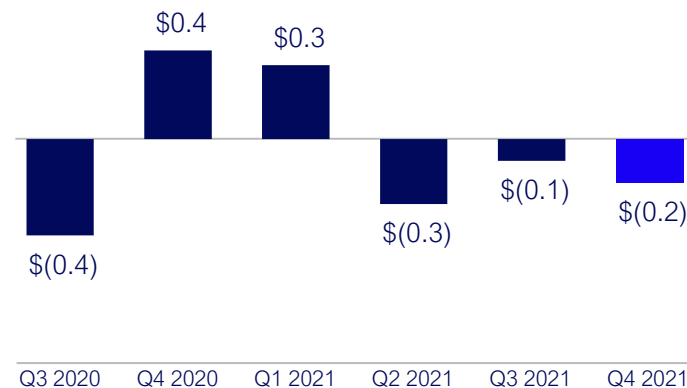
Wholesale Units (000)\*



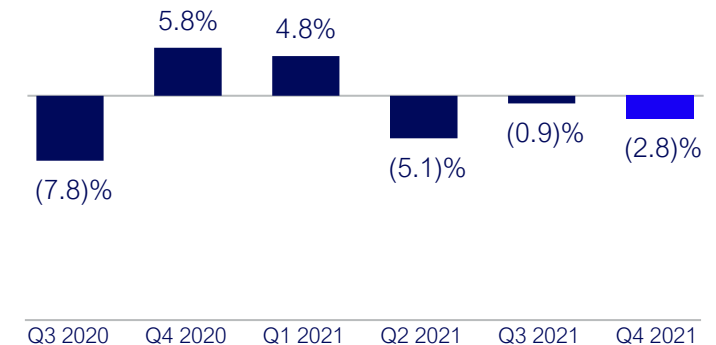
Revenue (\$B)



EBIT (\$B)



EBIT Margin (%)



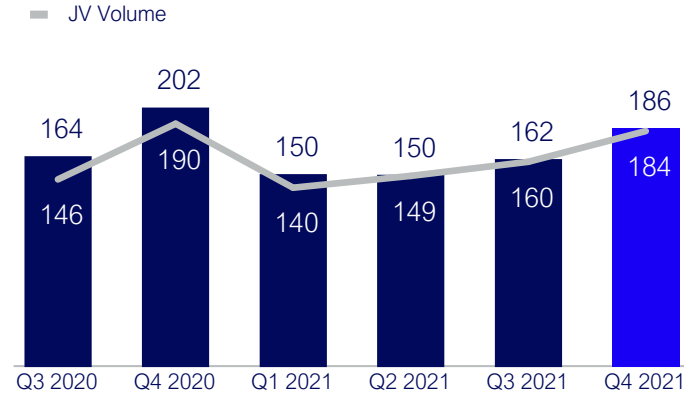
\* Includes Ford brand vehicles produced and sold by our unconsolidated affiliate in Turkey (26K units in Q4 2020 and 19K units in Q4 2021). Revenue does not include these sales

# China

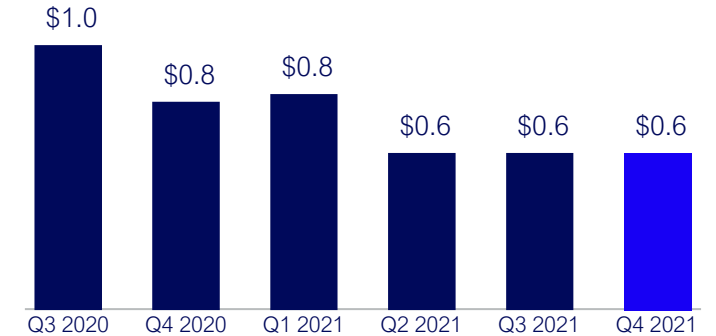
Focused on strength in Lincoln brand, commercial vehicles and Ford utility portfolio

- Continued improvement in profit trajectory  
- reduced full year losses by 34%
- Full year Lincoln sales up almost 50%; capturing share of the premium segment. Strong orders for the all-new Zephyr launching in '22. China now #1 Lincoln market globally
- Delivering locally manufactured Mustang Mach-E via a direct-to-customer model; enhanced BEV ownership experience with seamless access to 400K charging stations across 349 cities
- '22 focus: further strengthen Lincoln brand, scale BEVs, and enhance customer experience to deliver significant improvement in EBIT

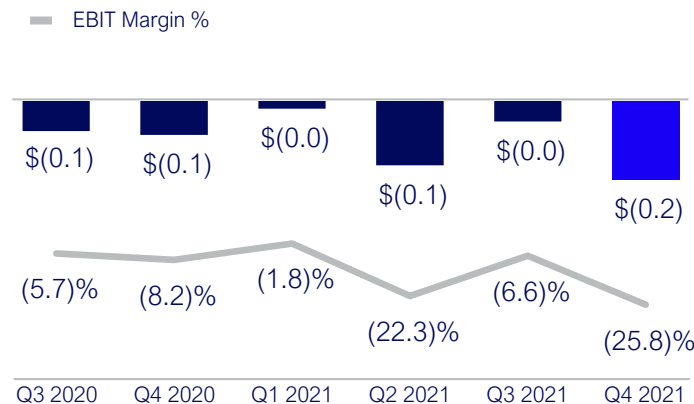
Wholesale Units (000)\*



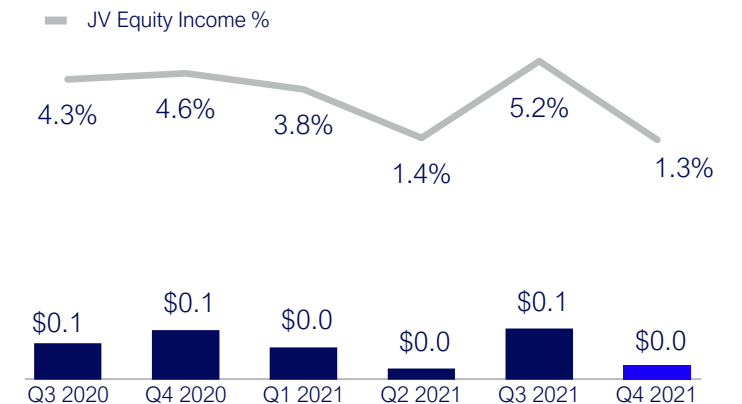
Revenue (\$B)



EBIT (\$B) and EBIT Margin (%)



JV Equity Income (\$B) and Equity Income (%)



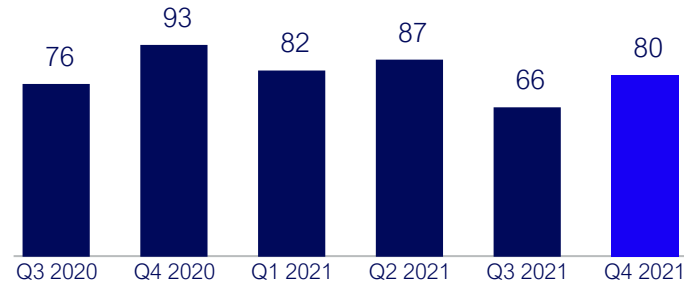
\* Wholesale units includes Ford and Lincoln brand and Jiangling Motors Corporation (JMC) brand vehicles produced and sold in China by our unconsolidated affiliates; and from Q2 2021 Ford brand vehicles produced in Taiwan by Lio Ho Group. Revenue does not include any of these sales

# International Markets Group

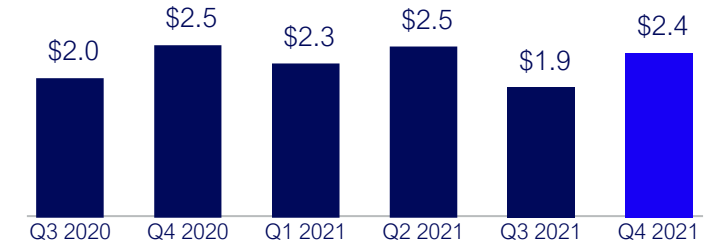
## Portfolio strengths of Ranger pickup and Everest

- Delivered solid profits; Ranger, lynchpin for region, increased share 1.1 ppts to 14.9%
- Investing nearly \$2B in South Africa and Thailand to modernize Ranger production
- '22 focus: launch of next-generation Ranger across four assembly plants, complete India restructuring, enhance customer experiences to further strengthen profitability

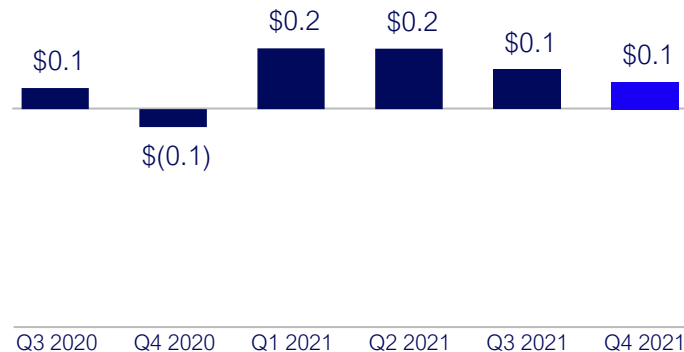
Wholesale Units (000)\*



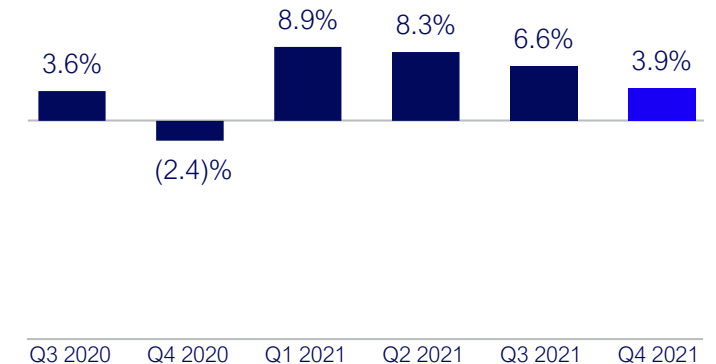
Revenue (\$B)



EBIT (\$B)



EBIT Margin (%)

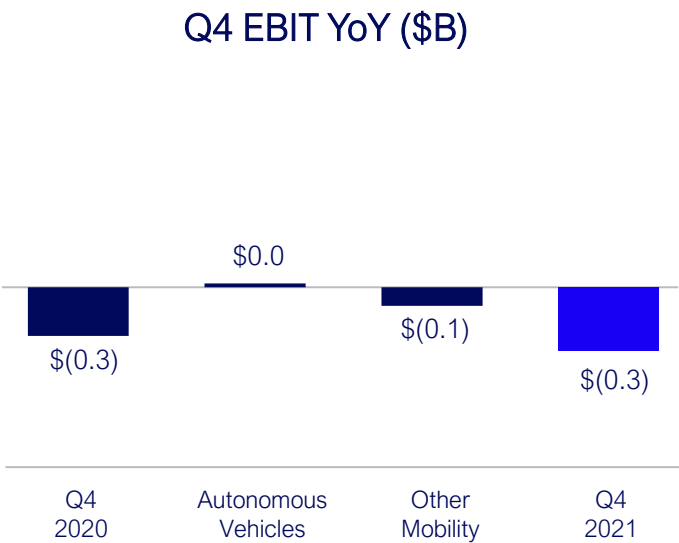
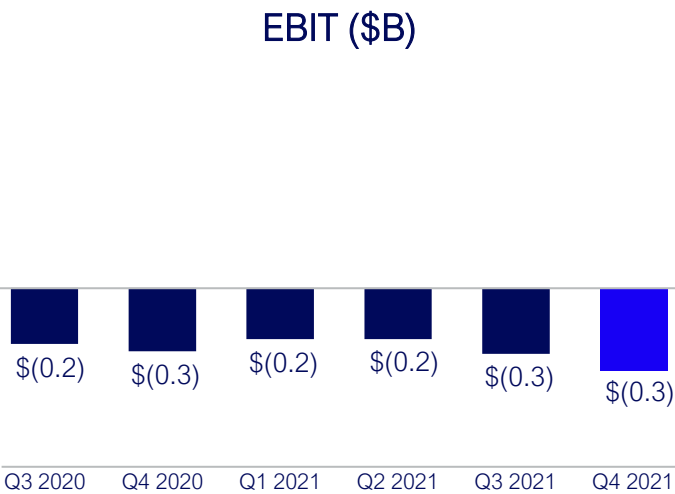


\* Includes Ford brand vehicles produced and sold by our unconsolidated affiliate in Russia (5K units in Q4 2020 and 8K units in Q4 2021). Revenue does not include these sales

# Mobility

Focused on large scale commercial deployment of autonomous vehicles for moving people and goods

- Confident in Argo AI’s progress on delivering a Level 4 autonomous vehicle solution; fully support Argo AI’s access to public funding
- Steady progress towards the scaled commercialization of moving people and goods
- Rationalizing investment portfolio and focusing on autonomous development



# Cash Flow And Balance Sheet (\$B)

	Fourth Quarter		Full Year	
	2020	2021	2020	2021
Company Adj. EBIT excl. Ford Credit	\$ 0.8	\$ 1.0	\$ (0.1)	\$ 5.3
Capital spending	\$ (1.5)	\$ (1.8)	\$ (5.7)	\$ (6.2)
Depreciation and tooling amortization	1.3	1.3	5.3	5.1
Net Spending	\$ (0.3)	\$ (0.5)	\$ (0.4)	\$ (1.1)
Receivables	\$ 0.0	\$ 0.5	\$ 0.4	\$ (0.2)
Inventory	0.3	1.4	0.3	(1.8)
Trade payables	(0.2)	(0.8)	1.3	0.3
Changes in Working Capital	\$ 0.1	\$ 1.1	\$ 2.0	\$ (1.7)
Ford Credit distributions	1.3	1.0	3.3	7.5
Interest on debt and cash taxes	(0.7)	(0.8)	(1.8)	(2.3)
All Other and timing differences (a)	0.6	0.5	(1.7)	(3.1)
Company Adjusted FCF	\$ 1.9	\$ 2.3	\$ 1.3	\$ 4.6
Global Redesign (incl. Separations)	(0.1)	(0.3)	(0.5)	(1.9)
Changes in debt	(0.4)	(5.4)	8.4	(3.7)
Funded pension contributions	(0.1)	(0.2)	(0.6)	(0.8)
Shareholder distributions	(0.0)	(0.4)	(0.6)	(0.4)
All Other (b)	0.1	9.1	0.5	7.9
Change in Cash	\$ 1.3	\$ 5.0	\$ 8.5	\$ 5.7

	Balance Sheet	
	2020 Dec. 31	2021 Dec. 31
<u>Company Excl. Ford Credit</u>		
Company Cash Balance (c)	\$ 30.8	\$ 36.5
Liquidity (c)	46.9	52.4
Debt	(24.0)	(20.4)
Cash Net of Debt	6.8	16.1
<u>Pension Funded Status</u>		
Funded Plans	\$ 0.3	\$ 5.8
Unfunded Plans	(7.0)	(6.1)
Total Global Pension	\$ (6.7)	\$ (0.3)
Total Funded Status OPEB	\$ (6.6)	\$ (6.0)

## Q4 Adjusted FCF Of \$2.3B, Driven By Working Capital Improvement, EBIT And Ford Credit Distributions

- a. Includes timing differences between accrual-based EBIT and associated cash flows (e.g., marketing incentive and warranty payments to dealers, pension and OPEB income or expense) and non-cash investment gains or losses
- b. 2021 includes our investment in Rivian of \$10.6B and cash premium paid of \$(1.6)B associated with repurchasing and redeeming \$7.6B of higher coupon debt
- c. At December 31, 2021, includes Rivian shares of \$10.6B, which were valued at \$103.69 per share. Our investment is marked to market on a recurring basis and gains and losses could be material in any period.
- At February 2, 2022, Rivian common shares were valued at \$64.32 per share

# Special Items (\$B)

## Global Redesign

	Fourth Quarter		Full Year	
	2020	2021	2020	2021
South America	\$ (2.4)	\$ (0.1)	\$ (2.5)	\$ (0.8)
Europe	(0.3)	(0.2)	(0.7)	(0.5)
Russia	(0.0)	(0.0)	0.0	0.0
China (including Taiwan)	(0.0)	(0.0)	(0.1)	0.2
India	(0.0)	(0.1)	(0.0)	(0.5)
Separations and Other (not included above)	(0.1)	(0.0)	(0.1)	(0.1)
Subtotal Global Redesign	\$ (2.9)	\$ (0.5)	\$ (3.4)	\$ (1.7)

## Other Items

Gain on transaction with Argo AI	\$ -	\$ -	\$ 3.5	\$ -
Gain on Rivian IPO and mark-to-market	-	8.2	0.1	9.1
Gains and losses on investments in equity securities (excl. Rivian)	(0.0)	0.1	0.1	0.1
Debt extinguishment premium	-	(1.7)	-	(1.7)
Takata field service action	(0.6)	-	(0.6)	-
Ford Credit - Brazil and Argentina	-	0.0	-	0.0
Other	(0.0)	-	(0.2)	(0.0)
Subtotal Other Items	\$ (0.6)	\$ 6.6	\$ 2.9	\$ 7.5

## Pension and OPEB Gain / (Loss)

Pension and OPEB remeasurement	\$ (1.6)	\$ 3.5	\$ (1.4)	\$ 3.9
Pension settlements & curtailments	(0.0)	(0.0)	(0.1)	(0.1)
Subtotal Pension and OPEB Gain / (Loss)	\$ (1.6)	\$ 3.5	\$ (1.5)	\$ 3.8

## Total EBIT Special Items

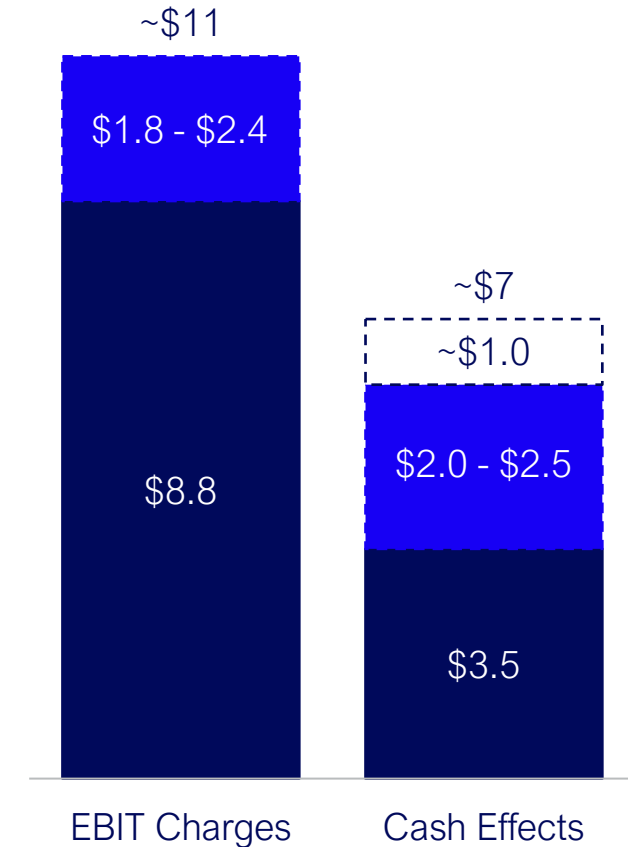
	\$ (5.1)	\$ 9.6	\$ (2.0)	\$ 9.6
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Cash effect of Global Redesign (incl. separations)

	\$ (0.1)	\$ (0.3)	\$ (0.5)	\$ (1.9)
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## Global Redesign

- ▤ Potential 2023+ Actions and Cash Effects
- 2022 Actions and Cash Effects
- Recorded 2018 - 2021



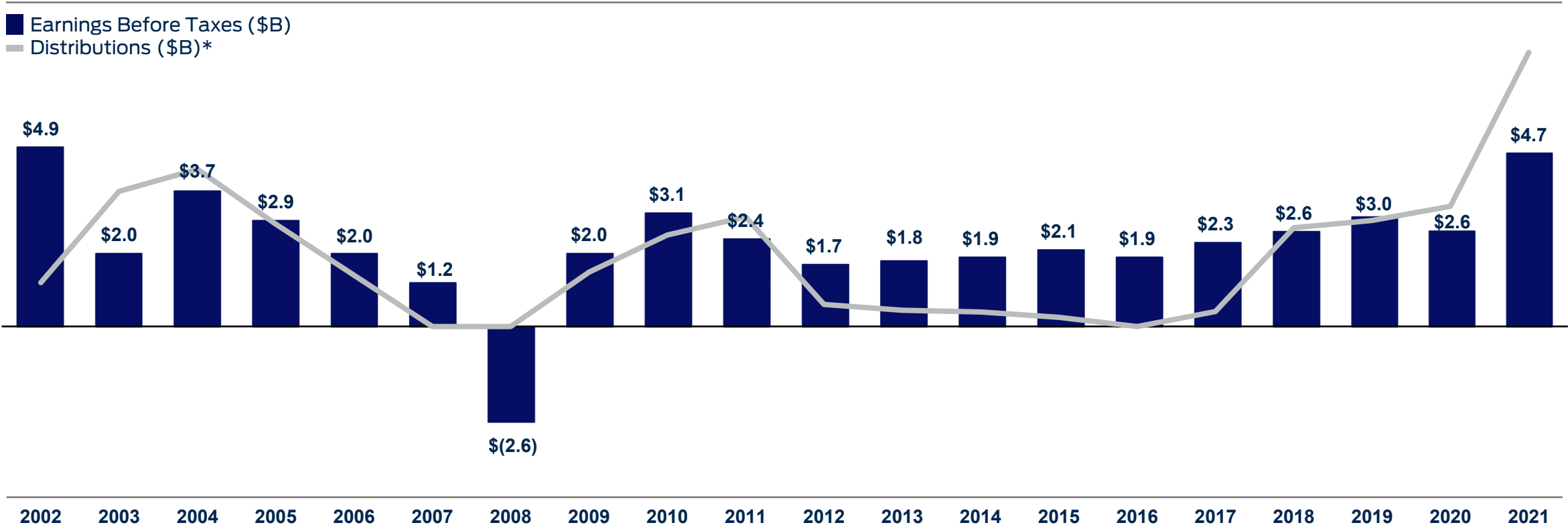
**Total EBIT Special Items Of \$9.6B Reflect Rivian Gain And Pension Remeasurement, Offset Partially By Debt Extinguishment Premiums And Global Redesign**

# Ford Credit



2022 Escape

# Ford Credit -- A Strategic Asset



Over The Last 20 Years, Ford Credit Generated  
\$46 Billion In Earnings Before Taxes And \$39 Billion In Distributions

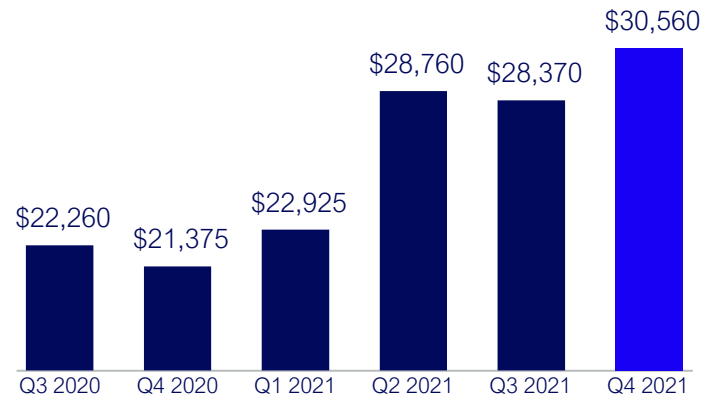
\* Distributions for the year 2020 have been updated, as a result of our adoption of ASU 2019-12, Simplifying the Accounting for Income Taxes. Distributions for years prior to 2020 have not been updated in this chart.

# Key Metrics

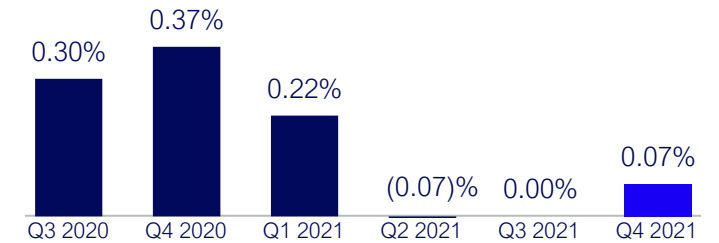
Best-in-class finance company

- Delivered another year of strong financial results and #1 for J.D. Power's U.S. mass-market financing satisfaction
- In Q4, new customer innovations such as FinSimple commercial lines of credit drove a 23% YoY increase in U.S. commercial vehicle financing

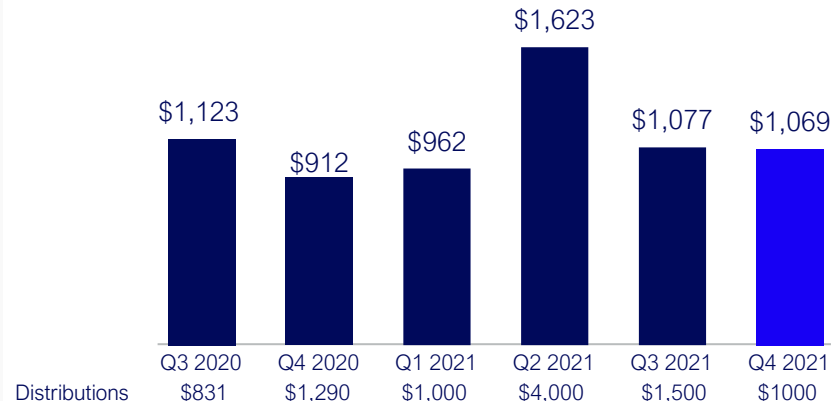
Auction Values (Per Unit) \*



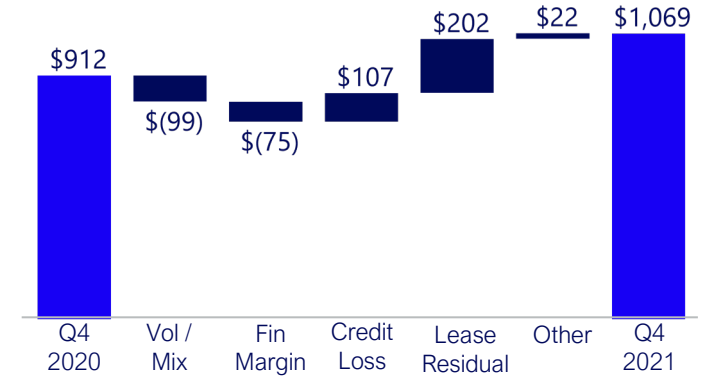
U.S. Retail LTR Ratio (%)



EBT (\$M)



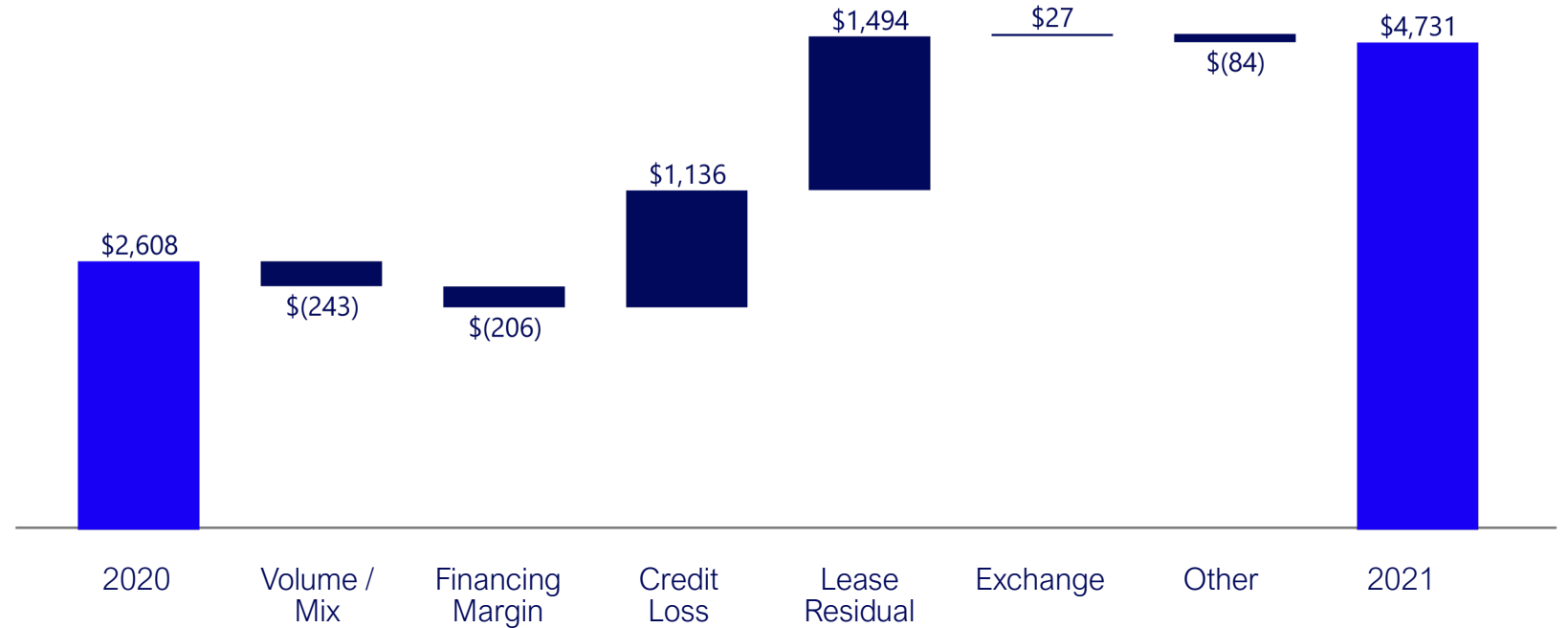
Q4 EBT YoY (\$M)



\* U.S. 36-month off-lease auction values at Q4 2021 mix

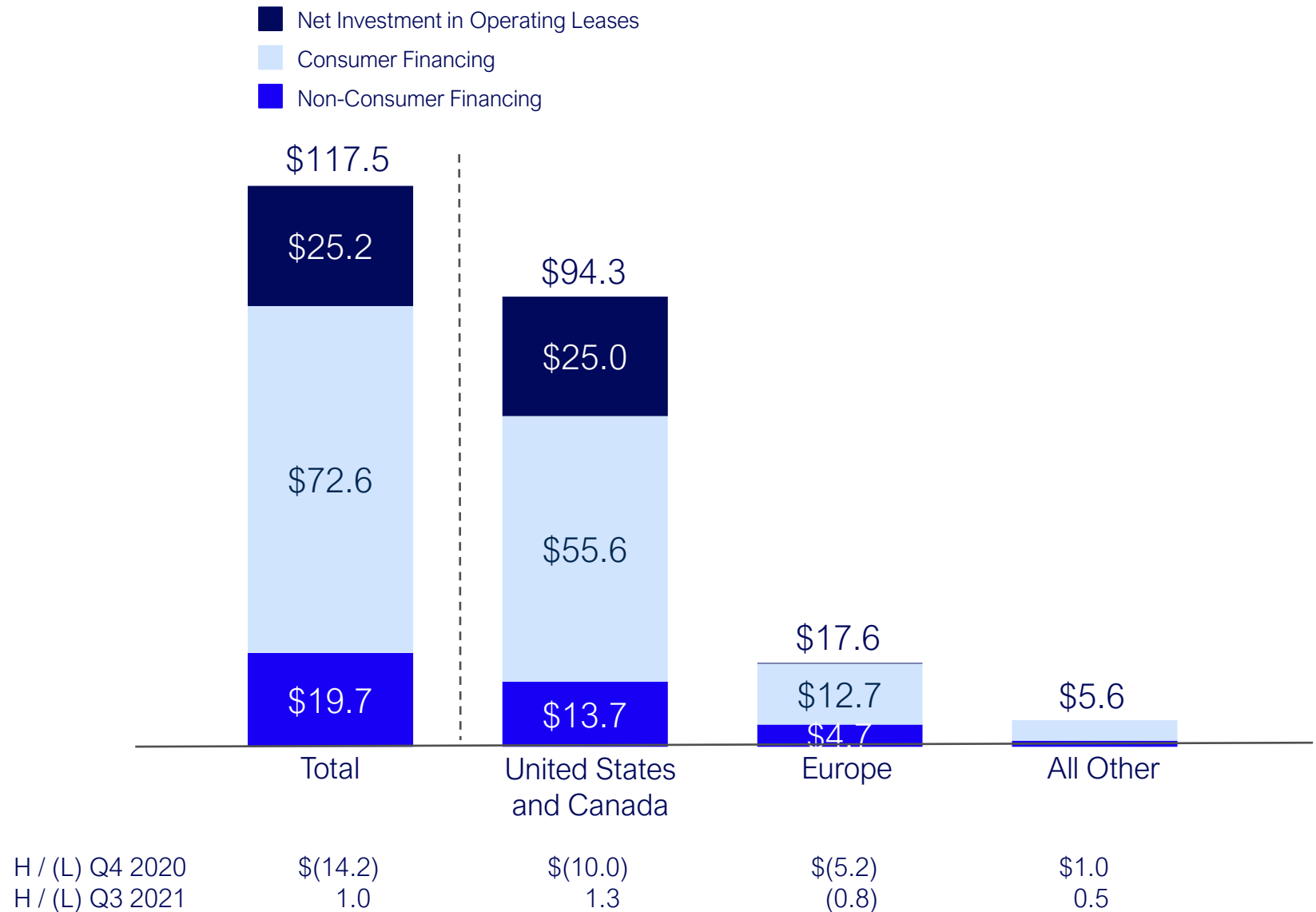
# FY 2021 EBT YoY Bridge (\$M)

- FY EBT at \$4.7B, up 81% YoY
- Volume & mix primarily driven by lower receivables
- Credit loss primarily reflects lower charge-offs and lower reserve levels
- Lease residual performance driven by improved auction values



# Q4 2021 Net Receivables Mix (\$B)

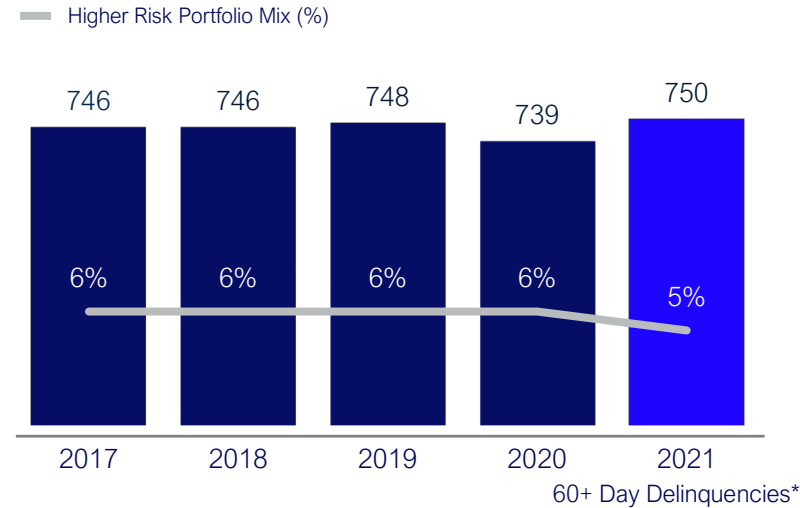
- Receivables declined \$14.2B YoY, primarily reflecting lower wholesale receivables
- Operating lease portfolio was 21% of total net receivables



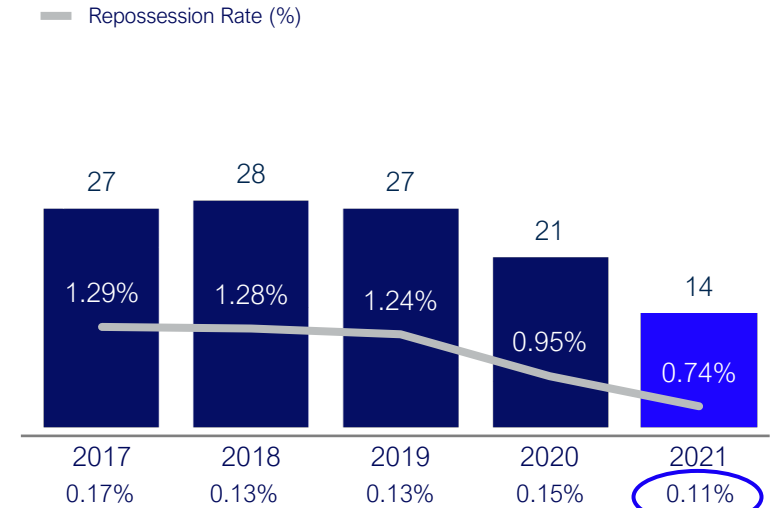
# U.S. Origination Metrics And Credit Loss Drivers

- Disciplined and consistent underwriting practices
- Portfolio quality evidenced by FICO scores and consistent risk mix
- Repossessions, charge-offs and LTR remain low and significantly below historical levels
- Extended-term contracts relatively small part of our business

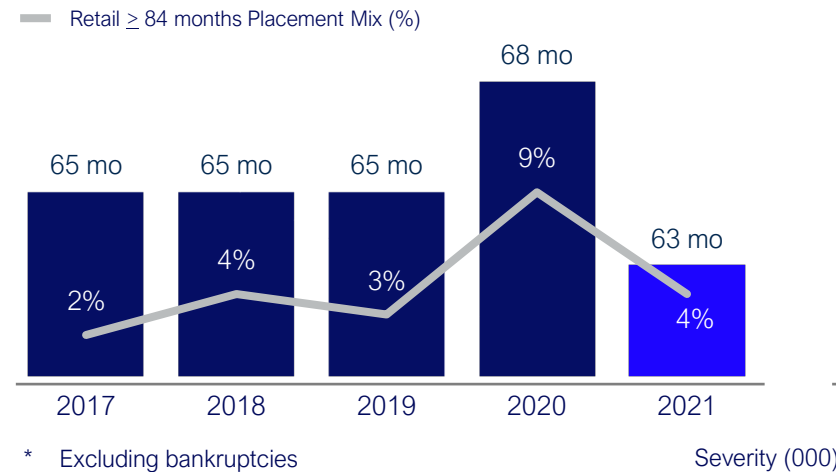
## Retail & Lease FICO and Higher Risk Mix (%)



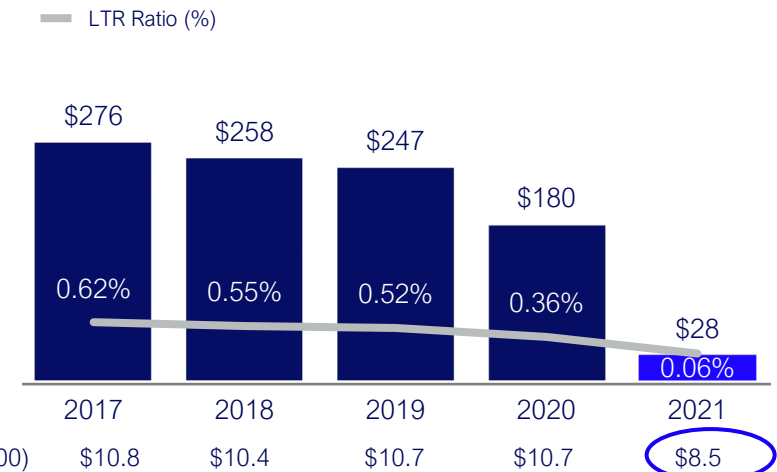
## Retail Repossessions (000) and Repossession Rate (%)



## Retail Contract Terms



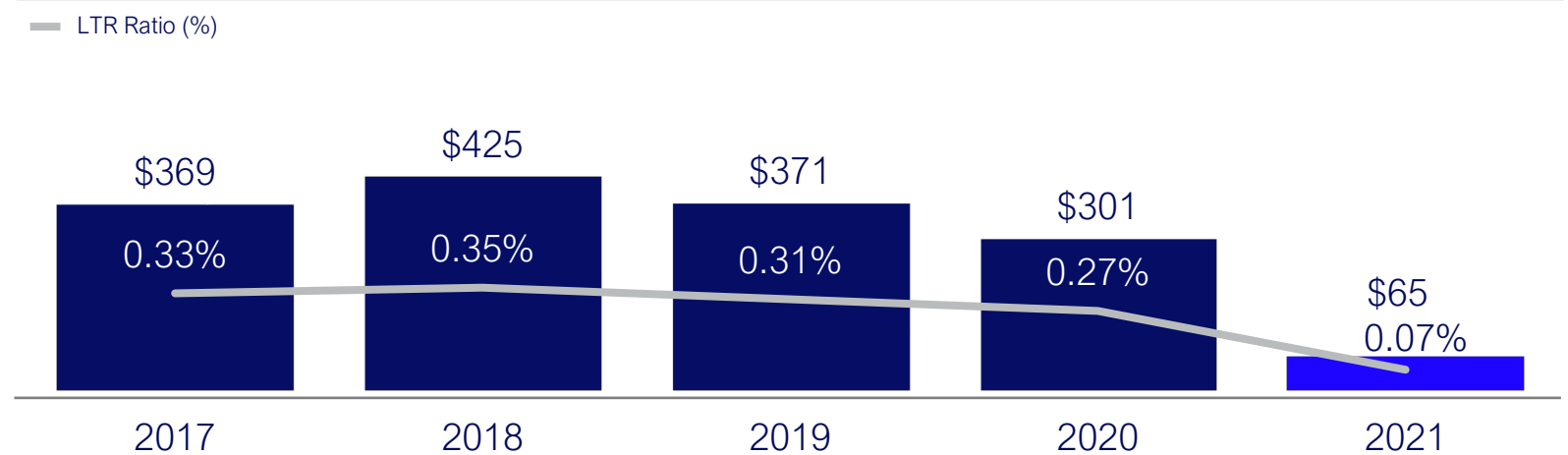
## Retail Charge-Offs (\$M) and LTR Ratio (%)



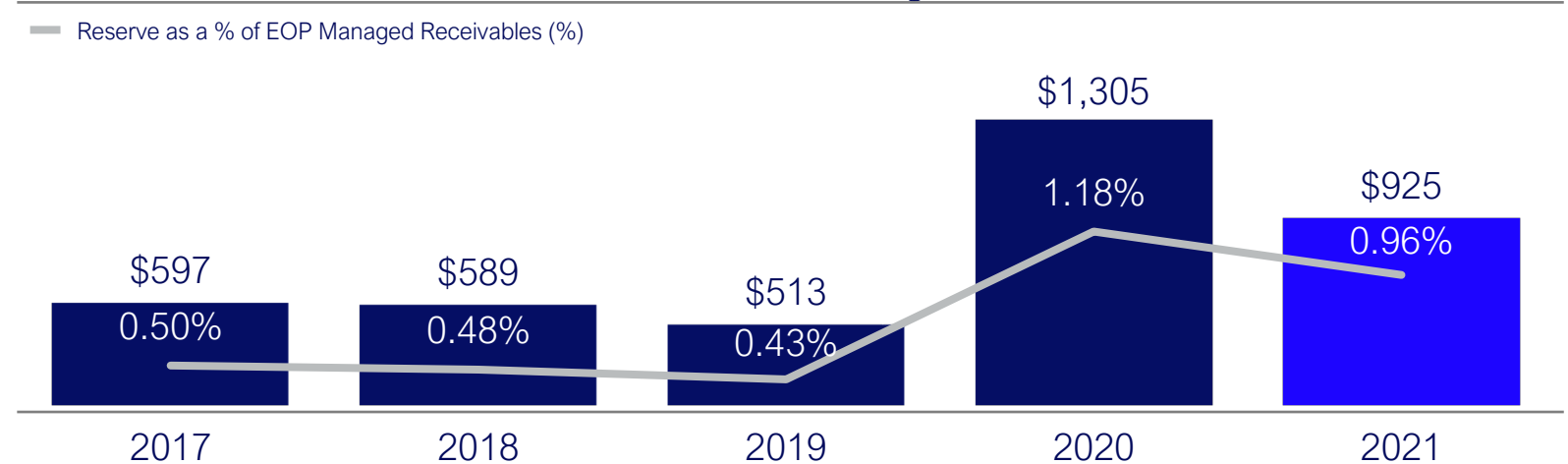
# Worldwide Credit Loss Metrics

- Worldwide credit loss metrics remain strong
- Credit loss reserve based on historical losses, portfolio quality, and receivables level
- Credit loss reserve reduced reflecting expectation of lower lifetime losses and lower receivables

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



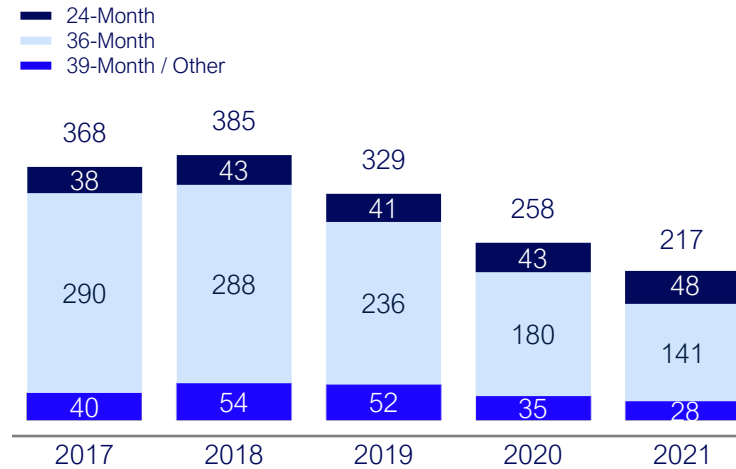
Credit Loss Reserve (\$M) and Reserve as a % of EOP Managed Receivables



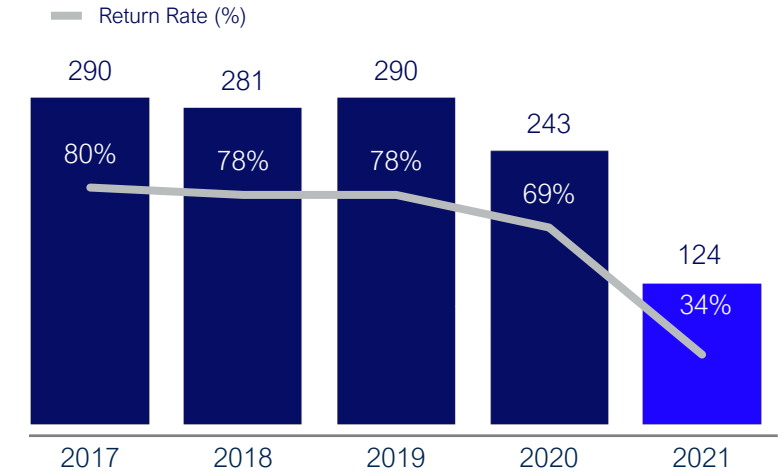
# U.S. Lease Metrics

- Lease share below industry, reflecting Ford sales mix
- Lower lease return volume and return rate reflect higher auction values
- Auction values up 25%

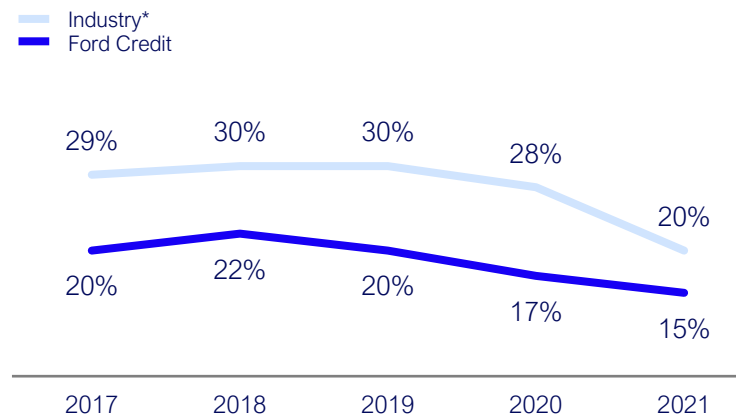
## Lease Placement Volume (000)



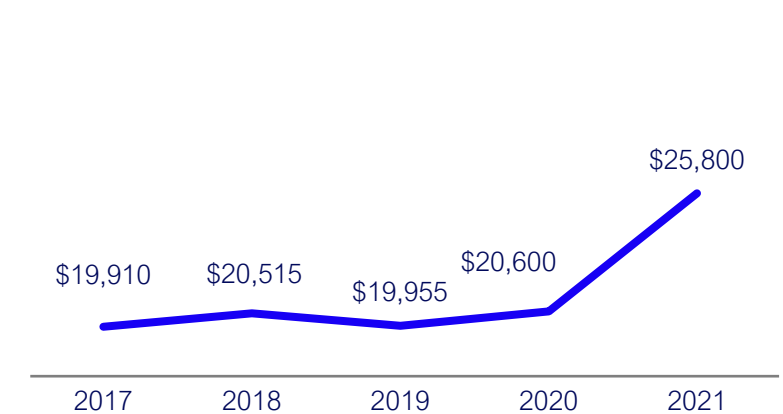
## Lease Return Volume (000) and Return Rates (%)



## Lease Share of Retail Sales (%)



## Off-Lease Auction Values (\$36-month, at Q4 2021 Mix)

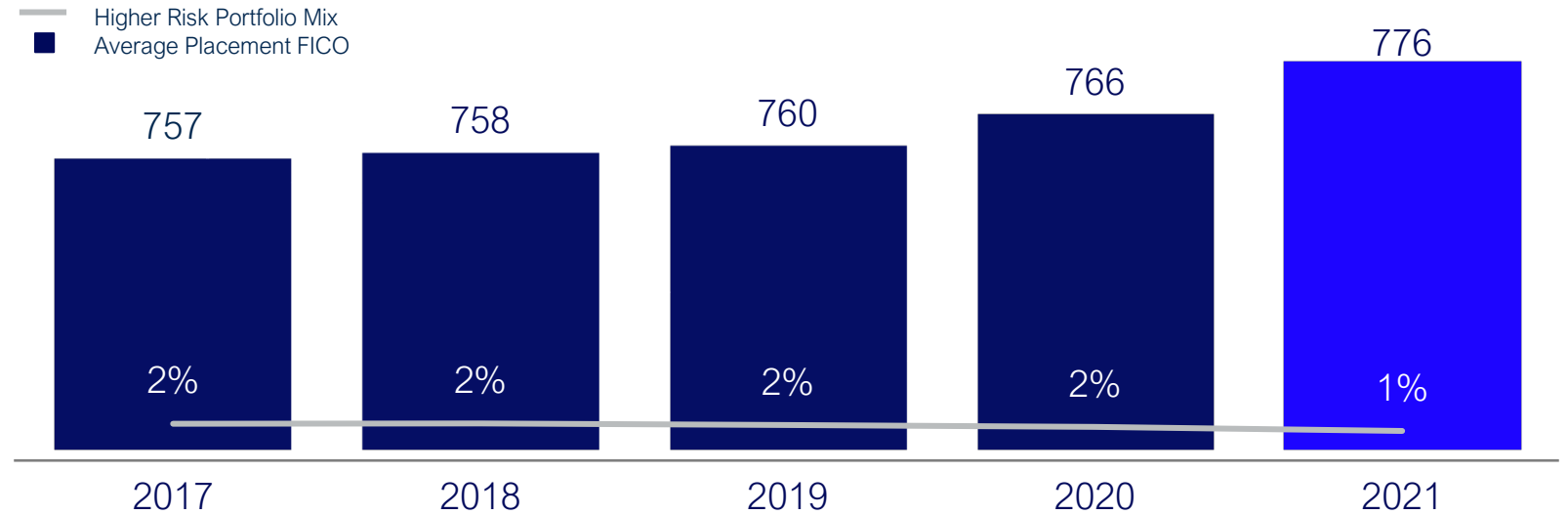


\* Source: J.D. Power PIN

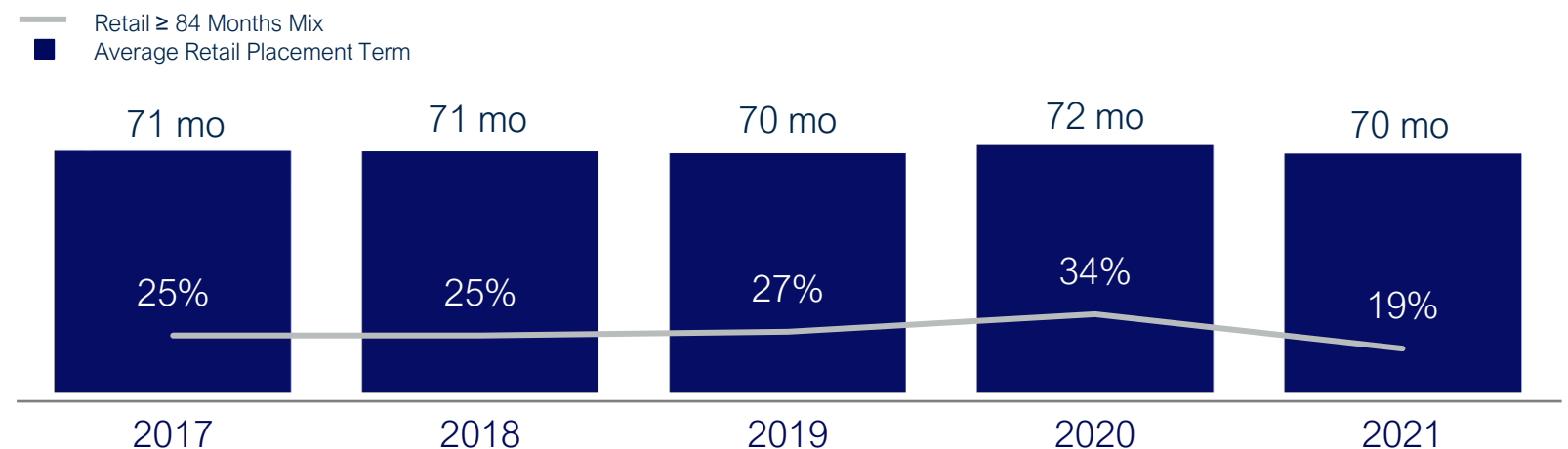
# FCCC Origination Metrics

- Disciplined and consistent underwriting practices
- Portfolio quality evidenced by FICO scores and steady risk mix
- Extended-term contracts remain a significant part of our business and consistent with overall market

## Retail and Lease FICO and Higher Risk Mix (%)



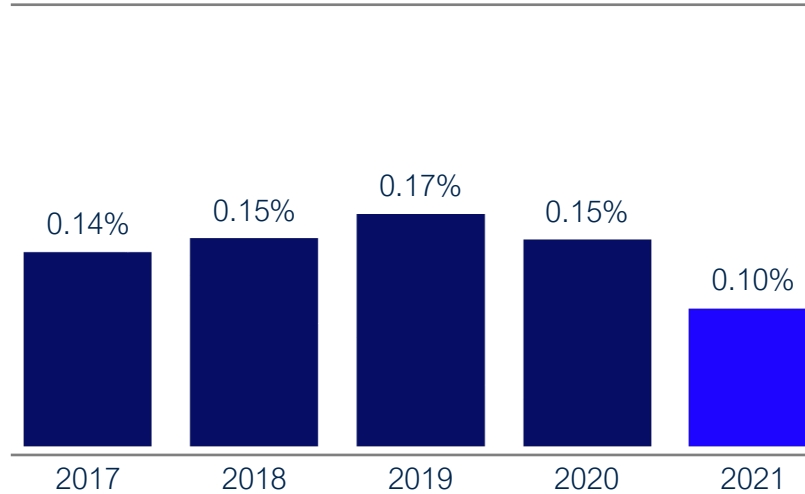
## Retail Contract Terms



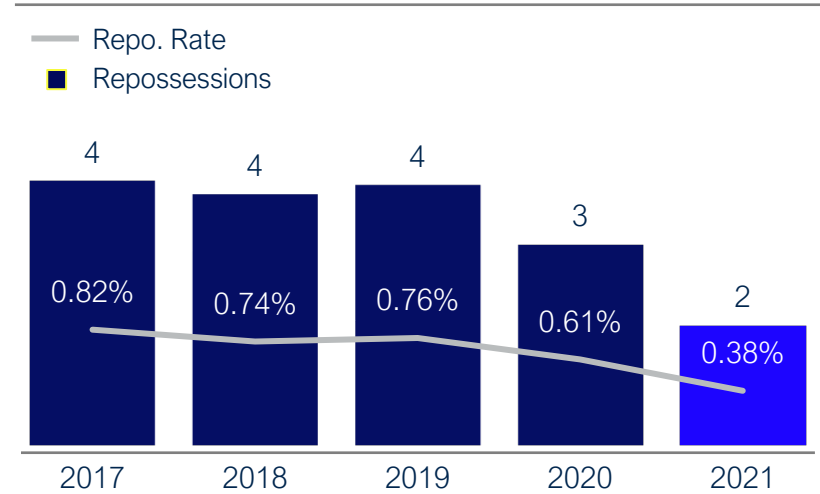
# FCCC Retail And Lease Credit Loss Drivers

- Delinquencies and repossessions remain low
- Charge-offs and LTR decreased YoY
- Strong loss metrics reflect healthy consumer credit conditions

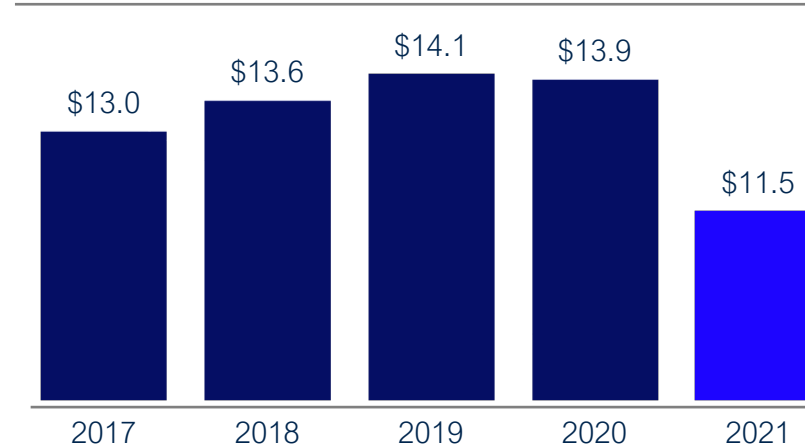
Avg. Over-60-Day Delinquencies  
(excl. Bankruptcies)



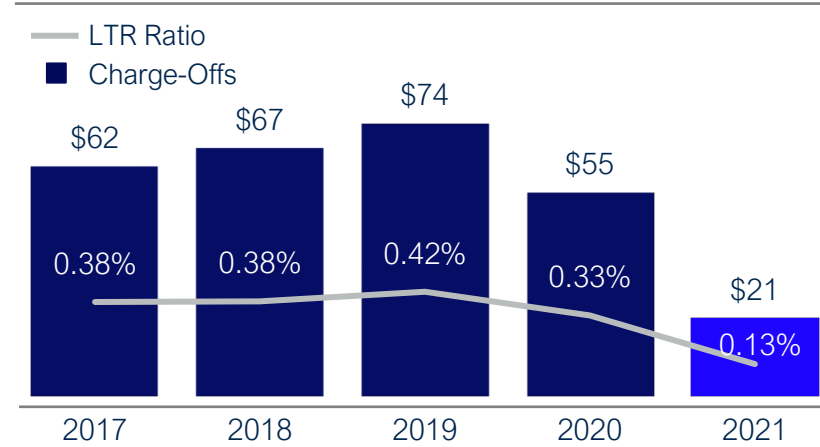
Repossessions (000) and Repo. Rate (%)



Severity (000)

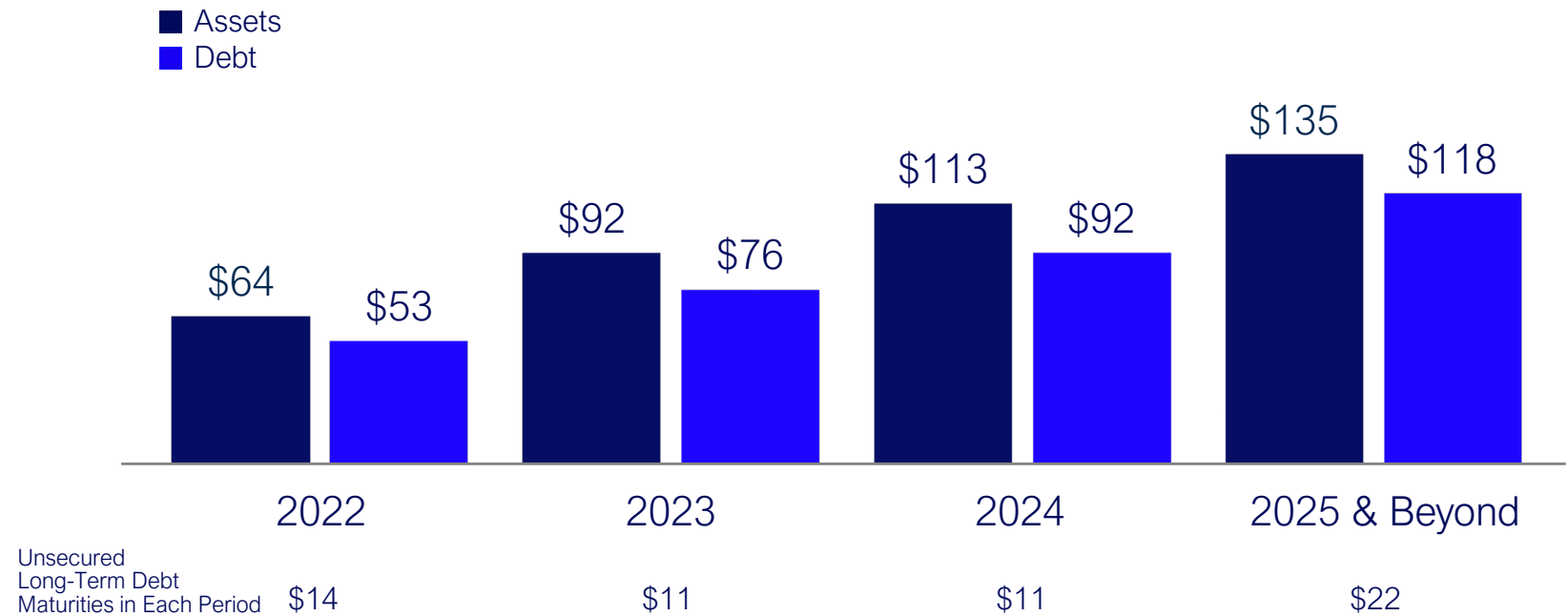


Charge-Offs (Mils) and LTR Ratio (%)



# Cumulative Maturities At Dec. 31, 2021\* (\$B)

- Strong balance sheet is inherently liquid with cumulative debt maturities having a longer tenor than asset maturities
- \$74B of \$135B assets are unencumbered



\* See Appendix for assets and debt definitions

# Funding Structure – Managed Receivables\* (\$B)

- Well capitalized with a strong balance sheet; \$32B in net liquidity
- Funding is diversified across platforms and markets
- Managed leverage is within the target range
- Ford Money Germany hit more than \$2B in retail deposits by year end, providing a low-cost source of funding

	2020 Dec 31	2021 Dec 31
Term Unsecured Debt	\$ 73.3	\$ 59.4
Term Asset-Backed Securities	54.6	45.4
Ford Interest Advantage / Retail Deposits	9.8	12.9
Other	5.7	5.7
Equity	15.6	12.4
Adjustments for Cash	(18.5)	(12.4)
<b>Total Managed Receivables</b>	<b>\$ 140.5</b>	<b>\$ 123.4</b>
Securitized Funding as Pct of Managed Receivables	38.8%	36.7%
Net Liquidity	\$ 35.4	\$ 32.0
Managed Leverage	7.5	8.4

\* See Appendix for definitions and reconciliation to GAAP

# Public Term Funding Plan\* (\$B)

- Completed \$14B of public issuance in 2021
- Strong balance sheet and substantial liquidity provide funding flexibility
- Reduced public funding reflects smaller balance sheet

	2020 Actual	2021 Actual	2022 Forecast**	Through Feb 2
Unsecured	\$ 14	\$ 5	\$ 8 - 11	\$ 2
Securitizations***	13	9	6 - 9	1
Total	<u>\$ 27</u>	<u>\$ 14</u>	<u>\$ 14 - 20</u>	<u>\$ 3</u>

\* See Appendix for definitions

\*\* As of February 3, 2022

\*\*\* Includes Rule 144A offerings

# 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 a shortage of key components, such as semiconductors, or raw materials can disrupt Ford’s production of vehicles;
- 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, or new business strategies;
- Operational systems, security systems, vehicles, and services could be affected by cyber incidents, ransomware attacks, and other disruptions;
- Ford’s production, as well as Ford’s suppliers’ production, could be disrupted by labor issues, natural or man-made disasters, 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, digital and physical services, and mobility services are subject to market acceptance and face significant competition from existing and new entrants in the automotive, mobility, and digital services industries;
- Ford’s near-term 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, geopolitical, protectionist trade policies, or other events, including tariffs;
- Industry sales volume in any of Ford’s key markets 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 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;
- 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 other postretirement benefit 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 to comply with safety, emissions, fuel economy, autonomous vehicle, 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, 2021, as updated by subsequent Quarterly Reports on Form 10-Q and Current Reports on Form 8-K.

# Appendix



2022 Bronco Raptor

# Company Key Metrics



	Wholesale Units (000)						Market Share (%)					
	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021
North America	651	540	533	327	546	599	13.6 %	12.1 %	12.5 %	10.4 %	11.2 %	14.3 %
South America	48	63	18	18	20	26	5.7	6.0	3.6	2.3	2.4	2.4
Europe	239	339	278	182	218	213	7.8	7.1	7.2	6.1	6.2	6.1
China	164	202	150	150	162	186	2.4	2.4	2.3	2.3	2.5	2.5
International Markets Group	76	93	82	87	66	80	1.7	2.0	1.7	1.8	1.8	1.7
Total Automotive	1,178	1,238	1,062	764	1,012	1,104	6.0 %	5.4 %	5.3 %	4.9 %	4.9 %	5.4 %

	Revenue (\$B)						Revenue Change (%)					
	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021
North America	\$ 25.3	\$ 22.0	\$ 23.0	\$ 15.0	\$ 24.0	\$ 25.8	8 %	(13) %	5 %	37 %	(5) %	17 %
South America	0.6	0.9	0.4	0.5	0.6	0.8	(39)	(10)	(40)	124	(1)	(8)
Europe	5.7	7.1	7.1	5.6	6.1	5.7	(10)	1	13	55	7	(19)
China	1.0	0.8	0.8	0.6	0.6	0.6	15	(17)	39	(31)	(41)	(27)
International Markets Group	2.0	2.5	2.3	2.5	1.9	2.4	(11)	5	15	141	(7)	(7)
Total Automotive	\$ 34.7	\$ 33.2	\$ 33.6	\$ 24.1	\$ 33.2	\$ 35.3	2 %	(9) %	7 %	45 %	(4) %	6 %

# Company Key Metrics



	EBIT (\$B)						EBIT Change (%)					
	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021
North America	\$ 3.2	\$ 1.1	\$ 2.9	\$ 0.2	\$ 2.4	\$ 1.8	65 %	54 %	N/M %	120 %	(24) %	68 %
South America	(0.1)	(0.1)	(0.1)	(0.1)	0.0	0.0	34	40	35	48	102	134
Europe	(0.4)	0.4	0.3	(0.3)	(0.1)	(0.2)	N/M	N/M	N/M	57	88	(139)
China	(0.1)	(0.1)	(0.0)	(0.1)	(0.0)	(0.2)	79	68	94	9	32	(130)
International Markets Group	0.1	(0.1)	0.2	0.2	0.1	0.1	180	64	N/M	N/M	73	N/M
Total Automotive	\$ 2.7	\$ 1.3	\$ 3.4	\$ (0.1)	\$ 2.5	\$ 1.6	112 %	N/M %	N/M %	95 %	(8) %	30 %

	EBIT Margin (%)						EBIT Margin Change (ppts)					
	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021
North America	12.6 %	4.9 %	12.8 %	1.3 %	10.1 %	7.1 %	4.3 ppts	2.1 ppts	11.1 ppts	9.9 ppts	(2.5) ppts	2.2 ppts
South America	(17.1)	(12.2)	(16.7)	(15.9)	0.3	4.5	(1.4)	6.0	(1.3)	52.2	17.4	16.7
Europe	(7.8)	5.8	4.8	(5.1)	(0.9)	(2.8)	(5.5)	4.8	7.2	13.4	6.9	(8.6)
China	(5.7)	(8.2)	(1.8)	(22.3)	(6.6)	(25.8)	26.1	13.0	38.8	(5.4)	(0.9)	(17.6)
International Markets Group	3.6	(2.4)	8.9	8.3	6.6	3.9	7.5	4.7	10.2	22.9	3.0	6.3
Total Automotive	7.7 %	3.8 %	10.1 %	(0.4) %	7.4 %	4.7 %	4.0 ppts	3.2 ppts	10.6 ppts	12.0 ppts	(0.3) ppts	0.9 ppts

# Company Key Metrics



	Wholesale Units (000)						Market Share (%)					
	Q4 2020	Q4 2021	2021 B / (W) 2020	2020 FY	2021 FY	2021 B / (W) 2020	Q4 2020	Q4 2021	2021 B / (W) 2020	2020 FY	2021 FY	2021 B / (W) 2020
North America	540	599	59	2,081	2,006	(75)	12.1 %	14.3 %	2.2 ppts	13.2 %	12.0 %	(1.2) ppts
South America	63	26	(37)	185	81	(104)	6.0	2.4	(3.7)	6.2	2.6	(3.7)
Europe	339	213	(126)	1,020	891	(128)	7.1	6.1	(1.0)	7.2	6.4	(0.8)
China	202	186	(16)	617	649	31	2.4	2.5	0.1	2.4	2.4	(0.0)
International Markets Group	93	80	(14)	284	315	31	2.0	1.7	(0.3)	1.7	1.8	0.0
Total Automotive	1,238	1,104	(134)	4,187	3,942	(245)	5.4 %	5.4 %	(0.1) ppts	5.8 %	5.1 %	(0.6) ppts

	Revenue (\$B)						EBIT Margin (%)					
	Q4 2020	Q4 2021	2021 B / (W) 2020	2020 FY	2021 FY	2021 B / (W) 2020	Q4 2020	Q4 2021	2021 B / (W) 2020	2020 FY	2021 FY	2021 B / (W) 2020
North America	\$ 22.0	\$ 25.8	\$ 3.8	\$ 80.0	\$ 87.8	\$ 7.7	4.9 %	7.1 %	2.2 ppts	4.6 %	8.4 %	3.8 ppts
South America	0.9	0.8	(0.1)	2.5	2.4	(0.1)	(12.2)	4.5	16.7	(19.9)	(5.1)	14.8
Europe	7.1	5.7	(1.3)	22.6	24.5	1.8	5.8	(2.8)	(8.6)	(3.8)	(0.6)	3.2
China	0.8	0.6	(0.2)	3.2	2.5	(0.7)	(8.2)	(25.8)	(17.6)	(15.6)	(12.8)	2.8
International Markets Group	2.5	2.4	(0.2)	7.5	9.0	1.4	(2.4)	3.9	6.3	(2.2)	6.9	9.1
Total Automotive	\$ 33.2	\$ 35.3	\$ 2.0	\$ 115.9	\$ 126.1	\$ 10.3	3.8 %	4.7 %	0.9 ppts	1.5 %	5.9 %	4.4 ppts

# Company Q4 Results (\$M)



	Fourth Quarter			Full Year		
	2020	2021	2021 B / (W) 2020	2020	2021	2021 B / (W) 2020
North America	\$ 1,083	\$ 1,822	\$ 739	\$ 3,710	\$ 7,377	\$ 3,667
South America	(105)	36	141	(490)	(121)	369
Europe	409	(159)	(568)	(851)	(154)	697
China	(65)	(150)	(85)	(499)	(327)	172
International Markets Group	(62)	92	154	(164)	622	786
Automotive	\$ 1,260	\$ 1,641	\$ 381	\$ 1,706	\$ 7,397	\$ 5,691
Mobility	(259)	(342)	(83)	(1,052)	(1,030)	22
Ford Credit	912	1,055	143	2,608	4,717	2,109
Corporate Other	(196)	(312)	(116)	(726)	(1,084)	(358)
Adjusted EBIT	\$ 1,717	\$ 2,042	\$ 325	\$ 2,536	\$ 10,000	\$ 7,464
Interest on Debt	(474)	(438)	36	(1,649)	(1,803)	(154)
Special Items (excl. tax)	(5,053)	9,614	14,667	(2,003)	9,583	11,586
Taxes	1,019	1,055	36	(160)	130	290
Less: Non-Controlling Interests	(3)	(9)	(6)	3	(27)	(30)
Net Income / (Loss) Attributable to Ford	<u>\$ (2,788)</u>	<u>\$ 12,282</u>	<u>\$ 15,070</u>	<u>\$ (1,279)</u>	<u>\$ 17,937</u>	<u>\$ 19,216</u>
Company Adjusted Free Cash Flow (\$B)	\$ 1.9	\$ 2.3	\$ 0.5	\$ 1.3	\$ 4.6	\$ 3.3
Revenue (\$B)	36.0	37.7	1.7	127.1	136.3	9.2
Company Adjusted EBIT Margin (%)	4.8 %	5.4 %	0.6 ppts	2.0 %	7.3 %	5.3 ppts
Net Income / (Loss) Margin (%)	(7.8)	32.6	40.4	(1.0)	13.2	14.2
Adjusted ROIC (Trailing Four Quarters) (%)	0.7	9.8	9.1	0.7	9.8	9.1
Adjusted EPS	\$ 0.34	\$ 0.26	\$ (0.08)	\$ 0.36	\$ 1.59	\$ 1.23
EPS (GAAP)	(0.70)	3.03	3.73	(0.32)	4.45	4.77

# Company Quarterly Results (\$M)



	2020					2021				
	Q1	Q2	Q3	Q4	Full Year	Q1	Q2	Q3	Q4	Full Year
North America	\$ 372	\$ (946)	\$ 3,201	\$ 1,083	\$ 3,710	\$ 2,943	\$ 192	\$ 2,420	\$ 1,822	\$ 7,377
South America	(112)	(165)	(108)	(105)	(490)	(73)	(86)	2	36	(121)
Europe	(149)	(667)	(444)	409	(851)	341	(284)	(52)	(159)	(154)
China	(241)	(136)	(57)	(65)	(499)	(15)	(123)	(39)	(150)	(327)
International Markets Group	(25)	(149)	72	(62)	(164)	201	204	125	92	622
Automotive	\$ (155)	\$ (2,063)	\$ 2,664	\$ 1,260	\$ 1,706	\$ 3,397	\$ (97)	\$ 2,456	\$ 1,641	\$ 7,397
Mobility	(275)	(286)	(232)	(259)	(1,052)	(207)	(210)	(271)	(342)	(1,030)
Ford Credit	30	543	1,123	912	2,608	962	1,623	1,077	1,055	4,717
Corporate Other	(188)	(146)	(196)	(196)	(726)	(240)	(263)	(269)	(312)	(1,084)
Adjusted EBIT	\$ (588)	\$ (1,952)	\$ 3,359	\$ 1,717	\$ 2,536	\$ 3,912	\$ 1,053	\$ 2,993	\$ 2,042	\$ 10,000
Interest on Debt	(227)	(450)	(498)	(474)	(1,649)	(473)	(453)	(439)	(438)	(1,803)
Special Items (excl. tax)	(331)	3,486	(105)	(5,053)	(2,003)	503	135	(669)	9,614	9,583
Taxes	(847)	34	(366)	1,019	(160)	(680)	(182)	(63)	1,055	130
Less: Non-Controlling Interests	-	1	5	(3)	3	-	(8)	(10)	(9)	(27)
Net Income / (Loss) Attributable to Ford	\$ (1,993)	\$ 1,117	\$ 2,385	\$ (2,788)	\$ (1,279)	\$ 3,262	\$ 561	\$ 1,832	\$ 12,282	\$ 17,937
Company Adjusted Free Cash Flow (\$B)	\$ (2.1)	\$ (4.8)	\$ 6.3	\$ 1.9	\$ 1.3	\$ (0.4)	\$ (5.1)	\$ 7.8	\$ 2.3	\$ 4.6
Revenue (\$B)	34.3	19.4	37.5	36.0	127.1	36.2	26.8	35.7	37.7	136.3
Company Adjusted EBIT Margin (%)	(1.7) %	(10.1) %	9.0 %	4.8 %	2.0 %	10.8 %	3.9 %	8.4 %	5.4 %	7.3 %
Net Income / (Loss) Margin (%)	(5.8)	5.8	6.4	(7.8)	(1.0)	9.0	2.1	5.1	32.6	13.2
Adjusted ROIC (Trailing Four Quarters) (%)	2.5	(3.5)	(0.9)	0.7	0.7	6.6	10.3	9.7	9.8	9.8
Adjusted EPS	\$ (0.22)	\$ (0.36)	\$ 0.60	\$ 0.34	\$ 0.36	\$ 0.70	\$ 0.13	\$ 0.51	\$ 0.26	\$ 1.59
EPS (GAAP)	(0.50)	0.28	0.60	(0.70)	(0.32)	0.81	0.14	0.45	3.03	4.45

Memo: Effective Q4 2021, gains / (losses) on investments in equity securities are treated as special items. Accordingly, the amounts shown above for 2020 and Q1 – Q3 2021 have been recast to exclude the impact of such gains / (losses). The impact of this policy change on Adjusted EBIT and Adjusted FCF is summarized below. See Slide 2 for more information

Adjusted EBIT - impact of change	\$ 44	\$ (6)	\$ (285)	\$ 4	\$ (243)	\$ (904)	\$ (29)	\$ -	\$ -	\$ (933)
Adjusted FCF - impact of change	35	(6)	(255)	(29)	(255)	13	3	16	-	33

# Ford Credit U.S. Origination Metrics And Credit Loss Drivers

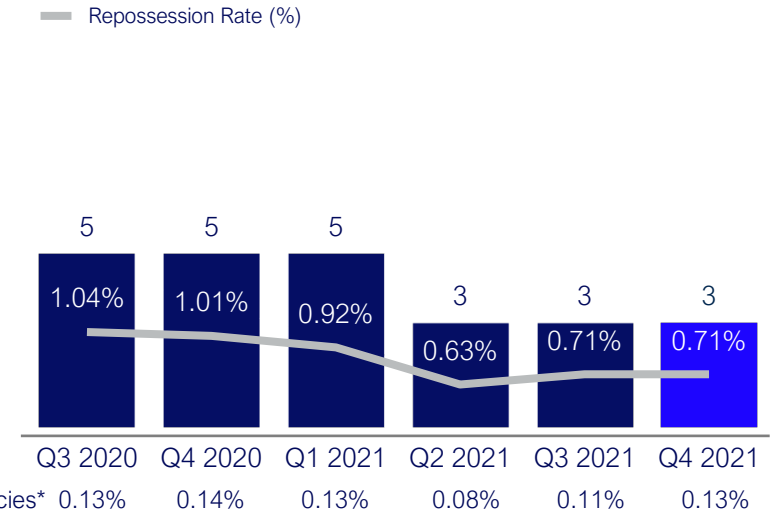


- Disciplined and consistent underwriting practices
- Portfolio quality evidenced by FICO scores and consistent risk mix
- Repossessions, net charge-offs and LTR remain low
- LTR reflects low losses and strong net recoveries during the period

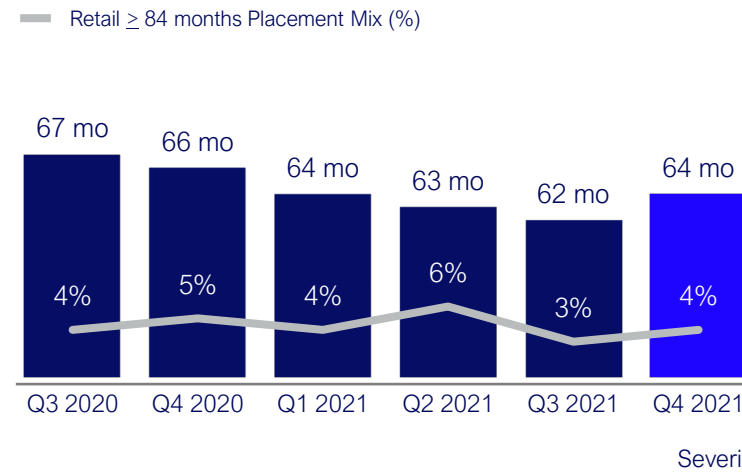
## Retail & Lease FICO and Higher Risk Mix (%)



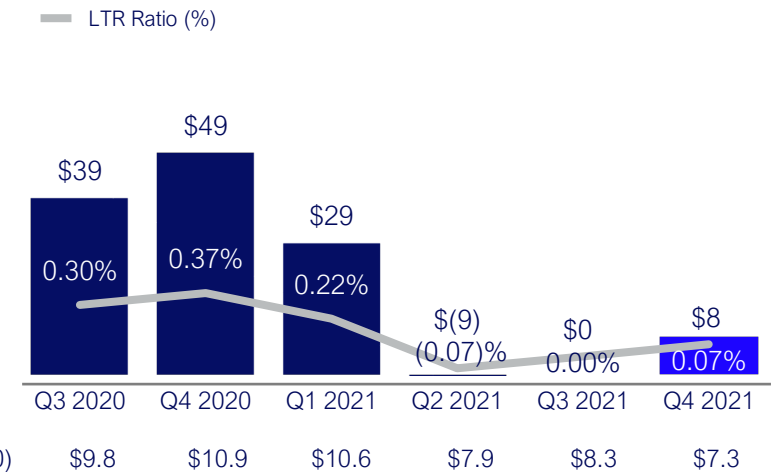
## Retail Repossessions (000) and Repossession Rate (%)



## Retail Contract Terms



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



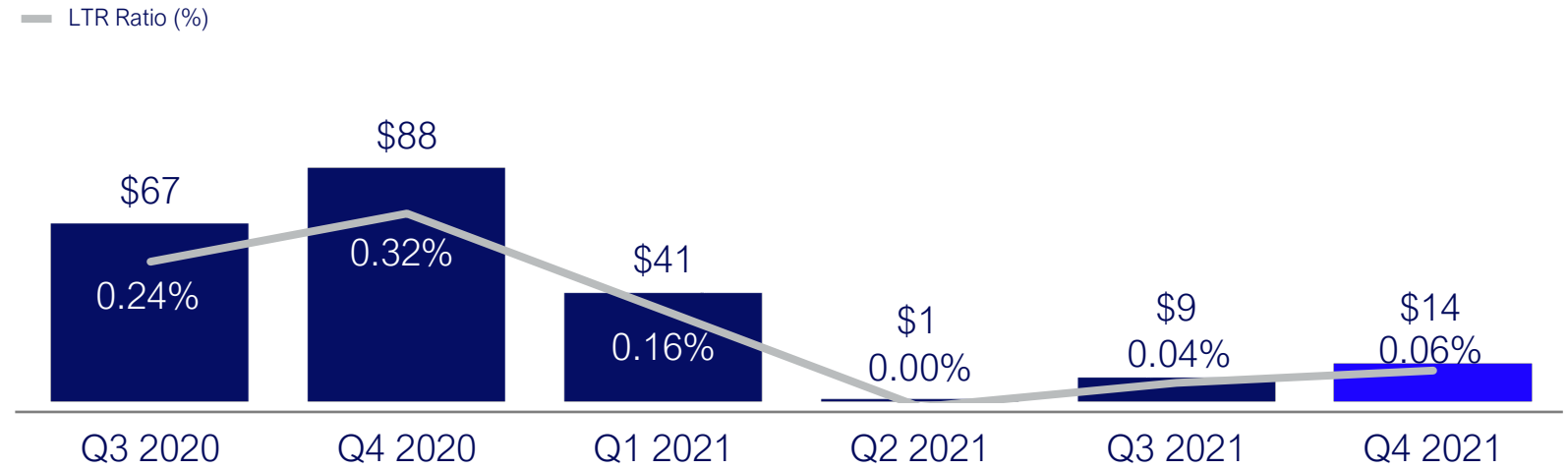
\* Excluding bankruptcies

# Ford Credit Worldwide Credit Loss Metrics

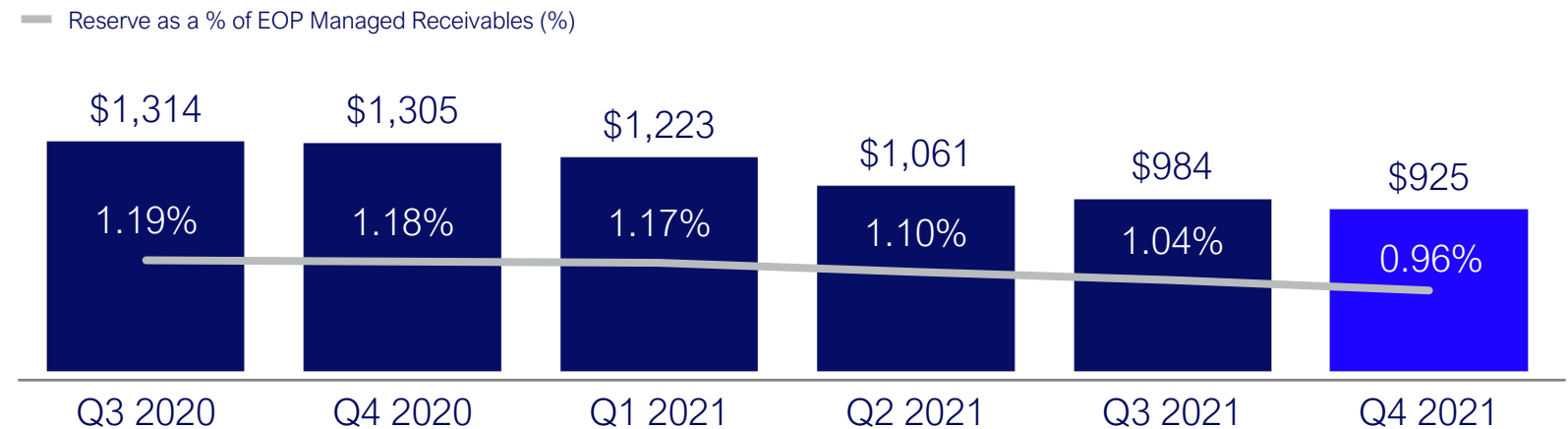


- Worldwide credit loss metrics remain strong and below year ago levels, reflecting continued low losses
- Credit loss reserve reduced reflecting expectation of lower lifetime losses

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



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

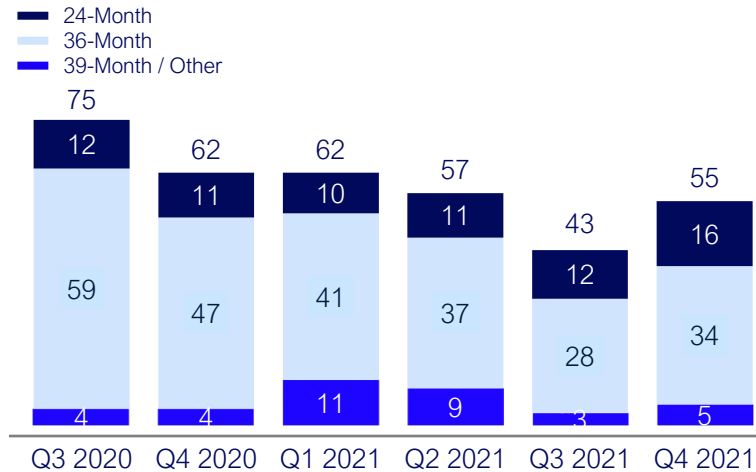


# Ford Credit U.S. Lease Metrics

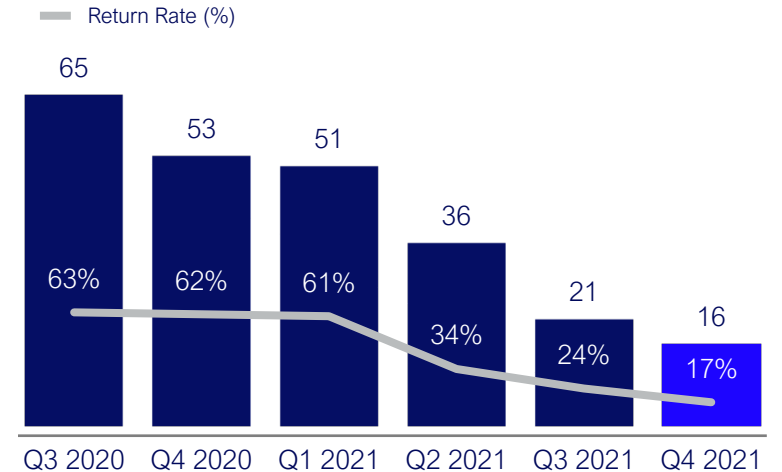


- Auction values up 43% YoY reflecting continued strong demand for used vehicles including impact of lower new vehicle production due to semiconductor shortage
- Lower lease return volume and return rate reflect higher auction values
- Lease share continues to be below industry

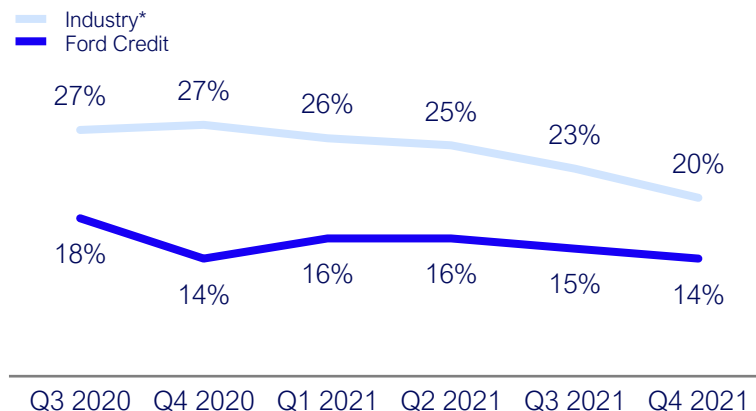
### Lease Placement Volume (000)



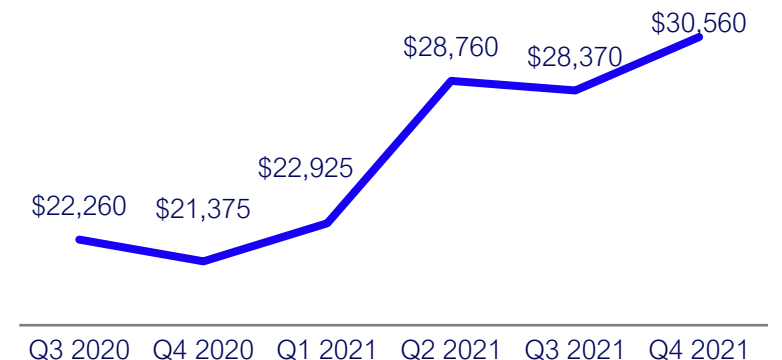
### Lease Return Volume (000) and Return Rates (%)



### Lease Share of Retail Sales (%)



### Off-Lease Auction Values (36-month, at Q4 2021 Mix)



\* Source: J.D. Power PIN

# Ford Credit

## EBT By Segment\* (\$M)



	Q4		Full Year	
		H / (L)		H / (L)
	2021	2020 **	2021	2020 **
<u>Results</u>				
United States and Canada segment	\$ 953	\$ 111	\$ 4,393	\$ 2,152
Europe segment	52	11	254	58
All Other segment	46	46	98	60
Total segments	\$ 1,051	\$ 168	\$ 4,745	\$ 2,270
Unallocated other	18	(11)	(14)	(147)
Earnings before taxes	\$ 1,069	\$ 157	\$ 4,731	\$ 2,123
Taxes	(24)	61	(210)	60
Net income	<u>\$ 1,045</u>	<u>\$ 218</u>	<u>\$ 4,521</u>	<u>\$ 2,183</u>
Distributions	\$ 1,000	\$ (290)	\$ 7,500	\$ 5,085

\* See Appendix for definitions

\*\* Prior period amounts have been updated as a result of our adoption of ASU 2019-12, Simplifying the Accounting for Income Taxes

# Financing Shares And Contract Placement Volume

	Q4		Full Year	
	2020	2021	2020	2021
<u>Share of Ford Sales*</u>				
United States	40 %	51 %	56 %	48 %
Canada	94	75	74	70
U.K.	40	24	40	33
Germany	39	37	39	39
China	42	43	39	44
<u>Wholesale Share</u>				
United States	74 %	72 %	74 %	72 %
Canada	24	8	38	10
U.K.	100	100	100	100
Germany	93	89	93	91
China	64	65	62	66
<u>Contract Placement Volume - New and Used (000)</u>				
United States	193	217	954	749
Canada	36	35	137	131
U.K.	37	13	80	81
Germany	28	15	76	69
China	42	43	119	146

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

# Financing Shares And Contract Placement Volume

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
<u>Share of Ford Sales*</u>					
United States	55 %	58 %	51 %	56 %	48 %
Canada	77	75	66	74	70
U.K.	35	37	39	40	33
Germany	48	48	47	41	39
China	28	35	35	39	44
<u>Wholesale Share</u>					
United States	76 %	76 %	75 %	74 %	72 %
Canada	61	59	57	40	10
U.K.	100	100	100	100	100
Germany	94	93	93	92	91
China	57	63	60	62	66
<u>Contract Placement Volume - New and Used (000)</u>					
United States	1,119	1,151	952	954	749
Canada	183	168	141	137	131
U.K.	174	150	139	101	81
Germany	155	160	165	107	69
China	256	170	108	119	146

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

# Ford Credit Liquidity Sources\* (\$B)



	2019 Dec 31	2020 Dec 31	2021 Dec 31
<u>Liquidity Sources</u>			
Cash	\$ 11.7	\$ 18.5	\$ 12.4
Committed asset-backed facilities	36.6	38.1	37.1
Other unsecured credit facilities	3.0	2.5	2.7
Ford corporate credit facility allocation	3.0	-	-
Total liquidity sources	\$ 54.3	\$ 59.1	\$ 52.2
<u>Utilization of Liquidity</u>			
Securitization & restricted cash	\$ (3.6)	\$ (3.9)	\$ (3.9)
Committed asset-backed facilities	(17.3)	(16.7)	(12.5)
Other unsecured credit facilities	(0.8)	(0.5)	(1.0)
Ford corporate credit facility allocation	-	-	-
Total utilization of liquidity	\$ (21.7)	\$ (21.1)	\$ (17.4)
Gross liquidity	\$ 32.6	\$ 38.0	\$ 34.8
ABS capacity in excess of eligible receivables and other adjustments	0.4	(2.6)	(2.8)
Net liquidity available for use	\$ 33.0	\$ 35.4	\$ 32.0

\* See Appendix for definitions

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

	Fourth Quarter		Full Year	
	2020	2021	2020	2021
Net income / (loss) attributable to Ford (GAAP)	\$ (2,788)	\$ 12,282	\$ (1,279)	\$ 17,937
Income / (Loss) attributable to non-controlling interests	(3)	(9)	3	(27)
Net income / (loss)	\$ (2,791)	\$ 12,273	\$ (1,276)	\$ 17,910
Less: (Provision for) / Benefit from income taxes *	1,019	1,055	(160)	130
Income / (Loss) before income taxes	\$ (3,810)	\$ 11,218	\$ (1,116)	\$ 17,780
Less: Special items pre-tax	(5,053)	9,614	(2,003)	9,583
Income / (Loss) before special items pre-tax	\$ 1,243	\$ 1,604	\$ 887	\$ 8,197
Less: Interest on debt	(474)	(438)	(1,649)	(1,803)
Adjusted EBIT (Non-GAAP)	<u>\$ 1,717</u>	<u>\$ 2,042</u>	<u>\$ 2,536</u>	<u>\$ 10,000</u>
Memo:				
Revenue (\$B)	\$ 36.0	\$ 37.7	\$ 127.1	\$ 136.3
Net income / (loss) margin (GAAP) (%)	(7.8) %	32.6 %	(1.0) %	13.2 %
Adjusted EBIT margin (%)	4.8	5.4	2.0	7.3

\* Full year 2021 includes the recognition of net deferred tax assets and changes in our valuation allowances, offset by tax consequences of unrealized gains on marketable securities

# Net Cash Provided By / (Used In) Operating Activities

## Reconciliation To Company Adj. FCF (\$M)

						Full Year	
	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	2020	2021
Net cash provided by / (Used in) operating activities (GAAP)	\$ 4,539	\$ 4,492	\$ 756	\$ 7,008	\$ 3,531	\$ 24,269	\$ 15,787
Less: <u>Items Not Included in Company Adjusted Free Cash Flows</u>							
Ford Credit operating cash flows	3,010	4,998	9,638	(341)	998	21,592	15,293
Funded pension contributions	(141)	(229)	(164)	(209)	(171)	(570)	(773)
Global Redesign (including separations)	(127)	(345)	(970)	(293)	(327)	(503)	(1,935)
Ford Credit tax payments / (refunds) under tax sharing agreement	8	4	-	-	11	477	15
Other, net	(185)	64	(263)	(13)	(129)	(583)	(341)
Add: <u>Items Included in Company Adjusted Free Cash Flows</u>							
Company excluding Ford Credit capital spending	(1,520)	(1,358)	(1,504)	(1,562)	(1,759)	(5,702)	(6,183)
Ford Credit distributions	1,290	1,000	4,000	1,500	1,000	3,290	7,500
Settlement of derivatives	129	(25)	(133)	(42)	(55)	(171)	(255)
Company adjusted free cash flow (Non-GAAP)	<u>\$ 1,873</u>	<u>\$ (383)</u>	<u>\$ (5,122)</u>	<u>\$ 7,760</u>	<u>\$ 2,335</u>	<u>\$ 1,273</u>	<u>\$ 4,590</u>

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

	Fourth Quarter		Full Year	
	2020	2021	2020	2021
<u>Diluted After-Tax Results (\$M)</u>				
Diluted after-tax results (GAAP)	\$ (2,788)	\$ 12,282	\$ (1,279)	\$ 17,937
Less: Impact of pre-tax and tax special items	(4,139)	11,220	(2,724)	11,507
Adjusted net income – diluted (Non-GAAP)	<u>\$ 1,351</u>	<u>\$ 1,062</u>	<u>\$ 1,445</u>	<u>\$ 6,430</u>
 <u>Basic and Diluted Shares (M)</u>				
Basic shares (average shares outstanding)	3,977	3,999	3,973	3,991
Net dilutive options, unvested restricted stock units, unvested restricted stock shares, and convertible debt	36	56	29	43
Diluted shares	<u>4,013</u>	<u>4,055</u>	<u>4,002</u>	<u>4,034</u>
 Earnings / (Loss) per share – diluted (GAAP) *	\$ (0.70)	\$ 3.03	\$ (0.32)	\$ 4.45
Less: Net impact of adjustments	(1.04)	2.77	(0.68)	2.86
Adjusted earnings per share – diluted (Non-GAAP)	<u>\$ 0.34</u>	<u>\$ 0.26</u>	<u>\$ 0.36</u>	<u>\$ 1.59</u>

\* The Q4 and Full Year 2020 calculation of Earnings Per Share - Diluted (GAAP) excludes the 36M and 29M shares respectively of net dilutive options, unvested restricted stock units and restricted stock due to their antidilutive effect

# Effective Tax Rate Reconciliation To Adjusted Effective Tax Rate

	2021		Memo:
	Q4	Full Year	Full Year 2020
<u>Pre-Tax Results (\$M)</u>			
Income / (Loss) before income taxes (GAAP)	\$ 11,218	\$ 17,780	\$ (1,116)
Less: Impact of special items	9,614	9,583	(2,003)
Adjusted earnings before taxes (Non-GAAP)	<u>\$ 1,604</u>	<u>\$ 8,197</u>	<u>\$ 887</u>
<u>Taxes (\$M)</u>			
(Provision for) / Benefit from income taxes (GAAP)	\$ 1,055	\$ 130	\$ (160)
Less: Impact of special items *	1,606	1,924	(721)
Adjusted (provision for) / benefit from income taxes (Non-GAAP)	<u>\$ (551)</u>	<u>\$ (1,794)</u>	<u>\$ 561</u>
<u>Tax Rate (%)</u>			
Effective tax rate (GAAP)	(9.4) %	(0.7) %	(14.3) %
Adjusted effective tax rate (Non-GAAP)	34.4	21.9	(63.2)

\* Full year 2020 includes the establishment of valuation allowances against primarily U.S. tax credits. Full year 2021 includes the recognition of net deferred tax assets and changes in our valuation allowances, offset by tax consequences of unrealized gains on marketable securities

# Company Adjusted ROIC (\$B)



	Four Quarters Ending Q4 2020	Four Quarters Ending Q4 2021
<u>Adjusted Net Operating Profit / (Loss) After Cash Tax</u>		
Net income / (loss) attributable to Ford	\$ (1.3)	\$ 17.9
Add: Non-controlling interest	0.0	(0.0)
Less: Income tax	(0.2)	0.1
Add: Cash tax	(0.4)	(0.6)
Less: Interest on debt	(1.6)	(1.8)
Less: Total pension / OPEB income / (cost)	(1.0)	4.9
Add: Pension / OPEB service costs	(1.1)	(1.1)
Net operating profit / (loss) after cash tax	\$ 0.1	\$ 13.0
Less: Special items (excl. pension / OPEB) pre-tax	(0.4)	5.9
Adj. net operating profit / (loss) after cash tax	<u>\$ 0.5</u>	<u>\$ 7.1</u>
<u>Invested Capital</u>		
Equity	\$ 30.8	\$ 48.6
Redeemable non-controlling interest	-	-
Debt (excl. Ford Credit)	24.0	20.4
Net pension and OPEB liability	13.3	6.4
Invested capital (end of period)	<u>\$ 68.1</u>	<u>\$ 75.4</u>
Average invested capital	<u>\$ 70.7</u>	<u>\$ 72.1</u>
ROIC (a)	0.1 %	18.0 %
Adjusted ROIC (Non-GAAP) (b)	0.7 %	9.8 %

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

# Total Net Receivables Reconciliation To Managed Receivables (\$B)

	2019 Dec 31	2020 Dec 31	2021 Dec 31
Finance receivables, net (GAAP)	\$ 114.3	\$ 105.0	\$ 92.3
Net investment in operating leases (GAAP)	27.7	26.7	25.2
Total net receivables*	\$ 142.0	\$ 131.7	\$ 117.5
Held-for-sale receivables (GAAP)	\$ 1.5	\$ -	\$ -
Unearned interest supplements and residual support	6.7	6.5	4.6
Allowance for credit losses	0.5	1.3	0.9
Other, primarily accumulated supplemental depreciation	1.0	1.0	0.4
Total managed receivables (Non-GAAP)	<u>\$ 151.7</u>	<u>\$ 140.5</u>	<u>\$ 123.4</u>

\* See Appendix for definitions

# Financial Statement Leverage Reconciliation To Managed Leverage\* (\$B)

	2019 <u>Dec 31**</u>	2020 <u>Dec 31**</u>	2021 <u>Dec 31</u>
<u>Leverage Calculation</u>			
Debt	\$ 140.0	\$ 137.7	\$ 117.7
Adjustments for cash	(11.7)	(18.5)	(12.4)
Adjustments for derivative accounting	(0.5)	(1.5)	(0.4)
Total adjusted debt	<u>\$ 127.8</u>	<u>\$ 117.7</u>	<u>\$ 104.9</u>
Equity	\$ 16.4	\$ 15.6	\$ 12.4
Adjustments for derivative accounting	(0.0)	0.1	0.1
Total adjusted equity	<u>\$ 16.4</u>	<u>\$ 15.7</u>	<u>\$ 12.5</u>
Financial statement leverage (to 1) (GAAP)	8.5	8.8	9.5
Managed leverage (to 1) (Non-GAAP)	7.8	7.5	8.4

\* See Appendix for definitions

\*\* Prior period amounts have been updated as a result of our adoption of ASU 2019-12, Simplifying the Accounting for Income Taxes

# 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, 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 the underlying run rate of our business. 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 Automotive and Mobility capital spending, Ford Credit distributions to its parent, and settlement of derivatives. The measure excludes cash outflows for funded pension contributions, global redesign (including separations), 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.
- Ford Credit Managed Receivables – (Most Comparable GAAP Measure: Net Finance Receivables plus Net Investment in Operating Leases) – Measure of Ford Credit’s total net receivables and held-for-sale receivables, excluding unearned interest supplements and residual support, allowance for credit losses, and other (primarily accumulated supplemental depreciation). The measure is useful to management and investors as it closely approximates the customer’s outstanding balance on the receivables, which is the basis for earning revenue.
- Ford Credit Managed Leverage (Most Comparable GAAP Measure: Financial Statement Leverage) – Ford Credit’s debt-to-equity ratio adjusted (i) to exclude cash, cash equivalents, and marketable securities (other than amounts related to insurance activities), and (ii) for derivative accounting. The measure is useful to investors because it reflects the way Ford Credit manages its business. Cash, cash equivalents, and marketable securities are deducted because they generally correspond to excess debt beyond the amount required to support operations and on-balance sheet securitization transactions. Derivative accounting adjustments are made to asset, debt, and equity positions to reflect the impact of interest rate instruments used with Ford Credit’s term-debt issuances and securitization transactions. Ford Credit generally repays its debt obligations as they mature, so the interim effects of changes in market interest rates are excluded in the calculation of managed leverage.

# Company 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, 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, and from the second quarter of 2021, Ford badged vehicles produced in Taiwan by Lio Ho Group. 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

## 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; 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 accrual adjustments on dealer inventory
- Market Factors exclude the impact of unconsolidated affiliate wholesale units

## Earnings Before Taxes (EBT)

- Reflects Income before income taxes

## Records

- References to Company, Automotive segment and business unit records are since at least 2009

# Ford Credit

# Definitions And Calculations



ABS capacity in excess of eligible receivables and other adjustments (as shown on the Liquidity Sources chart)

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

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 on the Funding Structure, Liquidity Sources and Leverage charts)

*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 2022. Also, the chart reflects adjustments to debt maturities to match the asset-backed debt maturities with the underlying asset maturities

Debt (as shown on the Leverage chart)

*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 on the Liquidity Sources chart)

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

Net Charge-Offs

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

Securitization & restricted cash (as shown on the Liquidity Sources chart)

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 on the Public Term Funding Plan chart)

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

Term Asset-Backed Securities (as shown on the Funding Structure chart)

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 on the Total Net Receivables Reconciliation To Managed Receivables chart)

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