

# Q3 2021 Fixed Income Presentation

October 27, 2021



Rendition of future BlueOval City, Stanton, Tennessee, part of a \$7B planned investment by Ford - the largest ever one-time investment in electrification by an auto company in the U.S.

# Further Information

## **FORD FIXED INCOME INVESTOR RELATIONS:**

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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 Annual Report on Form 10-K for the year ended December 31, 2020, as updated by subsequent Quarterly Reports on Form 10-Q and Current Reports on Form 8-K.

## **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.

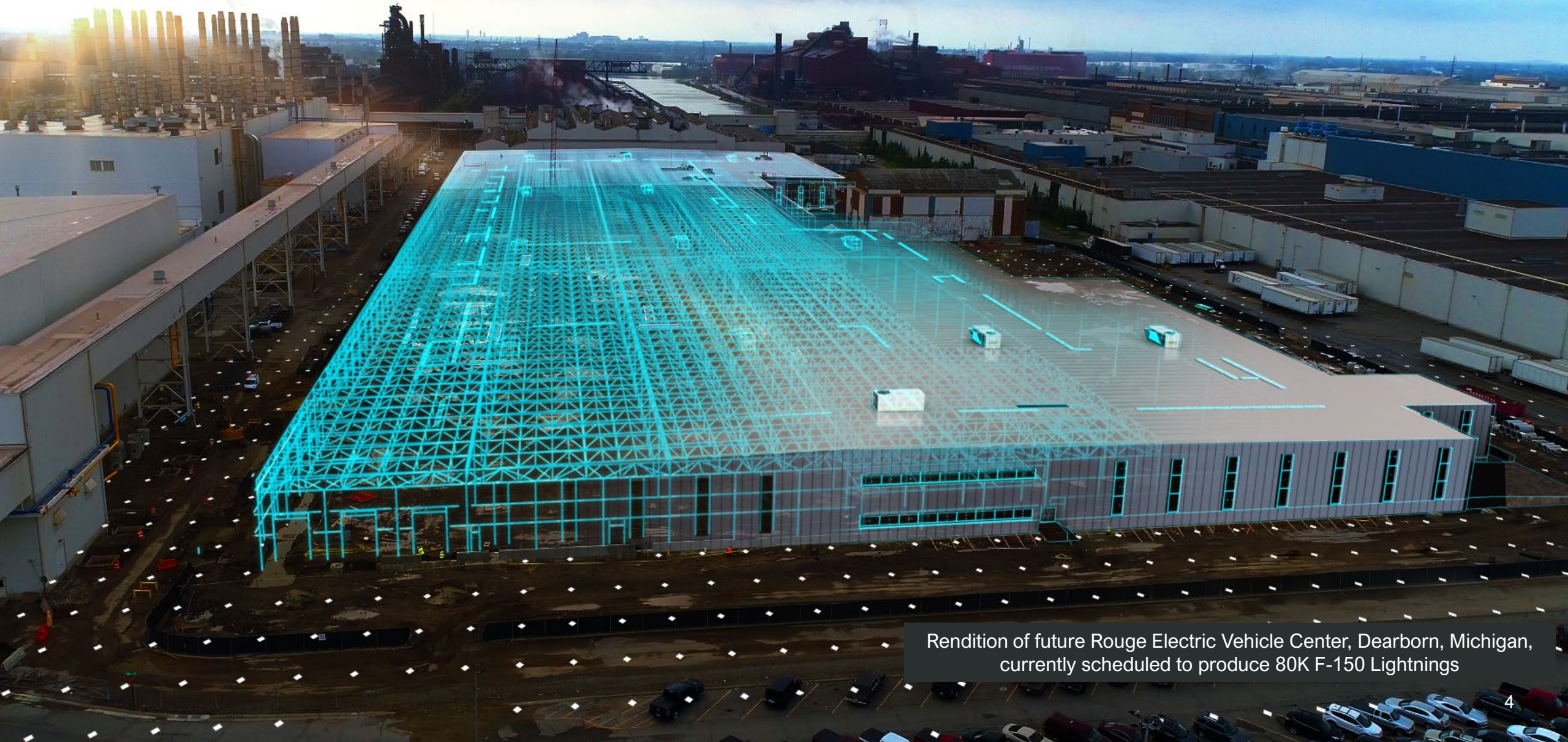
## **REPORTING CHANGES**

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. For details, see Slides A12 - A14 of the Ford Motor Company Q4 & Full Year 2020 Earnings Presentation.

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

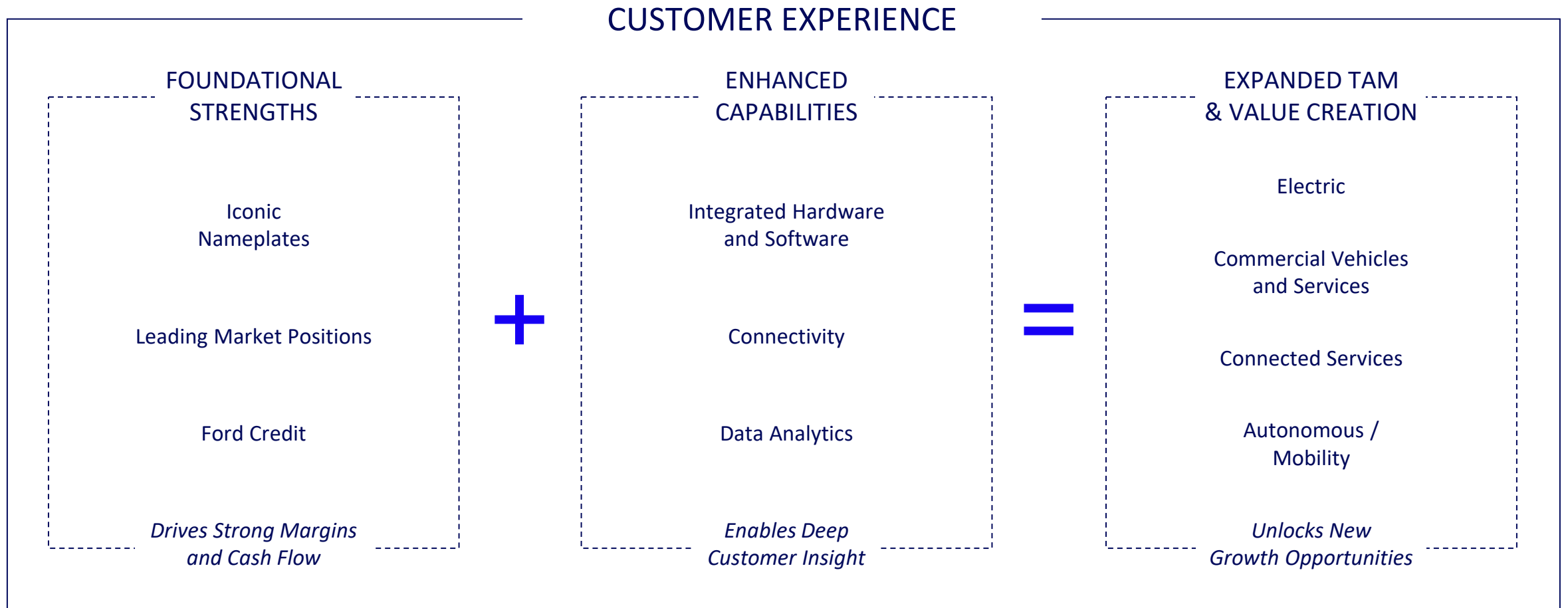


Rendition of future Rouge Electric Vehicle Center, Dearborn, Michigan,  
currently scheduled to produce 80K F-150 Lightnings



# Ford+ Investment Thesis

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



# Executing The Investment Thesis To Deliver Ford+

FOUNDATIONAL  
STRENGTHS



ENHANCED  
CAPABILITIES



EXPANDED TAM  
& VALUE CREATION

## Iconic Nameplates



The first Mustang Mach-E manufactured in China rolled off the assembly line on October 18 – a new era for Ford....more to come

## Integrated Hardware & Software



2021 Ford EVOS: “Co-driver mode” enables simultaneous driver and front passenger screen use for different tasks <sup>1</sup>

## Electric



Building pre-production units of the F-150 Lightning <sup>2</sup>

## Ford Credit



Ford Pro FinSimple simplified financing, unified invoicing and bundled solutions

## Connectivity



Over 8M FordPass customers at the end of Q3

## Autonomous / Mobility



Launching AV delivery service with Argo AI and Walmart <sup>3</sup>

Note: See slide 54 for related notes

# Executing The Investment Thesis To Deliver Ford+

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*



- Ford and SK Innovation plan to invest \$11.4B in Tennessee and Kentucky
  - Ford's \$7B is the largest one-time U.S. electrification investment by an auto manufacturer:
    - » Tennessee: \$2.5B F-Series plant; \$1.6B BlueOval SK battery JV plant
    - » Kentucky: \$2.9B for two BlueOval SK battery JV plants
  - Brings U.S. battery capacity to 141GWh, in line with *current* target; 1M+ batteries per year
- Doubled annual F-150 Lightning production to 80K to meet growing demand
- Collaboration with Redwood Materials for closed-loop battery recycling
- Began construction on new \$1B Electrification Center in Cologne; JV in Turkey invests \$2.4B to produce electrified Transit vans and battery packs; investments in U.K. for first electric vehicle components in Europe

# Executing The Investment Thesis To Deliver Ford+

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*



- Ford Pro stands up new global senior leadership team with experience from inside and outside automotive industry
- FORDLiive, Europe's new connected uptime service for commercial customers, helped customers in the U.K. secure additional uptime – preventing \$8M of lost revenue and associated cost for customers
- 97% of Mustang Mach-E retail customers have connected their vehicles
- Fully support Argo AI's access to public financing; progress on AV vehicles, operating domain and SDS



# Third Quarter Financial Results

<b>Revenue</b> <b>\$35.7B</b> Down \$1.8B	<b>Adj. EBIT</b> <b>\$3.0B</b> Down \$0.7B	<b>Adj. EBIT Margin</b> <b>8.4%</b> Down 1.3 pts	<b>Adj. FCF</b> <b>\$7.7B</b> Up \$1.2B	<b>Adj. EPS</b> <b>\$0.51</b> Down \$0.14
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2021 Ford EVOS ST-Line, featuring industry-leading interface, available to customers in China later this year

## Year-To-Date

<b>\$98.7B</b> Up \$7.5B	<b>\$8.9B</b> Up \$7.8B	<b>9.0%</b> Up 7.8 pts	<b>\$2.2B</b> Up \$2.6B	<b>\$1.52</b> Up \$1.45
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# Q3 Revenue And Adjusted EBIT

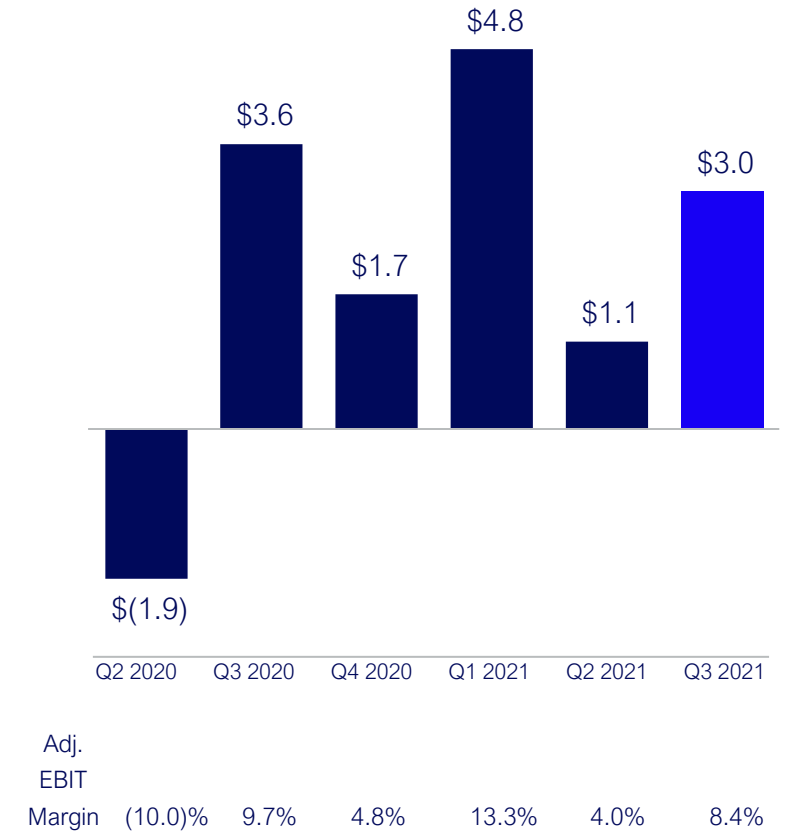
In Automotive, continued to effectively navigate semiconductor constraints by prioritizing customer orders, launch and profitable vehicles

- Wholesales down 14%, driven by semiconductor constraints
- Revenue down 5%, driven by lower volume, offset partially by higher net pricing and mix improvement
- Adjusted EBIT down \$0.7B, driven by lower volume and increased commodity prices, offset partially by higher net pricing and lower warranty expense

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



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

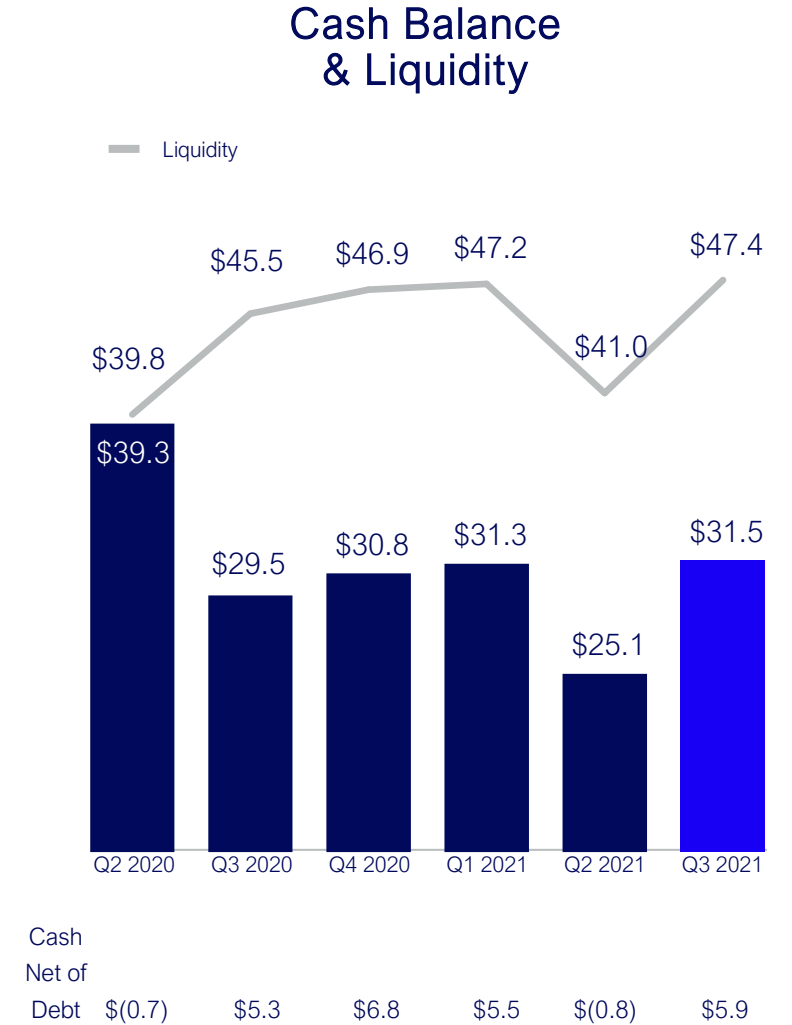
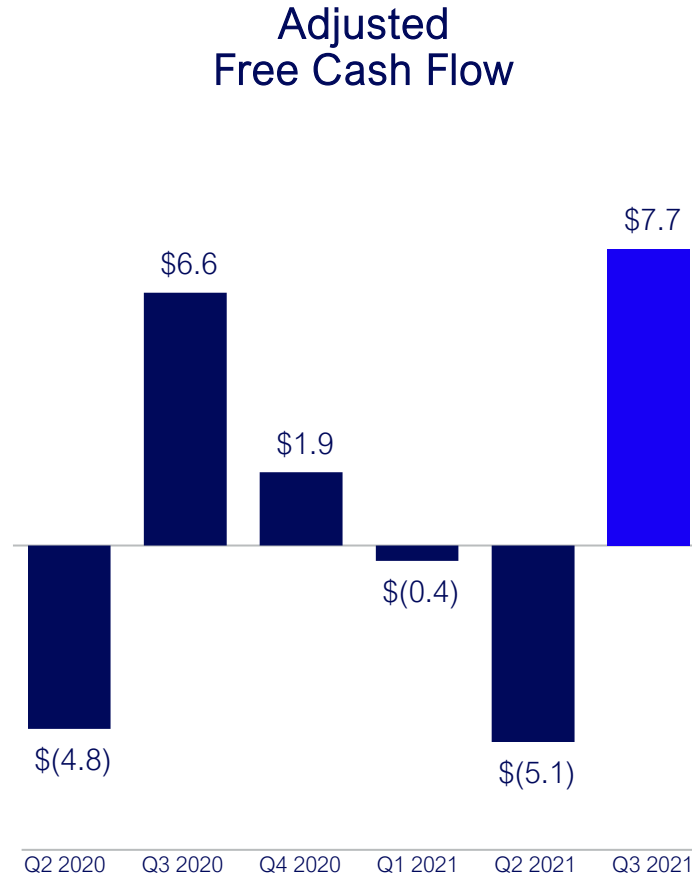




# Q3 Cash Flow, Cash Balance And Liquidity (\$B)

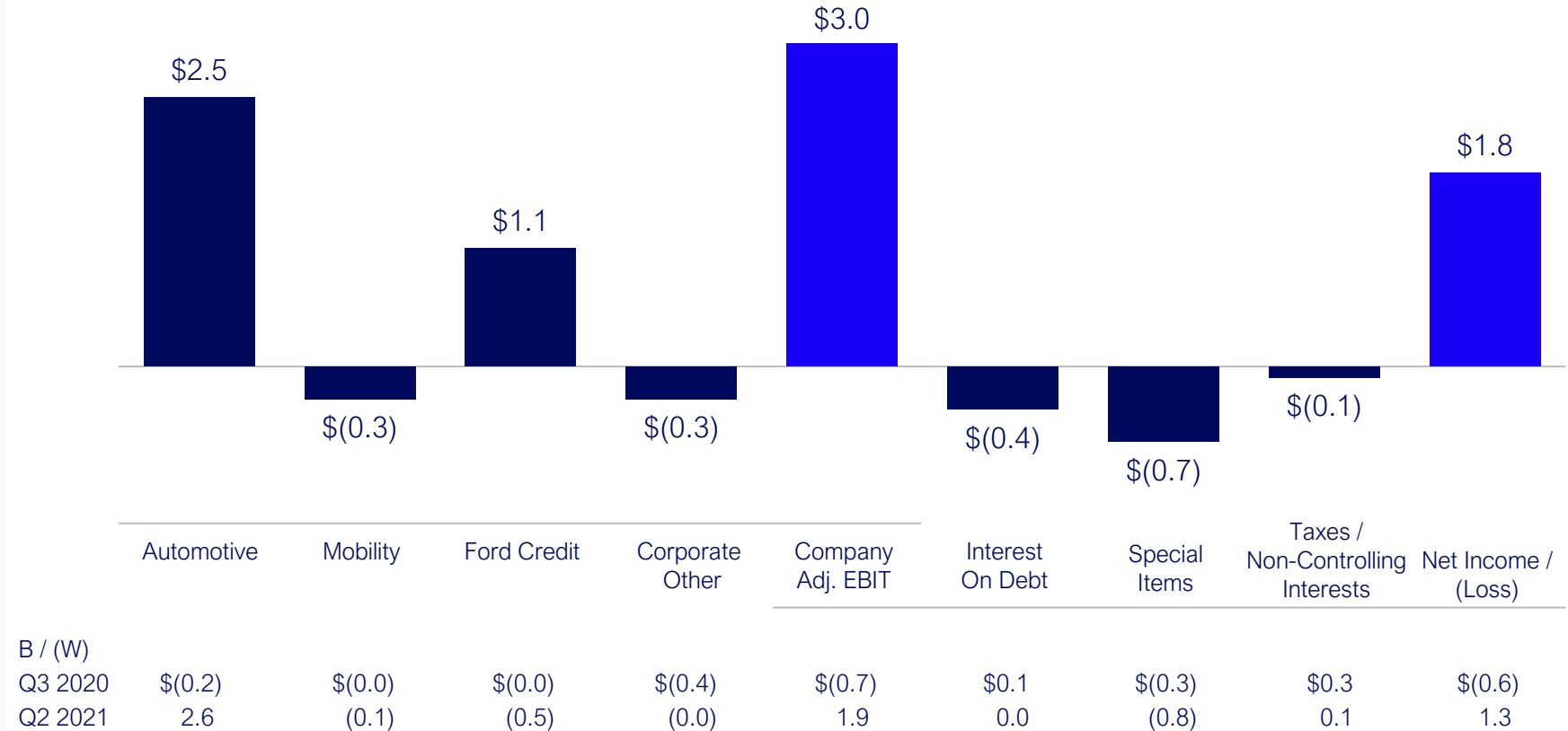
Adjusted FCF of \$7.7B driven by:

- Expected working capital improvements as production increased with improved semiconductor supply
- Automotive EBIT
- Ford Credit distributions
- Favorable timing differences



# Q3 2021 Results (\$B)

- Company Adjusted EBIT reflects strong Automotive and Ford Credit results
- Special Items reflect primarily global redesign costs in South America and India





# Q3 2021 Adjusted EBIT (\$B)

	North America	South America	Europe	China	IMG	Total Auto	Total Company	
Q3 2020	\$ 3.2	\$ (0.1)	\$ (0.4)	\$ (0.1)	\$ 0.1	\$ 2.7	\$ 3.6	
YoY Change:								
Volume / Mix	\$ (1.5)	\$ (0.1)	\$ (0.1)	\$ (0.1)	\$ (0.0)	\$ (1.8)	\$ (1.8)	
Net Pricing	1.9	0.2	0.3	0.0	0.0	2.4	2.4	
Cost	(1.0)	0.0	0.2	0.0	0.0	(0.7)	(0.7)	Material / Freight \$(0.1)
Exchange	0.0	0.0	(0.1)	0.0	0.1	0.0	0.0	Warranty 0.4
JVs / Other	<u>(0.2)</u>	<u>(0.0)</u>	<u>0.1</u>	<u>0.1</u>	<u>(0.0)</u>	<u>(0.1)</u>	<u>(0.1)</u>	Commodities (0.9)
Total Automotive	\$ (0.8)	\$ 0.1	\$ 0.4	\$ 0.0	\$ 0.1	\$ (0.2)	\$ (0.2)	Structural (0.2)
Mobility							(0.0)	Pension / OPEB 0.1
Ford Credit							(0.0)	
Corporate Other							<u>(0.4)</u>	
Total Change							<u>\$ (0.7)</u>	
Q3 2021	\$ 2.4	\$ 0.0	\$ (0.1)	\$ (0.0)	\$ 0.1	\$ 2.5	<u>\$ 3.0</u>	JVs \$ 0.1
								Other (0.2)

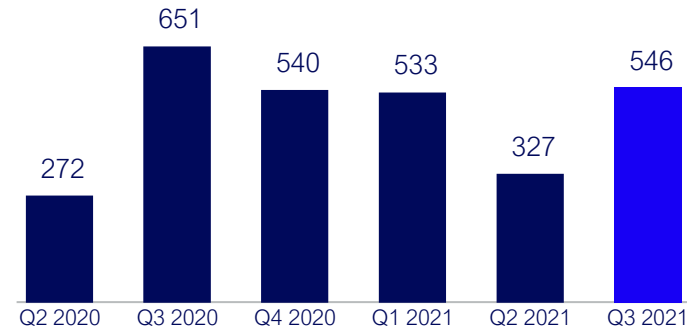
# North America

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

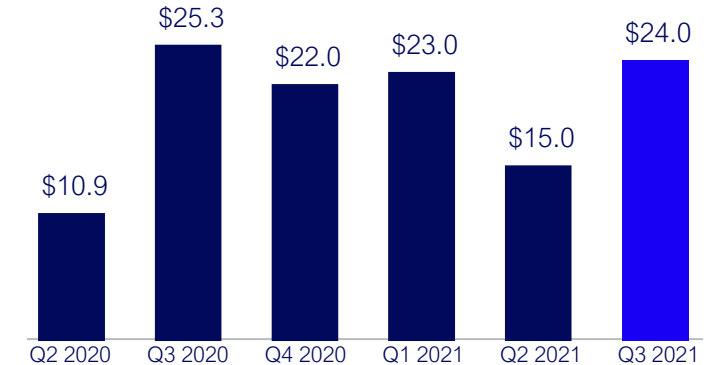
## Delivering Ford+

- Q3 EBIT Margin of 10.1%; 9.0% YTD
  - Pricing and mix more than offset volume
  - Sequential increase in production, sales and stocks
  - Growth spring loaded with an order bank up over 50% from Q2 to 111K orders, excluding Bronco
- Mustang Mach-E and Bronco Sport first in their segments, Compact SUV and Small SUV, in the 2021 J.D. Power APEAL Study

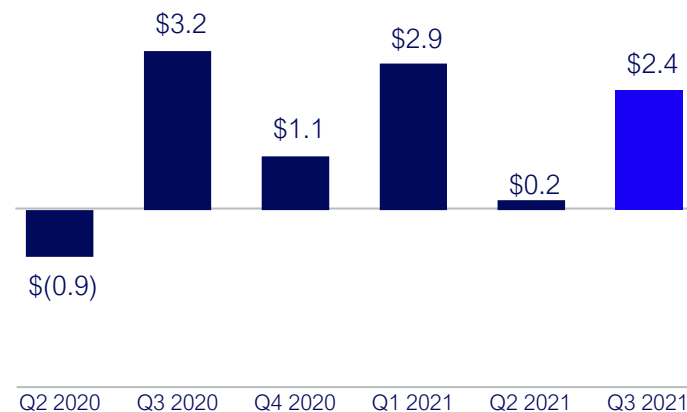
Wholesale Units (000)



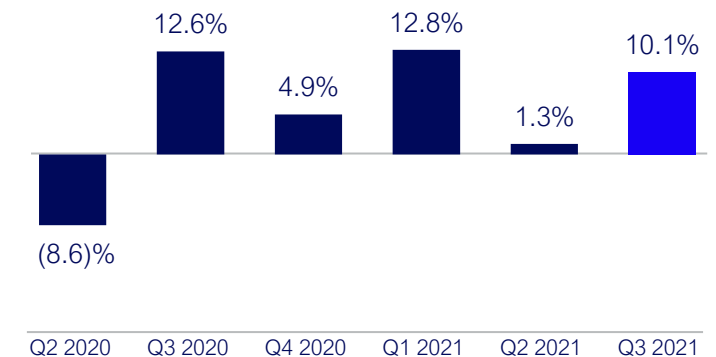
Revenue (\$B)



EBIT (\$B)



EBIT Margin (%)





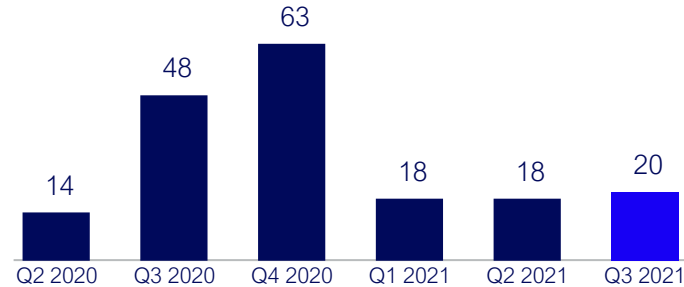
# South America

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

## Delivering Ford+

- Continued YoY EBIT improvement; business run rate approaches breakeven
- New commercial vehicle organization launches first new vehicle – the Transit in Brazil. First to market with standard connectivity; manufactured in Uruguay
- Complete sales and after-sales ecosystem in place; increases customer productivity and uptime, and lowers total cost of ownership

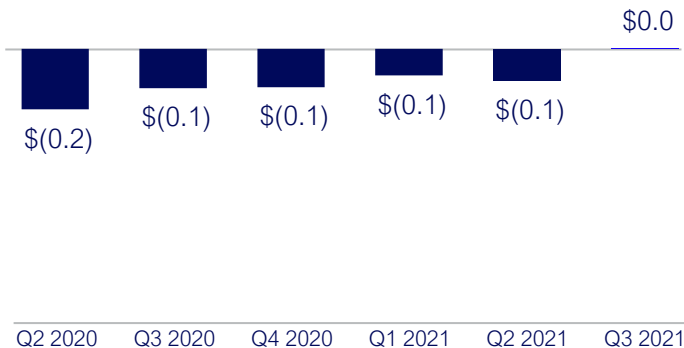
Wholesale Units (000)



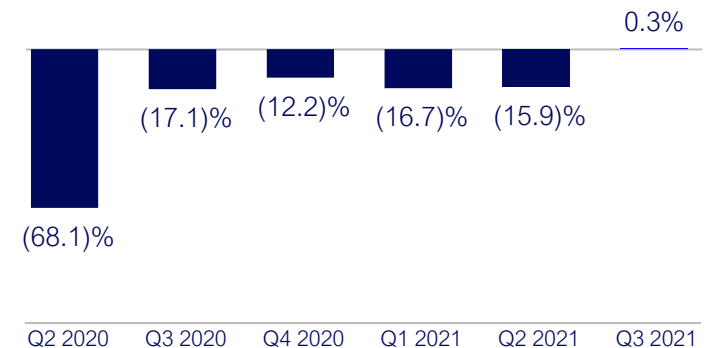
Revenue (\$B)



EBIT (\$B)



EBIT Margin (%)



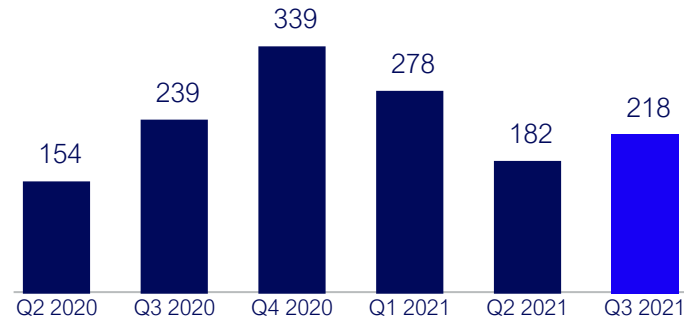
# Europe

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

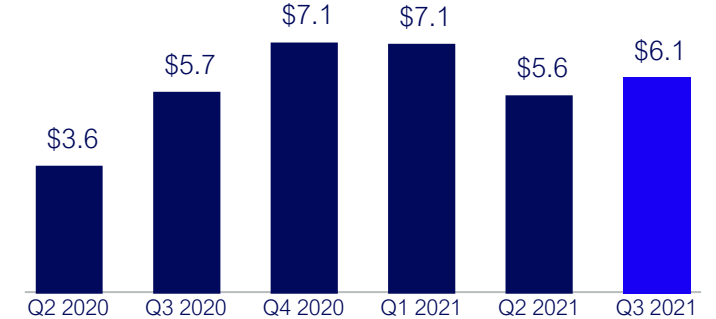
## Delivering Ford+

- Underlying trajectory supports 6% EBIT Margin target by 2023
- Commercial vehicle brand leadership with a near all-time record order bank
- Strong Mustang Mach-E sales momentum, retailed 10K in Q3 plus > 10K new orders
- Continue shift of passenger vehicle portfolio to utilities, Q3 at 64% of mix

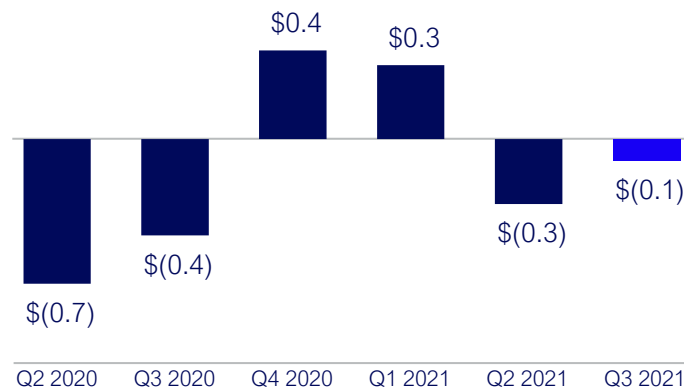
Wholesale Units (000)\*



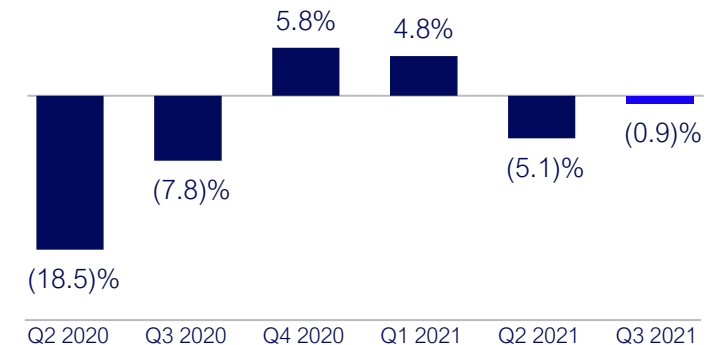
Revenue (\$B)



EBIT (\$B)



EBIT Margin (%)



\* Includes Ford brand vehicles produced and sold by our unconsolidated affiliate in Turkey (26K units in Q3 2020 and 12K units in Q3 2021). Revenue does not include these sales

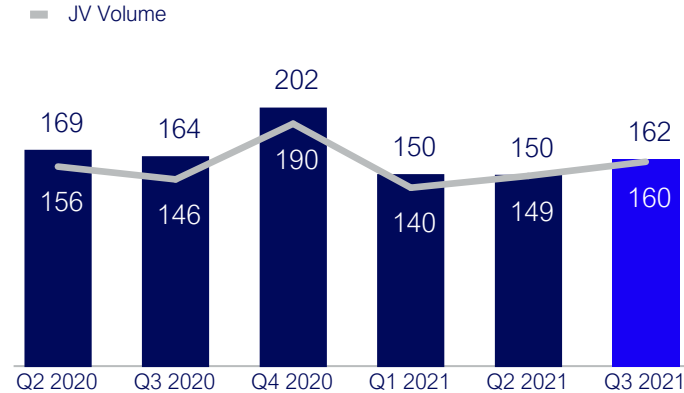
# China

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

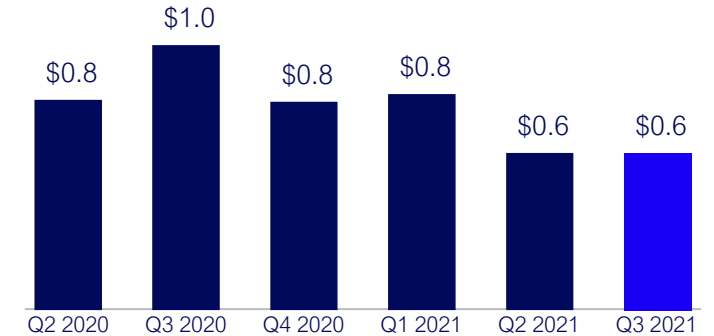
## Delivering Ford+

- Continued YoY EBIT improvement
- Lincoln extends success in the most profitable segment – luxury; retail sales up 24% YoY
- Dedicated BEV organization – opened first 13 Ford Select city stores with direct-to-customer sales model; 25 stores by year-end
- New Ford EVOS features industry leading user interface including face ID and hands-free driving - available with subscription

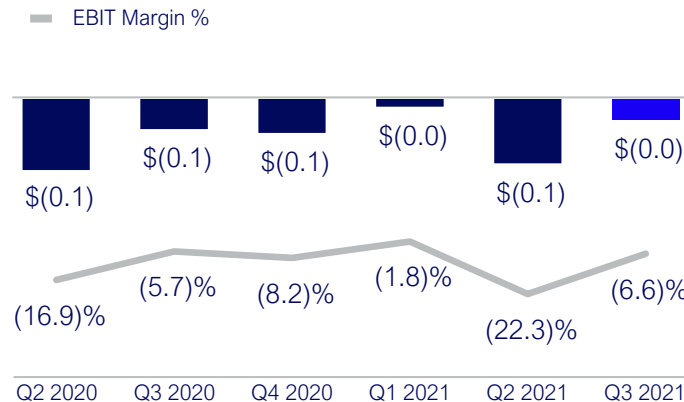
Wholesale Units (000)\*



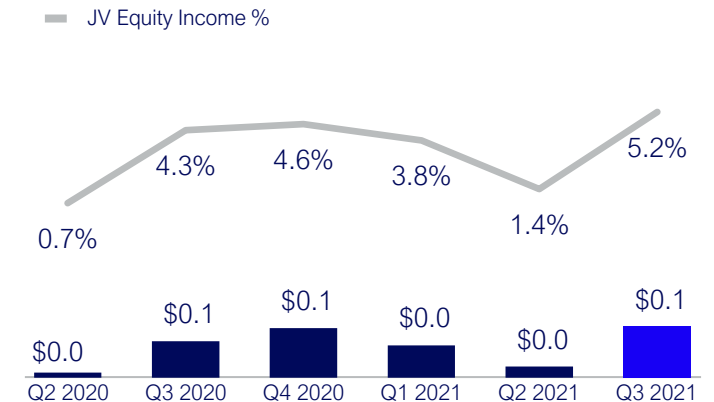
Revenue (\$B)



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. Revenue does not include these sales. From Q2 2021, JV volume includes Lio Ho Group's Taiwan produced Ford brand vehicles



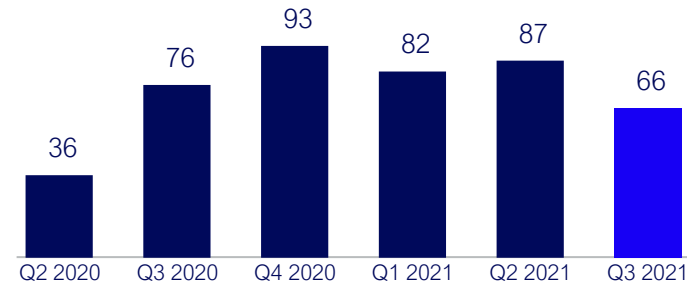
# International Markets Group

Portfolio strengths of Ranger pickup and Everest

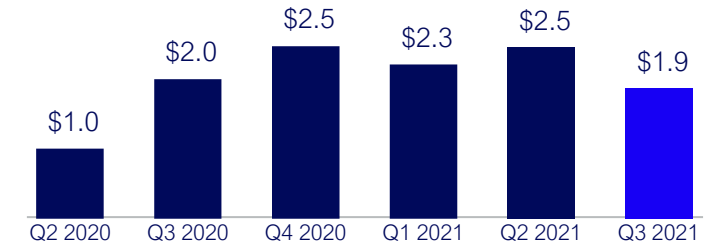
Delivering Ford+

- India restructuring: cessation of vehicle manufacturing; focused on iconic imports, including EVs
- Profitable quarter despite semiconductor shortage and COVID lockdowns in key markets
- Ranger segment share of 14.7%, up 0.7 ppts

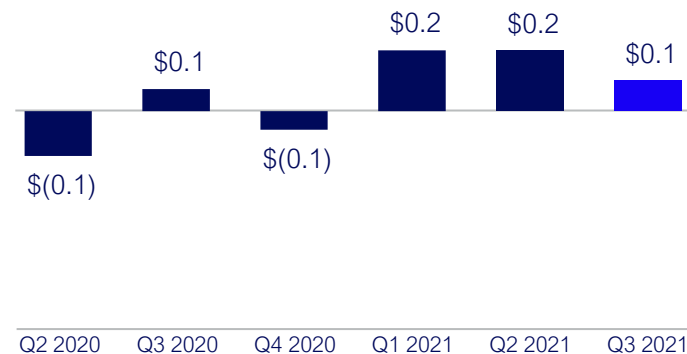
Wholesale Units (000)\*



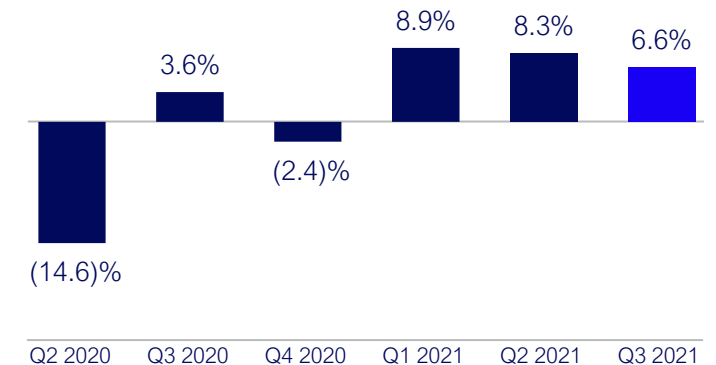
Revenue (\$B)



EBIT (\$B)



EBIT Margin (%)



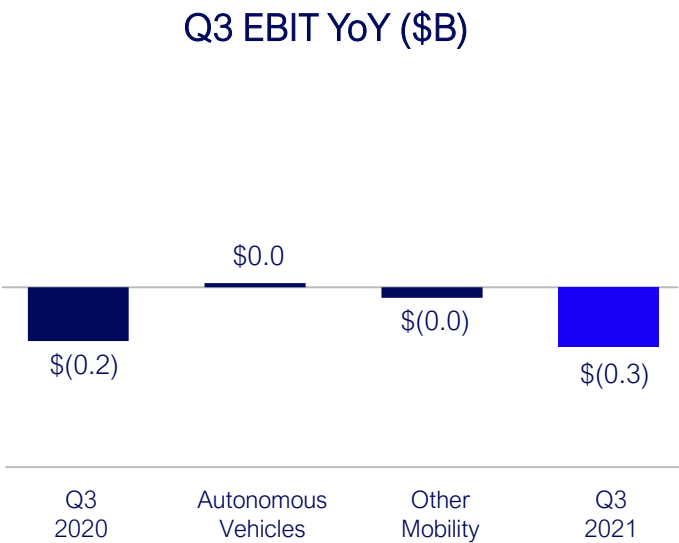
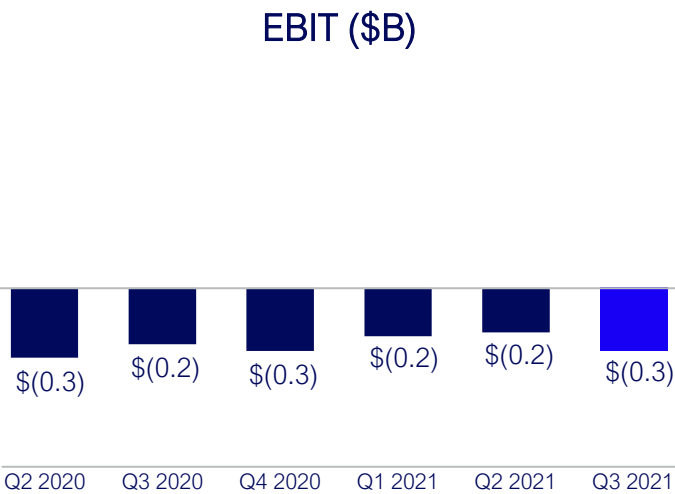
\* Includes Ford brand vehicles produced and sold by our unconsolidated affiliate in Russia (4K units in Q3 2020 and 5K units in Q3 2021). Revenue does not include these sales

# Mobility

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

## Delivering Ford+

- Support Argo AI’s access to public financing
- Continue to make real progress on the AV vehicle, operating domain and SDS
- Rationalizing investments to focus on autonomous



# Cash Flow And Balance Sheet (\$B)

	Third Quarter		Year-To-Date	
	2020	2021	2020	2021
Company Adj. EBIT excl. Ford Credit	\$ 2.5	\$ 1.9	\$ (0.6)	\$ 5.2
Capital Spending	\$ (1.2)	\$ (1.6)	\$ (4.2)	\$ (4.4)
Depreciation and Tooling Amortization	1.3	1.3	4.0	3.8
Net Spending	\$ 0.1	\$ (0.3)	\$ (0.2)	\$ (0.6)
Receivables	\$ (0.2)	\$ (0.1)	\$ 0.3	\$ (0.7)
Inventory	(0.1)	(0.2)	(0.0)	(3.2)
Trade Payables	4.3	4.1	1.6	1.1
Changes in Working Capital	\$ 3.9	\$ 3.8	\$ 1.9	\$ (2.8)
Ford Credit Distributions	0.8	1.5	2.0	6.5
Interest on Debt and Cash Taxes	(0.4)	(0.4)	(1.1)	(1.5)
All Other and Timing Differences*	(0.4)	1.1	(2.3)	(4.6)
Company Adjusted FCF	\$ 6.6	\$ 7.7	\$ (0.4)	\$ 2.2
Global Redesign (incl. Separations)	(0.1)	(0.3)	(0.4)	(1.6)
Changes in Debt	(15.8)	(0.2)	8.8	1.8
Funded Pension Contributions	(0.1)	(0.2)	(0.4)	(0.6)
Shareholder Distributions	(0.0)	0.0	(0.6)	0.0
All Other (incl. Acquisitions & Divestitures)	(0.2)	(0.7)	0.1	(1.1)
Change in Cash	\$ (9.7)	\$ 6.4	\$ 7.2	\$ 0.7

## Company Excl. Ford Credit

Company Cash Balance	\$ 30.8	\$ 31.5
Liquidity	46.9	47.4
Debt	(24.0)	(25.6)
Cash Net of Debt	6.8	5.9

## Pension Funded Status

Funded Plans	\$ 0.3	\$ 2.3
Unfunded Plans	(7.0)	(6.5)
Total Global Pension	\$ (6.7)	\$ (4.2)

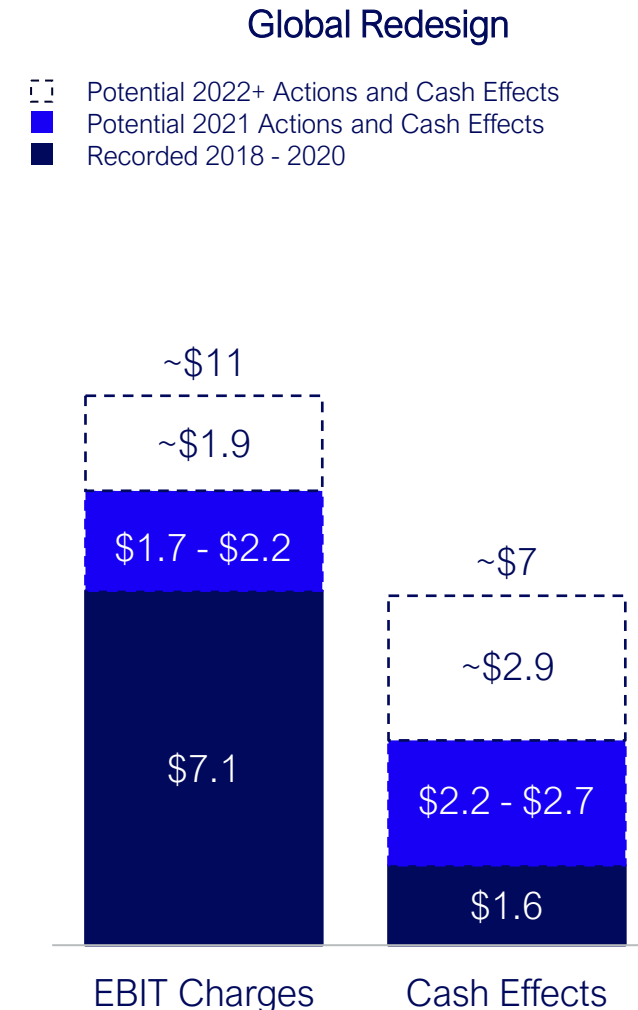
Total Funded Status OPEB	\$ (6.6)	\$ (6.5)
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## Q3 Adjusted FCF Of \$7.7B, Driven By Volume-Related Working Capital And Timing Differences, EBIT, And Ford Credit Distributions

\* 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

# Special Items (\$B)

	Third Quarter		Year-To-Date	
	2020	2021	2020	2021
<u>Global Redesign</u>				
South America	\$ (0.1)	\$ (0.2)	\$ (0.1)	\$ (0.7)
Europe	(0.2)	(0.1)	(0.4)	(0.3)
Russia	0.0	0.0	0.0	0.0
China (including Taiwan)	(0.0)	(0.0)	(0.0)	0.2
India	(0.0)	(0.4)	(0.0)	(0.4)
Separations and Other (not included above)	(0.0)	(0.0)	(0.0)	(0.0)
Subtotal Global Redesign	\$ (0.3)	\$ (0.7)	\$ (0.5)	\$ (1.3)
<u>Other Items</u>				
NA Hourly Buy-Outs	\$ (0.0)	\$ -	\$ (0.2)	\$ (0.0)
Gain on transaction with Argo AI	-	-	3.5	-
Transit Connect Customs Ruling	(0.0)	-	(0.0)	-
Subtotal Other Items	\$ (0.0)	\$ -	\$ 3.2	\$ (0.0)
<u>Pension and OPEB Gain / (Loss)</u>				
Pension and OPEB remeasurement	\$ (0.1)	\$ 0.0	\$ 0.1	\$ 0.4
Pension Settlements & Curtailments	(0.0)	(0.0)	(0.0)	(0.1)
Subtotal Pension and OPEB Gain / (Loss)	\$ (0.1)	\$ 0.0	\$ 0.1	\$ 0.3
Total EBIT Special Items	<u>\$ (0.4)</u>	<u>\$ (0.7)</u>	<u>\$ 2.8</u>	<u>\$ (1.0)</u>
Cash effect of Global Redesign (incl. separations)	\$ (0.1)	\$ (0.3)	\$ (0.4)	\$ (1.6)



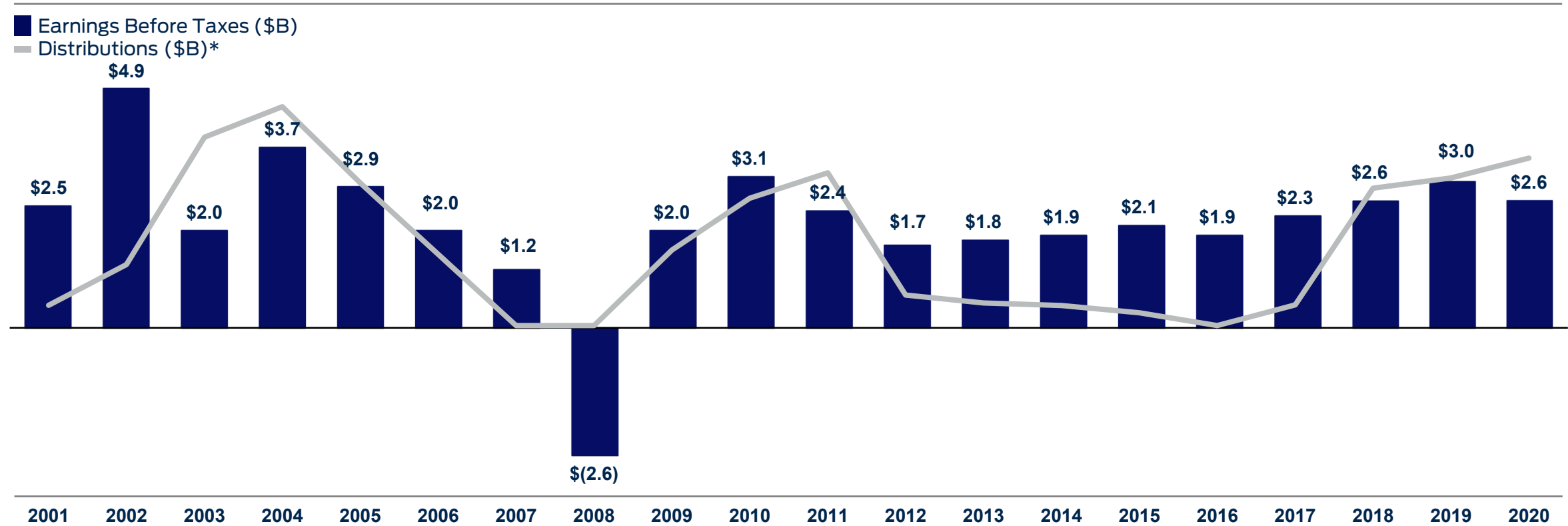
**2021 Global Redesign Primarily South America And India;  
Total Global Redesign Of ~\$9B EBIT Charges And ~\$4B Cash Effects Through 2021**



# Ford Credit



# Ford Credit -- A Strategic Asset



Over The Last 20 Years, Ford Credit Generated  
\$44 Billion In Earnings Before Taxes And \$32 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.



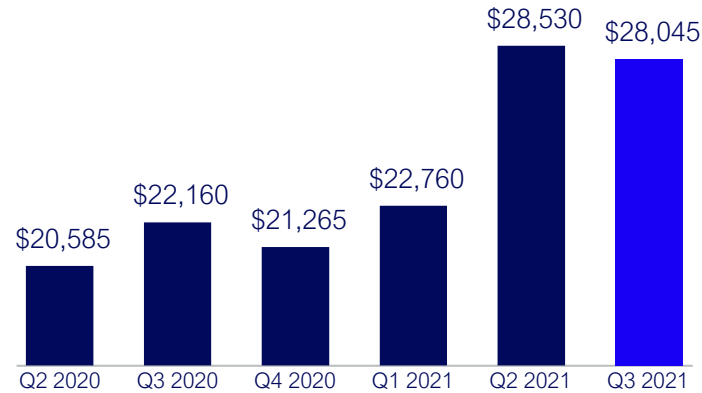
# Key Metrics

Best-in-class finance company

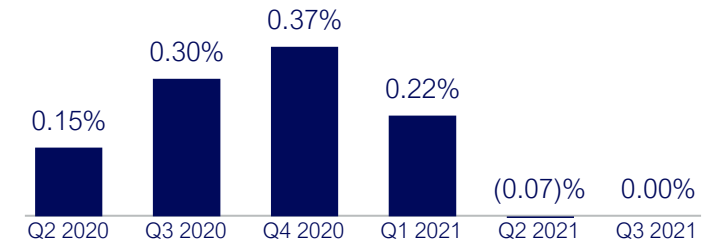
## Delivering Ford+

- Auction values of off-lease vehicles continue at near-record levels
- Proactive lease extension program to address inventory shortages
- Launched next generation Ford Pro FinSimple, reducing financing approval time nearly 90%
- Portfolio performing well – near-zero credit losses for the past two quarters

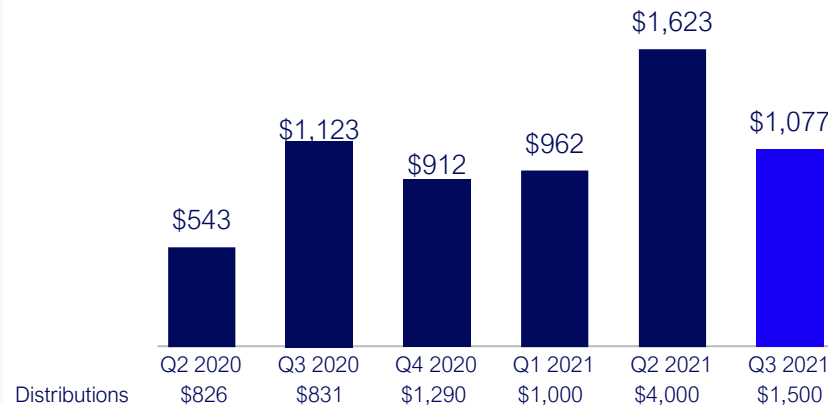
Auction Values (Per Unit) \*



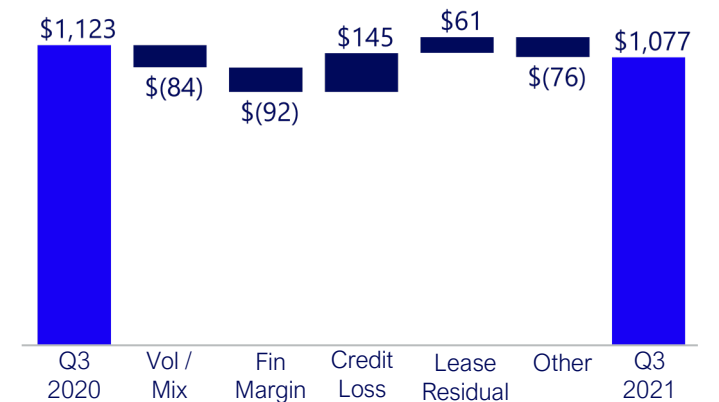
U.S. Retail LTR Ratio (%)



EBT (\$M)



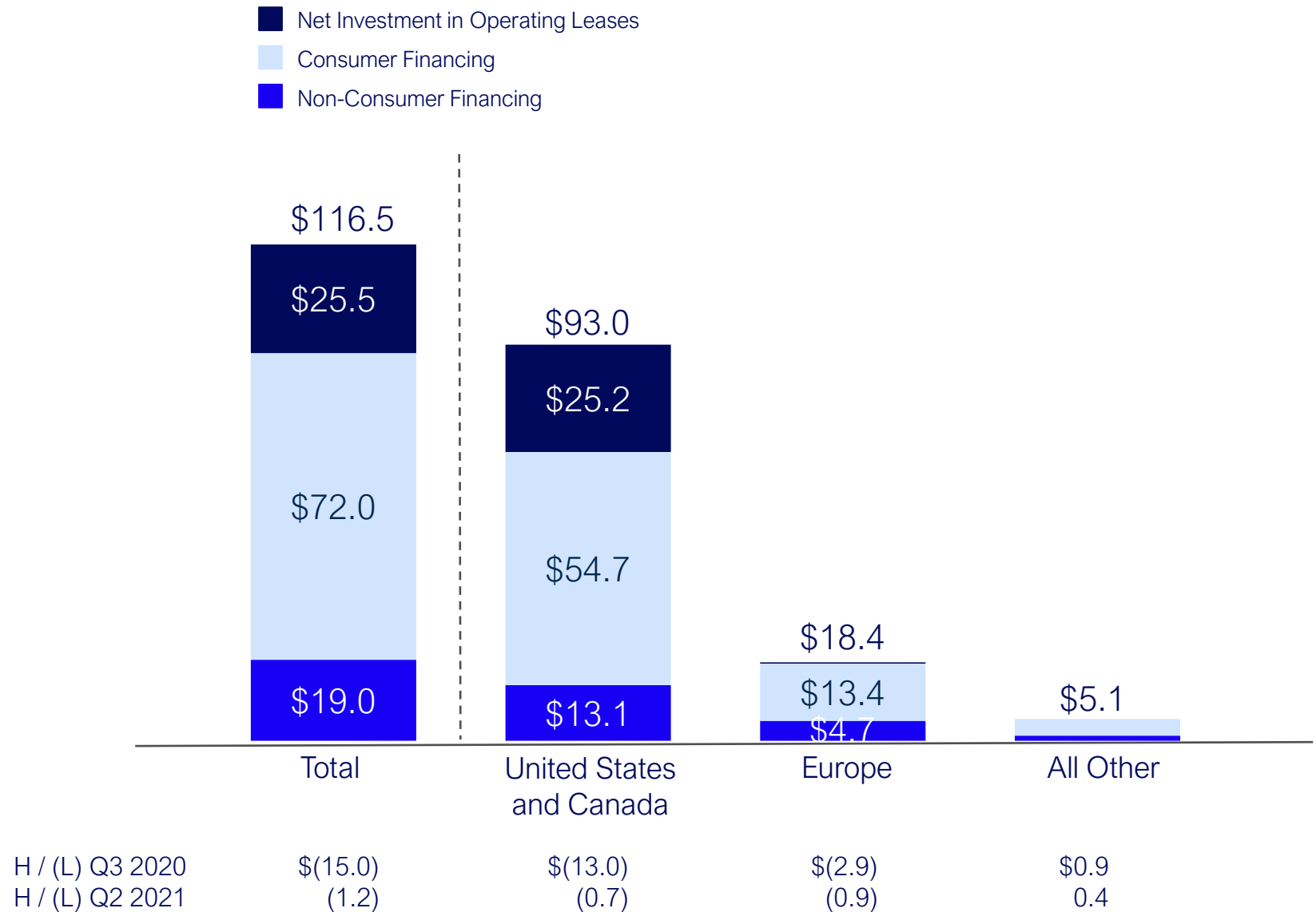
Q3 EBT YoY (\$M)



\* U.S. 36-month off-lease auction values at Q3 2021 mix

# Q3 2021 Net Receivables Mix (\$B)

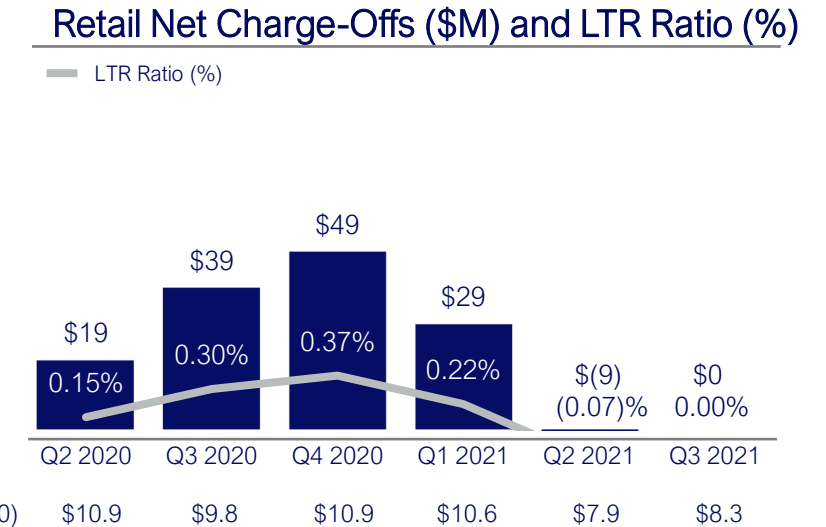
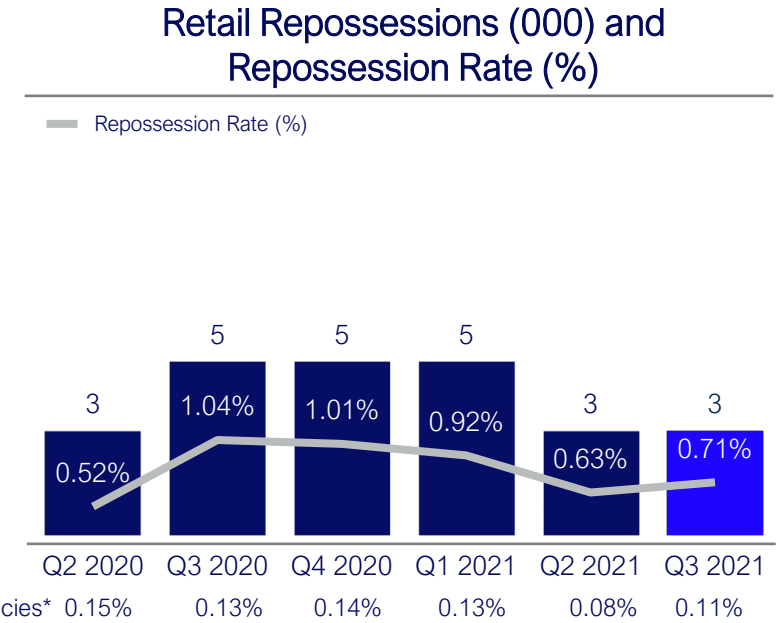
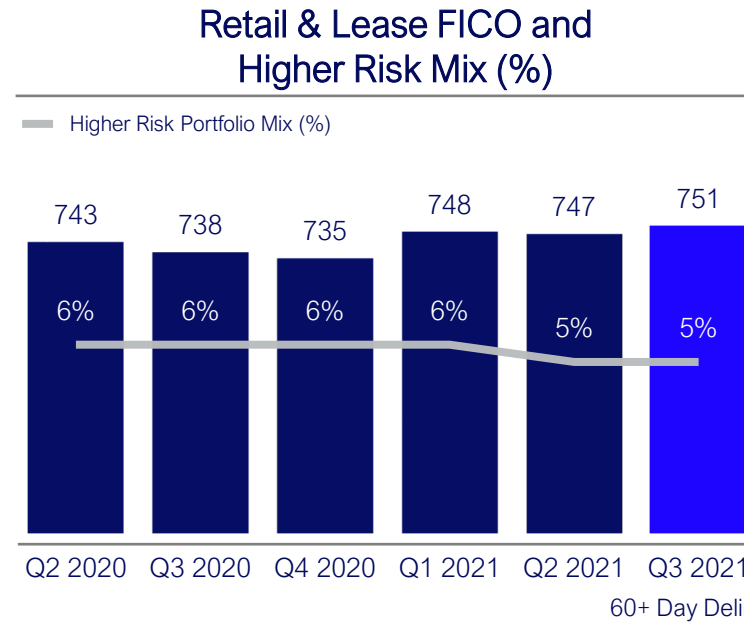
- Receivables declined \$15B YoY, primarily reflecting lower wholesale receivables
- Operating lease portfolio was 22% of total net receivables





# U.S. Origination Metrics And Credit Loss Drivers

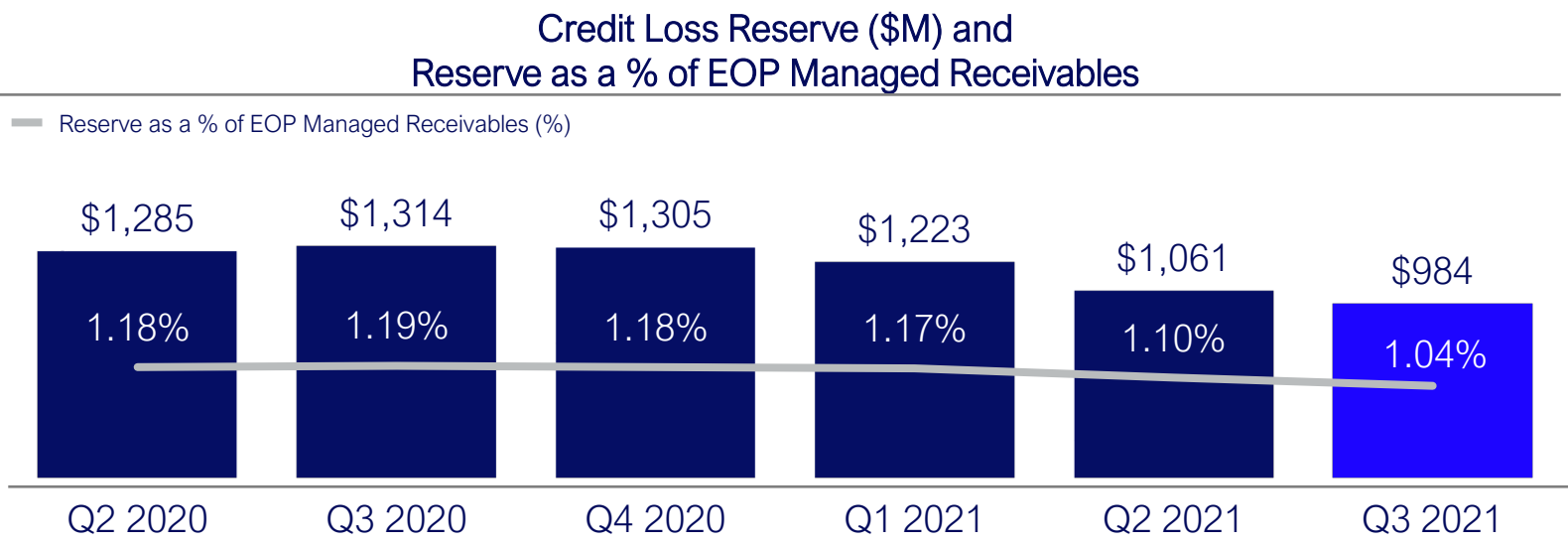
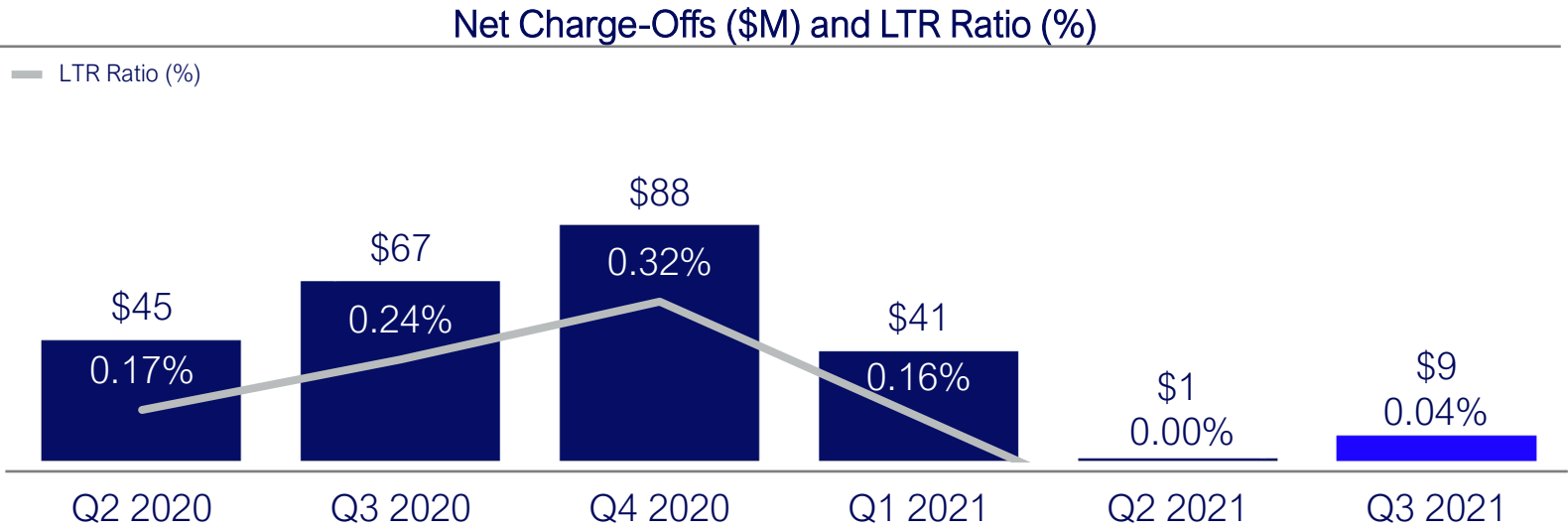
- Disciplined and consistent underwriting practices
- Portfolio quality evidenced by FICO scores and consistent risk mix
- Repossessions, net charge-offs and LTR remain low
- LTR reflects historically low losses and strong net recoveries during the period



\* Excluding bankruptcies

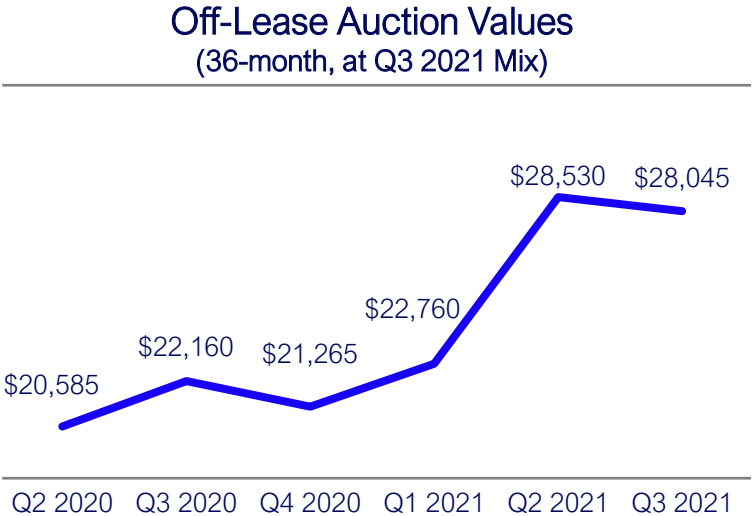
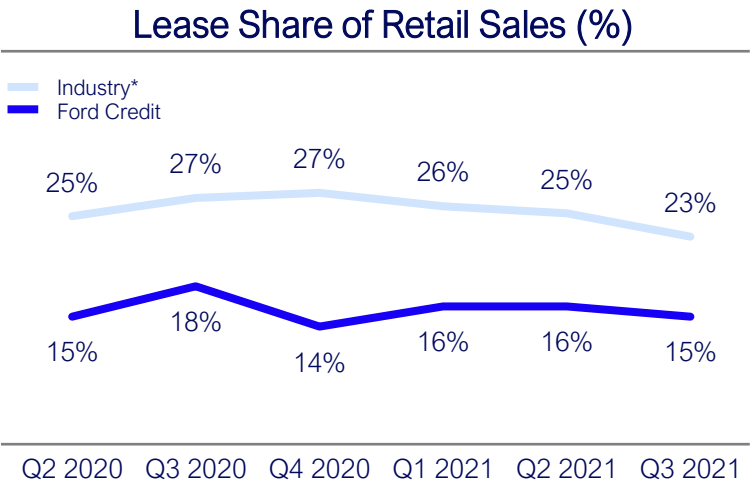
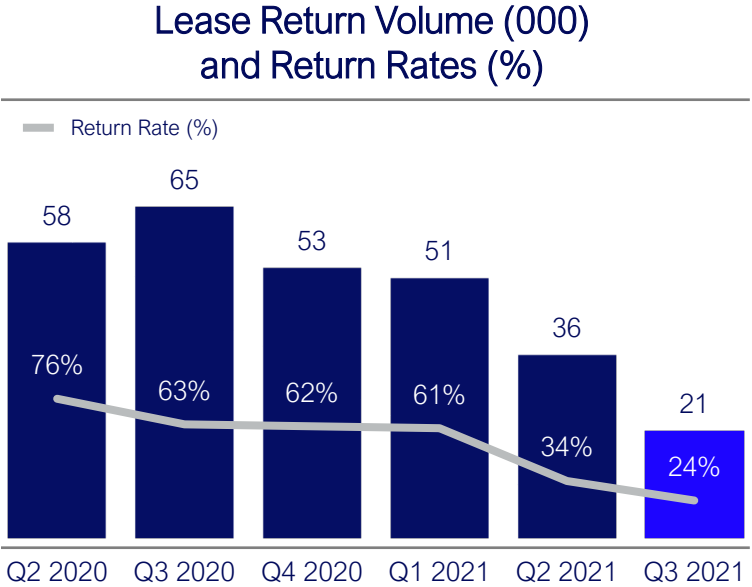
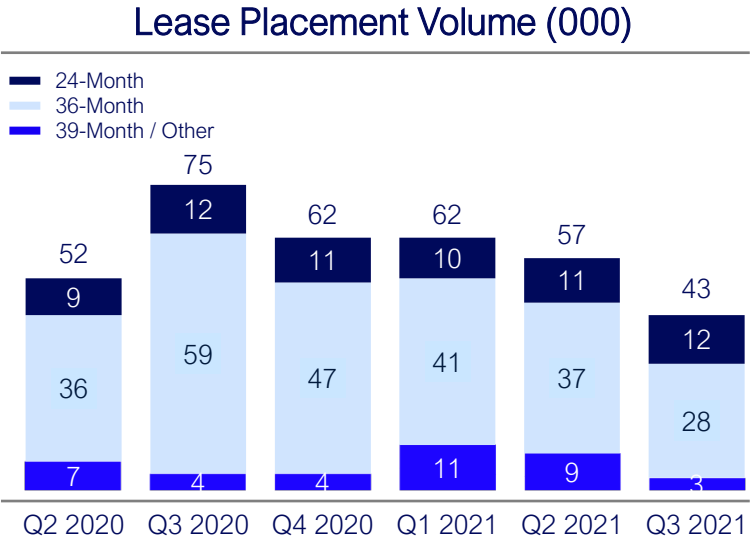
# Worldwide Credit Loss Metrics

- 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 and lower receivables



# U.S. Lease Metrics

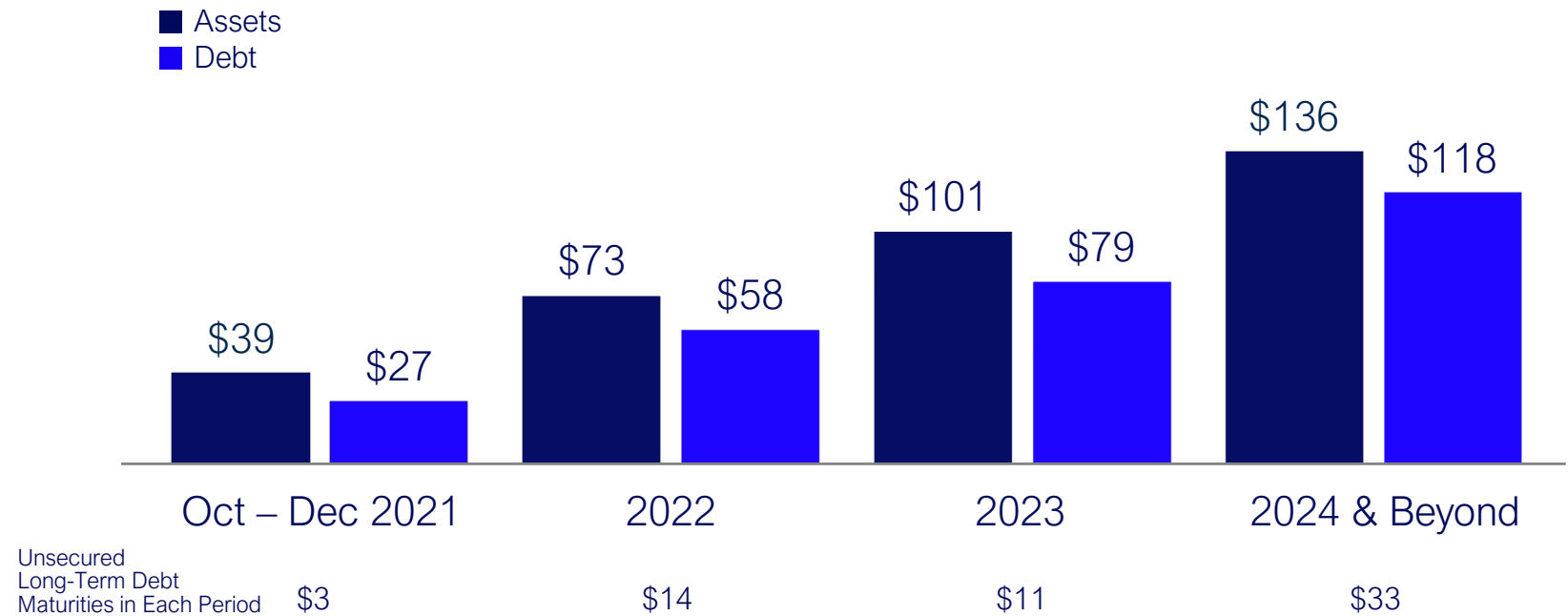
- Auction values up 27% YoY reflecting continued strong demand for used vehicles including impact of lower new vehicle production due to semiconductor shortage
- Lower lease return volume and return rate reflect auction values
- Lease share continues to be below industry



\* Source: J.D. Power PIN

# Cumulative Maturities At Sept. 30, 2021\* (\$B)

- Strong balance sheet is inherently liquid with cumulative debt maturities having a longer tenor than asset maturities
- As of September 30, 2021 \$72B of \$136B assets are unencumbered



\* See Appendix for assets and debt definitions



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

- Well capitalized with a strong balance sheet; \$33B in net liquidity
- Funding is diversified across platforms and markets
- Managed leverage is within the target range

	2020 Dec 31	2021 Sep 30
Term Unsecured Debt	\$ 76.6	\$ 65.2
Term Asset-Backed Securities	54.6	45.1
Ford Interest Advantage / Deposits	6.5	8.6
Other	5.7	5.8
Equity	15.6	12.4
Adjustments for Cash	(18.5)	(14.3)
Total Managed Receivables	<u>\$ 140.5</u>	<u>\$ 122.8</u>
Securitized Funding as Pct of Managed Receivables	38.8%	36.7%
Net Liquidity	\$ 35.4	\$ 33.0
Managed Leverage	7.5	8.4

\* See Appendix for definitions and reconciliation to GAAP

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

- Completed \$13B of public issuance in 2021
- Strong balance sheet and substantial liquidity provide funding flexibility
- Significantly reduced public funding reflects smaller balance sheet

	2019 Actual	2020 Actual	2021 Forecast**	Through Oct 26
Unsecured	\$ 17	\$ 14	\$ 5 - 7	\$ 5
Securitizations***	14	13	8 - 9	8
Total	<u>\$ 31</u>	<u>\$ 27</u>	<u>\$ 13 - 16</u>	<u>\$ 13</u>

\* See Appendix for definitions

\*\* As of October 27, 2021

\*\*\* 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, can disrupt Ford’s production of vehicles;
- Ford’s long-term competitiveness depends on the successful execution of its Plan;
- 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, and vehicles could be affected by cyber incidents 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, 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 mobility services are subject to market acceptance and face significant competition from existing and new entrants in the automotive and mobility industries;
- 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, 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;
- Fluctuations in commodity prices, foreign currency exchange rates, interest rates, and market value of Ford or Ford Credit’s investments 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 could experience unusual or significant litigation, governmental investigations, or adverse publicity arising out of alleged defects in products, 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, 2020, as updated by subsequent Quarterly Reports on Form 10-Q and Current Reports on Form 8-K.

# Appendix





# Company Key Metrics



	Wholesale Units (000)						Market Share (%)					
	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021
North America	272	651	540	533	327	546	14.2 %	13.6 %	12.1 %	12.5 %	10.4 %	11.2 %
South America	14	48	63	18	18	20	6.5	5.7	6.0	3.6	2.3	2.4
Europe	154	239	339	278	182	218	7.1	7.8	7.1	7.2	6.1	6.2
China	169	164	202	150	150	162	2.5	2.4	2.4	2.3	2.3	2.5
International Markets Group	36	76	93	82	87	66	1.6	1.7	2.0	1.7	1.8	1.8
Total Automotive	645	1,178	1,238	1,062	764	1,012	5.8 %	6.0 %	5.4 %	5.3 %	4.9 %	4.9 %

	Revenue (\$B)						Revenue Change (%)					
	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021
North America	\$ 10.9	\$ 25.3	\$ 22.0	\$ 23.0	\$ 15.0	\$ 24.0	(54) %	8 %	(13) %	5 %	37 %	(5) %
South America	0.2	0.6	0.9	0.4	0.5	0.6	(75)	(39)	(10)	(40)	124	(1)
Europe	3.6	5.7	7.1	7.1	5.6	6.1	(51)	(10)	1	13	55	7
China	0.8	1.0	0.8	0.8	0.6	0.6	(12)	15	(17)	39	(31)	(41)
International Markets Group	1.0	2.0	2.5	2.3	2.5	1.9	(60)	(11)	5	15	141	(7)
Total Automotive	\$ 16.6	\$ 34.7	\$ 33.2	\$ 33.6	\$ 24.1	\$ 33.2	(54) %	2 %	(9) %	7 %	45 %	(4) %

# Company Key Metrics



	EBIT (\$B)						EBIT Change (%)					
	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021
North America	\$ (0.9)	\$ 3.2	\$ 1.1	\$ 2.9	\$ 0.2	\$ 2.4	(156) %	59 %	53 %	N / M	120 %	(24) %
South America	(0.2)	(0.1)	(0.1)	(0.1)	(0.1)	0.0	19	34	40	35	48	102
Europe	(0.7)	(0.4)	0.4	0.3	(0.3)	(0.1)	N / M	N / M	N / M	N / M	57	88
China	(0.1)	(0.1)	(0.1)	(0.0)	(0.1)	(0.0)	11	79	68	94	9	32
International Markets Group	(0.1)	0.1	(0.1)	0.2	0.2	0.1	(115)	180	64	N / M	N / M	73
Total Automotive	\$ (2.1)	\$ 2.7	\$ 1.3	\$ 3.4	\$ (0.1)	\$ 2.5	N / M	98 %	N / M	N / M	95 %	(8) %

	EBIT Margin (%)						EBIT Margin Change (ppts)					
	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021
North America	(8.6) %	12.6 %	4.9 %	12.8 %	1.3 %	10.1 %	(15.7) ppts	4.0 ppts	2.1 ppts	11.1 ppts	9.9 ppts	(2.5) ppts
South America	(68.1)	(17.1)	(12.2)	(16.7)	(15.9)	0.3	(47.3)	(1.4)	6.0	(1.3)	52.2	17.4
Europe	(18.5)	(7.8)	5.8	4.8	(5.1)	(0.9)	(20.0)	(5.5)	4.8	7.2	13.4	6.9
China	(16.9)	(5.7)	(8.2)	(1.8)	(22.3)	(6.6)	(0.2)	26.1	13.0	38.8	(5.4)	(0.9)
International Markets Group	(14.6)	3.6	(2.4)	8.9	8.3	6.6	(11.9)	7.5	4.7	10.2	22.9	3.0
Total Automotive	(12.4) %	7.7 %	3.8 %	10.1 %	(0.4) %	7.4 %	(16.3) ppts	3.7 ppts	3.2 ppts	10.6 ppts	12.0 ppts	(0.3) ppts

# Company Key Metrics



	Wholesale Units (000)						Market Share (%)					
	Q3 2020	Q3 2021	2021 B / (W) 2020	2020 YTD	2021 YTD	2021 B / (W) 2020	Q3 2020	Q3 2021	2021 B / (W) 2020	2020 YTD	2021 YTD	2021 B / (W) 2020
North America	651	546	(104)	1,541	1,407	(134)	13.6 %	11.2 %	(2.4) ppts	13.7 %	11.3 %	(2.4) ppts
South America	48	20	(29)	122	55	(67)	5.7	2.4	(3.3)	6.3	2.8	(3.5)
Europe	239	218	(21)	681	678	(3)	7.8	6.2	(1.6)	7.3	6.5	(0.8)
China	164	162	(2)	415	463	48	2.4	2.5	0.1	2.4	2.3	(0.1)
International Markets Group	76	66	(10)	191	235	44	1.7	1.8	0.1	1.6	1.8	0.2
Total Automotive	1,178	1,012	(166)	2,949	2,838	(111)	6.0 %	4.9 %	(1.1) ppts	5.9 %	5.1 %	(0.8) ppts

	Revenue (\$B)						EBIT Margin (%)					
	Q3 2020	Q3 2021	2021 B / (W) 2020	2020 YTD	2021 YTD	2021 B / (W) 2020	Q3 2020	Q3 2021	2021 B / (W) 2020	2020 YTD	2021 YTD	2021 B / (W) 2020
North America	\$ 25.3	\$ 24.0	\$ (1.3)	\$ 58.1	\$ 62.0	\$ 3.9	12.6 %	10.1 %	(2.5) ppts	4.5 %	9.0 %	4.5 ppts
South America	0.6	0.6	(0.0)	1.6	1.6	0.0	(17.1)	0.3	17.4	(24.0)	(9.8)	14.2
Europe	5.7	6.1	0.4	15.6	18.7	3.2	(7.8)	(0.9)	6.9	(8.1)	0.0	8.1
China	1.0	0.6	(0.4)	2.4	2.0	(0.4)	(5.7)	(6.6)	(0.9)	(18.0)	(9.0)	9.0
International Markets Group	2.0	1.9	(0.1)	5.0	6.6	1.6	3.6	6.6	3.0	(2.0)	8.0	10.0
Total Automotive	\$ 34.7	\$ 33.2	\$ (1.5)	\$ 82.7	\$ 90.9	\$ 8.2	7.7 %	7.4 %	(0.3) ppts	0.5 %	6.3 %	5.8 ppts

# Company Q3 Results (\$M)



	Third Quarter			Year-To-Date		
	2020	2021	2021 B / (W) 2020	2020	2021	2021 B / (W) 2020
North America	\$ 3,202	\$ 2,423	\$ (779)	\$ 2,629	\$ 5,566	\$ 2,937
South America	(108)	2	110	(385)	(157)	228
Europe	(444)	(52)	392	(1,260)	5	1,265
China	(57)	(39)	18	(434)	(177)	257
International Markets Group	72	125	53	(102)	530	632
Automotive	\$ 2,665	\$ 2,459	\$ (206)	\$ 448	\$ 5,767	\$ 5,319
Mobility	(230)	(258)	(28)	(801)	(637)	164
Ford Credit	1,123	1,077	(46)	1,696	3,662	1,966
Corporate Other	86	(285)	(371)	(277)	99	376
Adjusted EBIT	\$ 3,644	\$ 2,993	\$ (651)	\$ 1,066	\$ 8,891	\$ 7,825
Interest on Debt	(498)	(439)	59	(1,175)	(1,365)	(190)
Special Items (excl. tax)	(390)	(669)	(279)	2,803	(964)	(3,767)
Taxes	(366)	(63)	303	(1,179)	(925)	254
Less: Non-Controlling Interests	5	(10)	(15)	6	(18)	(24)
Net Income / (Loss) Attributable to Ford	<u>\$ 2,385</u>	<u>\$ 1,832</u>	<u>\$ (553)</u>	<u>\$ 1,509</u>	<u>\$ 5,655</u>	<u>\$ 4,146</u>
Company Adjusted Free Cash Flow (\$B)	\$ 6.6	\$ 7.7	\$ 1.2	\$ (0.4)	\$ 2.2	\$ 2.6
Revenue (\$B)	37.5	35.7	(1.8)	91.2	98.7	7.5
Company Adjusted EBIT Margin (%)	9.7 %	8.4 %	(1.3) pts	1.2 %	9.0 %	7.8 pts
Net Income / (Loss) Margin (%)	6.4	5.1	(1.3)	1.7	5.7	4.0
Adjusted ROIC (Trailing Four Quarters) (%)	(0.4)	11.0	11.4	n/a	n/a	n/a
Adjusted EPS	\$ 0.65	\$ 0.51	\$ (0.14)	\$ 0.07	\$ 1.52	\$ 1.45
EPS (GAAP)	0.60	0.45	(0.15)	0.38	1.40	1.02



# Year-To-Date 2021 Adjusted EBIT (\$B)

	North America	South America	Europe	China	IMG	Total Auto	Total Company	
Year-To-Date 2020	\$ 2.6	\$ (0.4)	\$ (1.3)	\$ (0.4)	\$ (0.1)	\$ 0.4	\$ 1.1	
YoY Change:								
Volume / Mix	\$ (1.8)	\$ (0.1)	\$ (0.3)	\$ (0.1)	\$ 0.1	\$ (2.2)	\$ (2.2)	
Net Pricing	6.0	0.4	0.6	0.0	0.1	7.2	7.2	
Cost	(1.4)	(0.0)	0.6	0.0	0.0	(0.7)	(0.7)	Material / Freight \$(0.2)
Exchange	0.1	0.0	0.0	0.1	0.3	0.5	0.5	Warranty 1.0
JVs / Other	<u>(0.1)</u>	<u>(0.0)</u>	<u>0.3</u>	<u>0.3</u>	<u>0.0</u>	<u>0.5</u>	<u>0.5</u>	Commodities (1.6)
Total Automotive	\$ 2.9	\$ 0.2	\$ 1.3	\$ 0.3	\$ 0.6	\$ 5.3	\$ 5.3	Structural (0.3)
Mobility							0.2	Pension / OPEB 0.4
Ford Credit							2.0	
Corporate Other							<u>0.4</u>	
Total Change							<u>\$ 7.8</u>	
Year-To-Date 2021	\$ 5.6	\$ (0.2)	\$ 0.0	\$ (0.2)	\$ 0.5	\$ 5.8	<u>\$ 8.9</u>	JVs \$ 0.4
								Other 0.1

# Company Quarterly Results (\$M)



	2020					2021		
	Q1	Q2	Q3	Q4	Full Year	Q1	Q2	Q3
North America	\$ 373	\$ (946)	\$ 3,202	\$ 1,082	\$ 3,711	\$ 2,949	\$ 194	\$ 2,423
South America	(112)	(165)	(108)	(105)	(490)	(73)	(86)	2
Europe	(149)	(667)	(444)	409	(851)	341	(284)	(52)
China	(241)	(136)	(57)	(65)	(499)	(15)	(123)	(39)
International Markets Group	(25)	(149)	72	(62)	(164)	201	204	125
Automotive	\$ (154)	\$ (2,063)	\$ 2,665	\$ 1,259	\$ 1,707	\$ 3,403	\$ (95)	\$ 2,459
Mobility	(285)	(286)	(230)	(259)	(1,060)	(197)	(182)	(258)
Ford Credit	30	543	1,123	912	2,608	962	1,623	1,077
Corporate Other	(223)	(140)	86	(199)	(476)	648	(264)	(285)
Adjusted EBIT	\$ (632)	\$ (1,946)	\$ 3,644	\$ 1,713	\$ 2,779	\$ 4,816	\$ 1,082	\$ 2,993
Interest on Debt	(227)	(450)	(498)	(474)	(1,649)	(473)	(453)	(439)
Special Items (excl. tax)	(287)	3,480	(390)	(5,049)	(2,246)	(401)	106	(669)
Taxes	(847)	34	(366)	1,019	(160)	(680)	(182)	(63)
Less: Non-Controlling Interests	-	1	5	(3)	3	-	(8)	(10)
Net Income / (Loss) Attributable to Ford	<u>\$ (1,993)</u>	<u>\$ 1,117</u>	<u>\$ 2,385</u>	<u>\$ (2,788)</u>	<u>\$ (1,279)</u>	<u>\$ 3,262</u>	<u>\$ 561</u>	<u>\$ 1,832</u>
Company Adjusted Free Cash Flow (\$B)	\$ (2.2)	\$ (4.8)	\$ 6.6	\$ 1.9	\$ 1.5	\$ (0.4)	\$ (5.1)	\$ 7.7
Revenue (\$B)	34.3	19.4	37.5	36.0	127.1	36.2	26.8	35.7
Company Adjusted EBIT Margin (%)	(1.8) %	(10.0) %	9.7 %	4.8 %	2.2 %	13.3 %	4.0 %	8.4 %
Net Income / (Loss) Margin (%)	(5.8)	5.8	6.4	(7.8)	(1.0)	9.0	2.1	5.1
Adjusted ROIC (Trailing Four Quarters) (%)	2.5	(3.1)	(0.4)	1.0	1.0	8.2	12.0	11.0
Adjusted EPS	\$ (0.23)	\$ (0.35)	\$ 0.65	\$ 0.34	\$ 0.41	\$ 0.89	\$ 0.13	\$ 0.51
EPS (GAAP)	(0.50)	0.28	0.60	(0.70)	(0.32)	0.81	0.14	0.45

# Ford Credit

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



	Q3		YTD	
		H / (L)		H / (L)
	2021	2020 **	2021	2020 **
<u>Results</u>				
United States and Canada segment	\$ 978	\$ 46	\$ 3,440	\$ 2,041
Europe segment	55	(18)	202	47
All Other segment	45	31	52	14
Total segments	\$ 1,078	\$ 59	\$ 3,694	\$ 2,102
Unallocated other	(1)	(105)	(32)	(136)
Earnings before taxes	\$ 1,077	\$ (46)	\$ 3,662	\$ 1,966
Taxes	(97)	(15)	(186)	(1)
Net income	<u>\$ 980</u>	<u>\$ (61)</u>	<u>\$ 3,476</u>	<u>\$ 1,965</u>
Distributions	\$ 1,500	\$ 669	\$ 6,500	\$ 4,500

\* 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

	Q3		YTD	
	2020	2021	2020	2021
<u>Share of Ford Sales*</u>				
United States	55 %	46 %	63 %	47 %
Canada	75	72	69	69
U.K.	40	34	42	35
Germany	39	39	39	39
China	40	45	37	44
<u>Wholesale Share</u>				
United States	74 %	72 %	74 %	72 %
Canada	30	8	42	10
U.K.	100	100	100	100
Germany	93	90	93	91
China	64	66	60	66
<u>Contract Placement Volume - New and Used (000)</u>				
United States	259	149	761	532
Canada	53	34	101	96
U.K.	37	18	80	68
Germany	28	16	76	54
China	33	39	77	103

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

# Ford Credit

## Liquidity Sources\* (\$B)



	2020 Sep 30	2020 Dec 31	2021 Sep 30
<u>Liquidity Sources</u>			
Cash	\$ 14.6	\$ 18.5	\$ 14.3
Committed asset-backed facilities	37.4	38.1	37.7
Other unsecured credit facilities	2.4	2.5	2.7
Total liquidity sources	<u>\$ 54.4</u>	<u>\$ 59.1</u>	<u>\$ 54.7</u>
<u>Utilization of Liquidity</u>			
Securitization & restricted cash	\$ (3.5)	\$ (3.9)	\$ (6.1)
Committed asset-backed facilities	(17.4)	(16.7)	(11.5)
Other unsecured credit facilities	(0.5)	(0.5)	(0.4)
Total utilization of liquidity	<u>\$ (21.4)</u>	<u>\$ (21.1)</u>	<u>\$ (18.0)</u>
Gross liquidity	\$ 33.0	\$ 38.0	\$ 36.7
ABS capacity in excess of eligible receivables and other adjustments	(1.9)	(2.6)	(3.7)
Net liquidity available for use	<u><u>\$ 31.1</u></u>	<u><u>\$ 35.4</u></u>	<u><u>\$ 33.0</u></u>

\* See Appendix for definitions



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

	Third Quarter		Year-To-Date		Memo:
	2020	2021	2020	2021	FY 2020
Net income / (loss) attributable to Ford (GAAP)	\$ 2,385	\$ 1,832	\$ 1,509	\$ 5,655	\$ (1,279)
Income / (Loss) attributable to non-controlling interests	5	(10)	6	(18)	3
Net income / (loss)	\$ 2,390	\$ 1,822	\$ 1,515	\$ 5,637	\$ (1,276)
Less: (Provision for) / Benefit from income taxes	(366)	(63)	(1,179)	(925)	(160)
Income / (Loss) before income taxes	\$ 2,756	\$ 1,885	\$ 2,694	\$ 6,562	\$ (1,116)
Less: Special items pre-tax	(390)	(669)	2,803	(964)	(2,246)
Income / (Loss) before special items pre-tax	\$ 3,146	\$ 2,554	\$ (109)	\$ 7,526	\$ 1,130
Less: Interest on debt	(498)	(439)	(1,175)	(1,365)	(1,649)
Adjusted EBIT (Non-GAAP)	<u>\$ 3,644</u>	<u>\$ 2,993</u>	<u>\$ 1,066</u>	<u>\$ 8,891</u>	<u>\$ 2,779</u>
Memo:					
Revenue (\$B)	\$ 37.5	\$ 35.7	\$ 91.2	\$ 98.7	\$ 127.1
Net income / (loss) margin (GAAP) (%)	6.4 %	5.1 %	1.7 %	5.7 %	(1.0) %
Adjusted EBIT margin (%)	9.7	8.4	1.2	9.0	2.2

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

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

	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Year-To-Date	
								2020	2021
Net cash provided by / (used in) operating activities (GAAP)	\$ (473)	\$ 9,115	\$ 11,088	\$ 4,539	\$ 4,492	\$ 756	\$ 7,008	\$ 19,730	\$ 12,256
Less: <u>Items Not Included in Company Adjusted Free Cash Flows</u>									
Ford Credit operating cash flows	201	13,964	4,417	3,010	4,998	9,638	(341)	18,582	14,295
Funded pension contributions	(175)	(107)	(147)	(141)	(229)	(164)	(209)	(429)	(602)
Global Redesign (including separations)	(172)	(99)	(105)	(127)	(345)	(970)	(293)	(376)	(1,608)
Ford Credit tax payments / (refunds) under tax sharing agreement	407	18	44	8	4	-	-	469	4
Other, net	(15)	(178)	(431)	(214)	77	(260)	4	(624)	(179)
Add: <u>Items Included in Company Adjusted Free Cash Flows</u>									
Automotive and Mobility capital spending	(1,770)	(1,165)	(1,247)	(1,520)	(1,358)	(1,504)	(1,562)	(4,182)	(4,424)
Ford Credit distributions	343	826	831	1,290	1,000	4,000	1,500	2,000	6,500
Settlement of derivatives	(28)	64	(336)	129	(25)	(133)	(42)	(300)	(200)
Company Adjusted Free Cash Flow (Non-GAAP)	<u>\$ (2,174)</u>	<u>\$ (4,758)</u>	<u>\$ 6,558</u>	<u>\$ 1,902</u>	<u>\$ (396)</u>	<u>\$ (5,125)</u>	<u>\$ 7,743</u>	<u>\$ (374)</u>	<u>\$ 2,222</u>

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

	Third Quarter		Year-To-Date	
	2020	2021	2020	2021
<u>Diluted After-Tax Results</u> (\$M)				
Diluted after-tax results (GAAP)	\$ 2,385	\$ 1,832	\$ 1,509	\$ 5,655
Less: Impact of pre-tax and tax special items	(231)	(209)	1,220	(461)
Adjusted net income – diluted (Non-GAAP)	<u>\$ 2,616</u>	<u>\$ 2,041</u>	<u>\$ 289</u>	<u>\$ 6,116</u>
 <u>Basic and Diluted Shares</u> (M)				
Basic shares (average shares outstanding)	3,976	3,995	3,971	3,989
Net dilutive options, unvested restricted stock units, and unvested restricted stock shares	29	41	26	38
Diluted shares	<u>4,005</u>	<u>4,036</u>	<u>3,997</u>	<u>4,027</u>
 Earnings / (Loss) per share – diluted (GAAP)	\$ 0.60	\$ 0.45	\$ 0.38	\$ 1.40
Less: Net impact of adjustments	(0.05)	(0.06)	0.31	(0.12)
Adjusted earnings per share – diluted (Non-GAAP)	<u>\$ 0.65</u>	<u>\$ 0.51</u>	<u>\$ 0.07</u>	<u>\$ 1.52</u>

# Effective Tax Rate Reconciliation To Adjusted Effective Tax Rate

	2021		Memo:
	Q3	Year-To-Date	Full Year 2020
<u>Pre-Tax Results (\$M)</u>			
Income / (Loss) before income taxes (GAAP)	\$ 1,885	\$ 6,562	\$ (1,116)
Less: Impact of special items	(669)	(964)	(2,246)
Adjusted earnings before taxes (Non-GAAP)	<u>\$ 2,554</u>	<u>\$ 7,526</u>	<u>\$ 1,130</u>
<u>Taxes (\$M)</u>			
(Provision for) / Benefit from income taxes (GAAP)	\$ (63)	\$ (925)	\$ (160)
Less: Impact of special items	460	503	(670) *
Adjusted (provision for) / benefit from income taxes (Non-GAAP)	<u>\$ (523)</u>	<u>\$ (1,428)</u>	<u>\$ 510</u>
<u>Tax Rate (%)</u>			
Effective tax rate (GAAP)	3.3 %	14.1 %	(14.3) %
Adjusted effective tax rate (Non-GAAP)	20.5	19.0	(45.1)

\* Full Year 2020 includes \$(1.3)B expense related to the establishment of valuation allowances against primarily U.S. tax credits

# Company Adjusted ROIC (\$B)



	Four Quarters Ending Q3 2020	Four Quarters Ending Q3 2021
<u>Adjusted Net Operating Profit / (Loss) After Cash Tax</u>		
Net income / (loss) attributable to Ford	\$ (0.2)	\$ 2.9
Add: Non-controlling interest	0.0	(0.0)
Less: Income tax	(0.4)	0.1
Add: Cash tax	(0.3)	(0.6)
Less: Interest on debt	(1.4)	(1.8)
Less: Total pension / OPEB income / (cost)	(1.8)	(0.4)
Add: Pension / OPEB service costs	(1.1)	(1.1)
Net operating profit / (loss) after cash tax	\$ 2.0	\$ 3.2
Less: Special items (excl. pension / OPEB) pre-tax	2.3	(4.6)
Adj. net operating profit / (loss) after cash tax	<u>\$ (0.3)</u>	<u>\$ 7.8</u>
<u>Invested Capital</u>		
Equity	\$ 33.2	\$ 36.7
Redeemable non-controlling interest	-	-
Debt (excl. Ford Credit)	24.2	25.6
Net pension and OPEB liability	11.9	10.6
Invested capital (end of period)	<u>\$ 69.2</u>	<u>\$ 73.0</u>
Average invested capital	<u>\$ 69.4</u>	<u>\$ 70.9</u>
ROIC*	2.9 %	4.6 %
Adjusted ROIC (Non-GAAP)**	(0.4) %	11.0 %

\* 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

\*\* 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)

	2020 Sep 30	2020 Dec 31	2021 Sep 30
Finance receivables, net (GAAP)	\$ 104.9	\$ 105.0	\$ 91.0
Net investment in operating leases (GAAP)	26.6	26.7	25.5
Total net receivables*	\$ 131.5	\$ 131.7	\$ 116.5
Unearned interest supplements and residual support	\$ 6.7	\$ 6.5	\$ 4.8
Allowance for credit losses	1.3	1.3	1.0
Other, primarily accumulated supplemental depreciation	1.1	1.0	0.5
Total managed receivables (Non-GAAP)	<u>\$ 140.6</u>	<u>\$ 140.5</u>	<u>\$ 122.8</u>

\* See Appendix for definitions

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

	2020 Sep 30**	2020 Dec 31	2021 Sep 30
<u>Leverage Calculation</u>			
Debt	\$ 133.1	\$ 137.7	\$ 119.0
Adjustments for cash	(14.6)	(18.5)	(14.3)
Adjustments for derivative accounting	(1.6)	(1.5)	(0.8)
Total adjusted debt	<u>\$ 116.9</u>	<u>\$ 117.7</u>	<u>\$ 103.9</u>
Equity	\$ 15.6	\$ 15.6	\$ 12.4
Adjustments for derivative accounting	0.1	0.1	0.1
Total adjusted equity	<u>\$ 15.7</u>	<u>\$ 15.7</u>	<u>\$ 12.5</u>
Financial statement leverage (to 1) (GAAP)	8.5	8.8	9.6
Managed leverage (to 1) (Non-GAAP)	7.5	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 business results and trends, and a means to assess 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 allows users to evaluate our operating results aligned with industry reporting. 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) 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 (iii) 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 prior to year-end, including pension and OPEB remeasurement gains and losses.
- 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. 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

## Pension Funded Status

- Current period balances reflect net underfunded status at December 31, 2020, updated for service and interest cost, expected return on assets, curtailment and settlement gains and associated interim remeasurement (where applicable), separation expense, actual benefit payments, and cash contributions. For plans without interim remeasurement, the discount rate and rate of expected return assumptions are unchanged from year-end 2020

## 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

# Company Product Notes



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1. 2021 Ford EVOS ST-Line, available late 2021
2. 2022 Ford F-150 Lightning, available starting Spring 2022
3. Initial deployments late 2021 in Miami, FL, Washington D.C., followed by Austin, TX in 2022