

# ABS Investor Presentation

August 2022



2022 Ford Bronco Raptor



| 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 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.

## **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 the first quarter of 2022, the Ford Credit section of this presentation no longer includes non-GAAP measures of financial performance and all references to managed receivables and managed leverage have been removed.



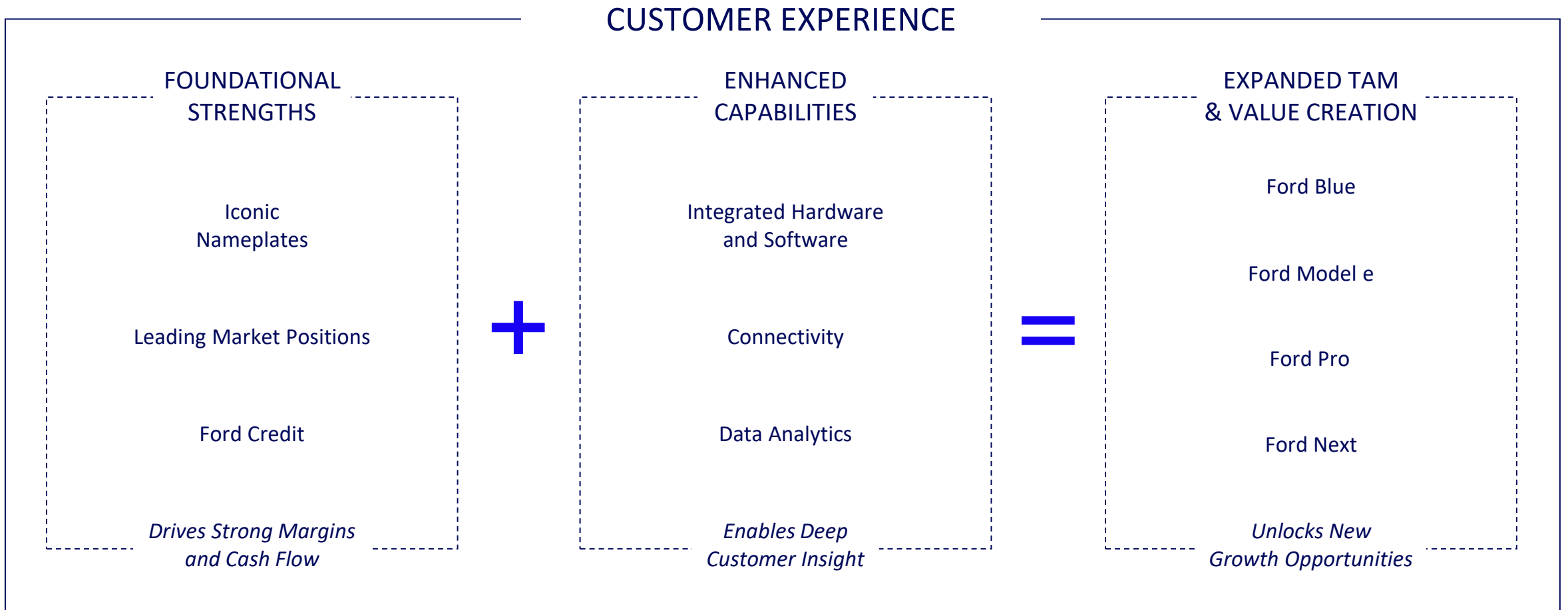
# Corporate



2023 F-150 Raptor R

# 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



Ford celebrates the 75th anniversary of F-Series trucks with 2023 F-150 Heritage Edition

## Integrated Hardware & Software



Over 55,000 vehicles with BlueCruise activated to date, with 10M miles driven hands free on highways in the U.S.

## Electrification



Ohio Assembly Plant Expansion  
Rendition – Mid-decade home of an all-new commercial vehicle

## Ford Credit



FinSimple now offers non-vehicle asset financing contracts to customers; launched operations in U.K., Germany, France and Italy

## Connectivity



Delivered 1.3M Ford Power-Up software updates in Q2

## Ford Pro



Paid telematics subscriptions have grown over 40% in each of the last two quarters

# Executing Our 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*











- Company expecting a 90% CAGR for its EVs, more than double the forecasted global EV industry
- Adding LFP batteries to EV portfolio in 2023 to help satisfy overwhelming customer demand
- Announced battery capacity plan and raw material deals to scale EVs quickly ([press release](#)):
  - Secured contracts delivering 60GWh, enabling annual production of 600K EVs by late 2023
  - Sourced 70% of battery capacity and raw materials required to produce an annual run rate of 2M+ EVs by late 2026
- Localizing 40GWh of LFP capacity in North America in 2026
- Signed a non-binding MoU with CATL to explore a cooperation to supply Ford with batteries
- Creating an EV supply chain that upholds commitments to sustainability and human rights

# Globally Diversified EV Supply Chain

## RAW MATERIALS

 <b>Ni</b>	Vale Canada	 <b>Li</b>	ioneer Nevada
 <b>Ni</b>	PT Vale Huayou Indonesia	 <b>Li</b>	Rio Tinto Argentina
 <b>Ni</b>	BHP Australia	 <b>Li</b>	Compass Minerals Utah
 <b>Li</b>	Liontown Australia	 <b>C</b>	Syrah Resources Louisiana
 <b>EcoPro</b> Canada			

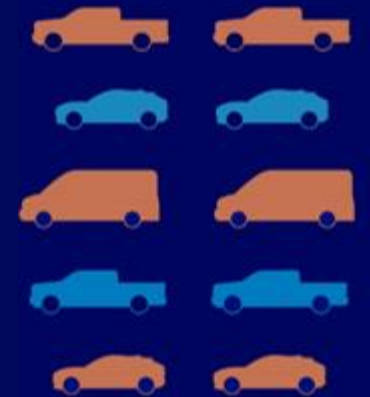
## CELL SUPPLY

 <b>LFP</b>	CATL China	 <b>LFP</b>	40GWh North America
 <b>NCM</b>	Koç SK On Turkey	 <b>NCM</b>	SK On Hungary
 <b>NCM</b>	LGES Poland	 <b>NCM</b>	BlueOval SK Tennessee
 <b>NCM</b>	SK On Georgia	 <b>NCM</b>	BlueOval SK Kentucky

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## EV PRODUCTION

**600,000**  
By Late 2023  
And  
**2 MILLION**  
By Late 2026





# Second Quarter Financial Results

Revenue	Adj. EBIT	Adj. EBIT Margin	Adj. FCF	Adj. EPS
\$40.2B	\$3.7B	9.3%	\$3.6B	\$0.68
Up \$13.4B	Up \$2.7B	Up 5.4 pts	Up \$8.7B	Up \$0.55



2022 Expedition  
Timberline

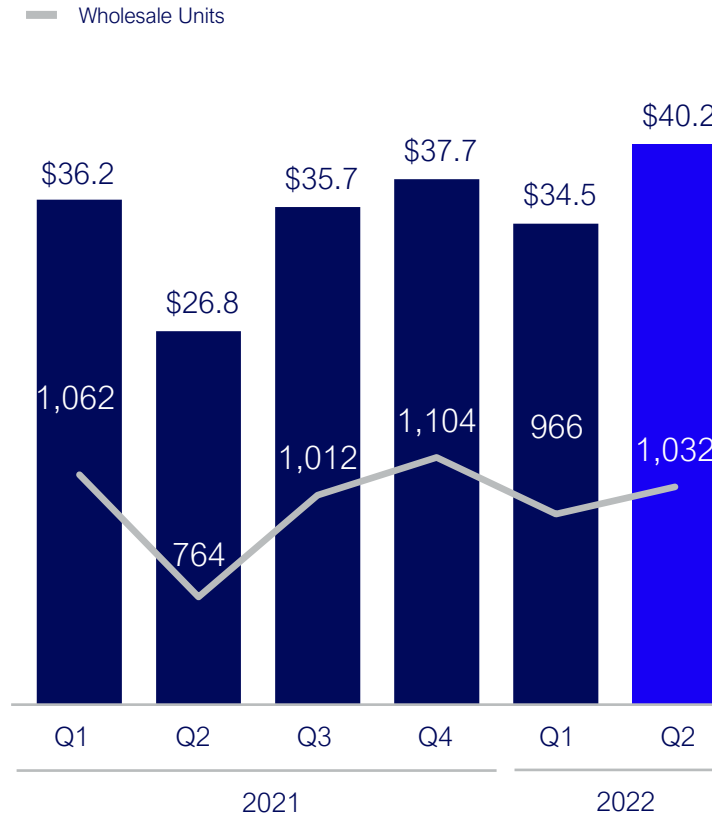
## Year-To-Date

\$74.7B	\$6.0B	8.1%	\$3.0B	\$1.06
Up \$11.7B	Up \$1.1B	Up 0.2 pts	Up \$8.5B	Up \$0.23

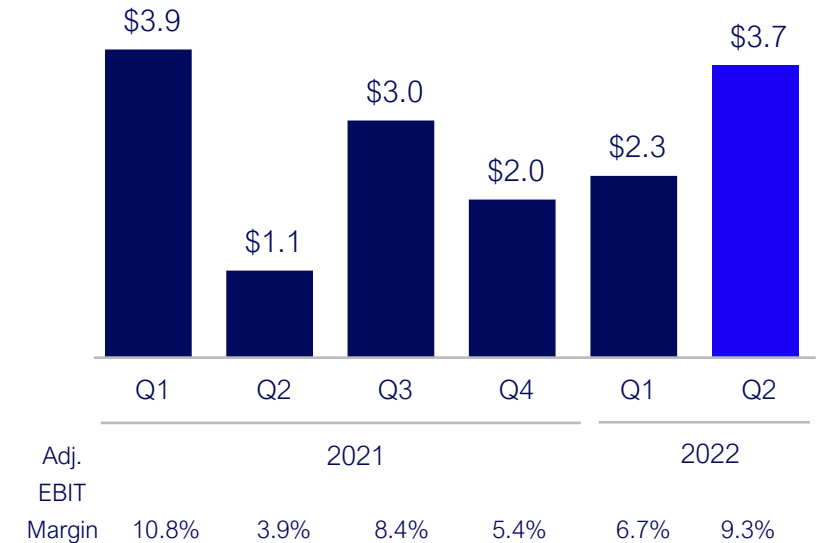
# Q2 Revenue And Adjusted EBIT

- Q2 wholesales up 35%, driven by improvement in supply chain constraints and the ramp-up of Bronco and Maverick
- Revenue up 50%, driven by volume improvement and higher net pricing, offset partially by weaker currencies
- Adjusted EBIT up \$2.7B, driven by volume and mix, and higher net pricing, offset partially by higher commodity prices, other inflationary cost increases and lower Ford Credit EBT

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



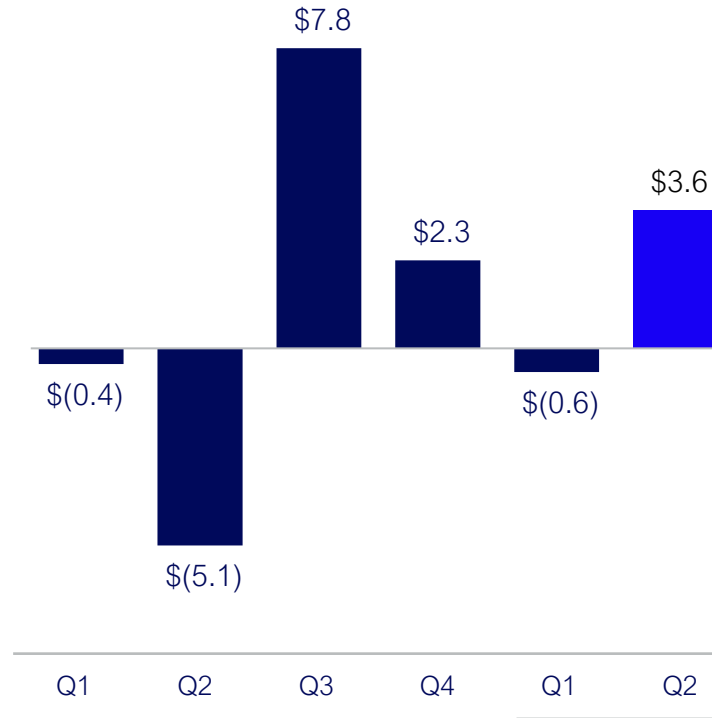
Adjusted EBIT (\$B)  
& EBIT Margin (%)



# Q2 Cash Flow, Cash Balance And Liquidity (\$B)

- Q2 Adjusted FCF of \$3.6B, driven by strong automotive EBIT and favorable timing differences
- Strong cash and liquidity available to invest in growth

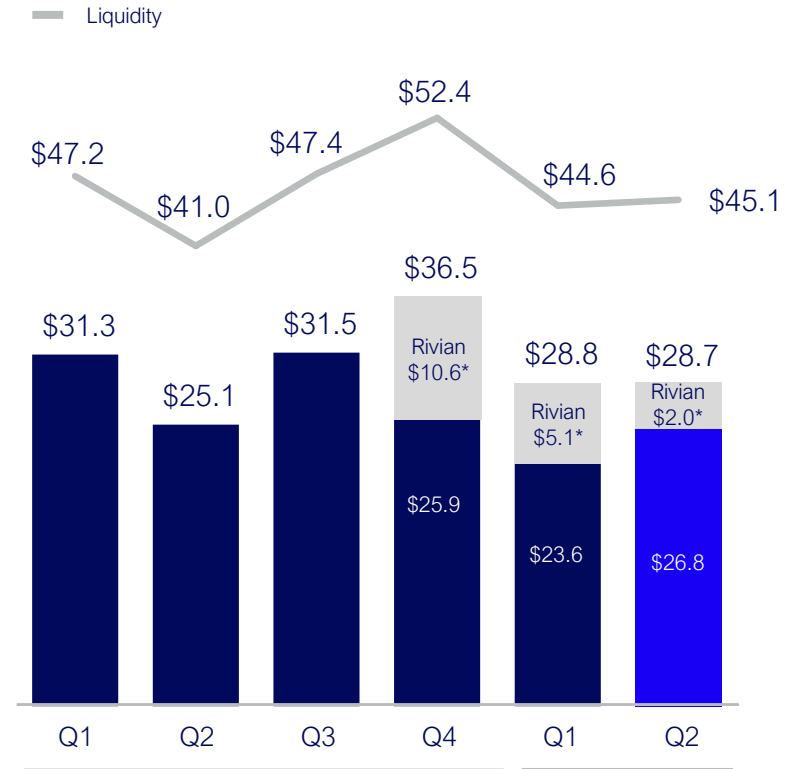
## Adjusted Free Cash Flow



Ford Credit  
Distributions  
Incl. Above

2021				2022	
Q1	Q2	Q3	Q4	Q1	Q2
\$1.0	\$4.0	\$1.5	\$1.0	\$1.0	\$0.6

## Cash Balance & Liquidity



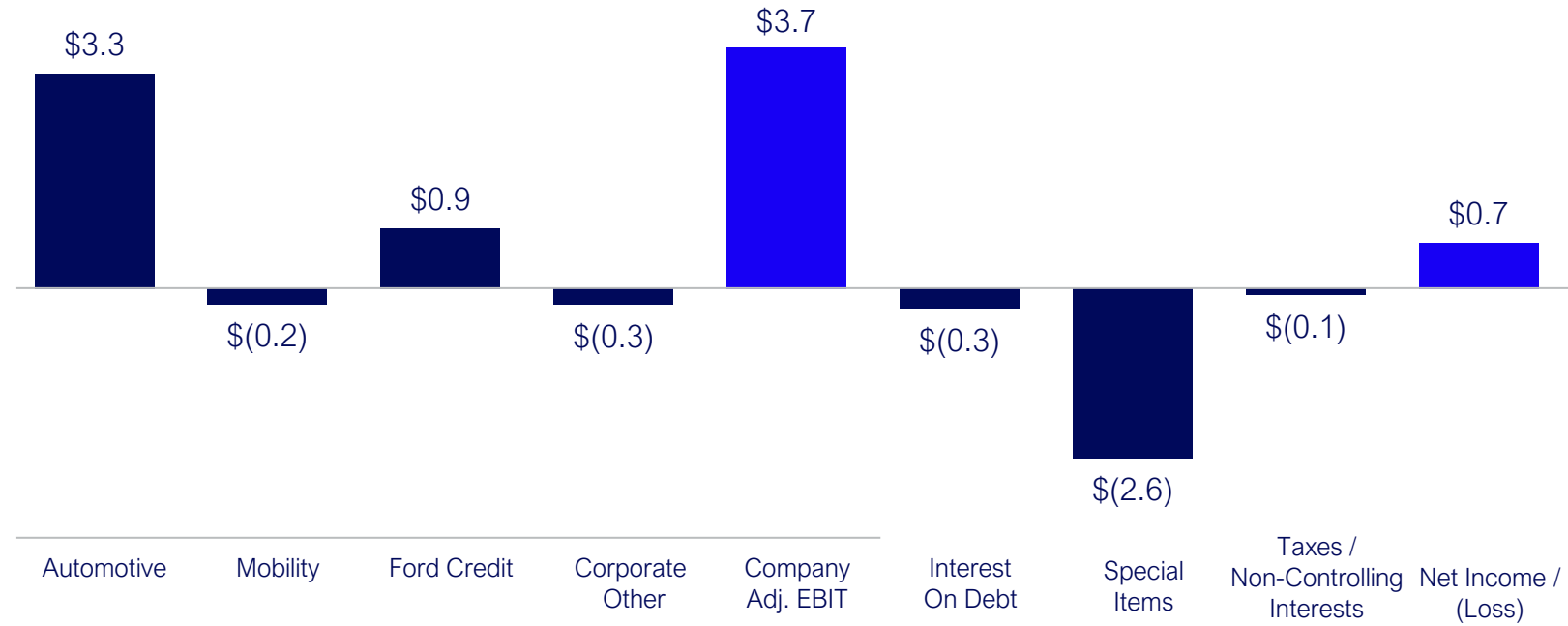
2021				2022	
Q1	Q2	Q3	Q4	Q1	Q2
\$5.5	\$(0.8)	\$5.9	\$16.1	\$8.7	\$9.4

\* At December 31, 2021, March 31, 2022 and June 30, 2022, Rivian common shares were valued at \$103.69, \$50.24 and \$25.74, respectively, per share. Our investment is marked to market on a recurring basis and gains and losses could be material in any period. In the second quarter of 2022, we sold 25.2 million of our 101.9 million Rivian common shares.



# Q2 2022 Results (\$B)

- Company Adjusted EBIT driven by Automotive and Ford Credit results
- Special Items include a \$2.4B loss on our Rivian investment



B / (W)

	Automotive	Mobility	Ford Credit	Corporate Other	Company Adj. EBIT	Interest On Debt	Special Items	Taxes / Non-Controlling Interests	Net Income / (Loss)
Q2 2021	\$3.4	\$(0.0)	\$(0.7)	\$(0.1)	\$2.7	\$0.1	\$(2.8)	\$0.1	\$0.1
Q1 2022	1.4	0.0	0.0	(0.1)	1.4	(0.0)	3.2	(0.9)	3.8

# Q2 2022 Adjusted EBIT (\$B)

	North America	South America	Europe	China	IMG	Total Auto	Total Company	
Q2 2021	\$ 0.2	\$ (0.1)	\$ (0.3)	\$ (0.1)	\$ 0.2	\$ (0.1)	\$ 1.1	
YoY Change:								
Volume / Mix	\$ 4.6	\$ (0.0)	\$ (0.1)	\$ (0.1)	\$ (0.1)	\$ 4.4	\$ 4.4	
Net Pricing	1.2	0.2	0.8	(0.0)	0.1	2.3	2.3	
Cost	(3.0)	(0.0)	(0.5)	0.0	(0.1)	(3.6)	(3.6)	Material / Freight \$(0.7)
Exchange	0.2	0.0	(0.1)	0.0	(0.0)	0.0	0.0	Commodities (1.5)
JVs / Other	0.1	0.0	0.2	0.1	(0.1)	0.3	0.3	Structural (1.3)
Total Automotive	\$ 3.1	\$ 0.2	\$ 0.3	\$ 0.0	\$ (0.1)	\$ 3.4	\$ 3.4	Pension / OPEB (0.1)
Mobility							(0.0)	JVs \$0.1
Ford Credit							(0.7)	Other 0.2
Corporate Other							(0.1)	
Total Change							\$ 2.7	
Q2 2022	\$ 3.3	\$ 0.1	\$ 0.0	\$ (0.1)	\$ 0.1	\$ 3.3	<u>\$ 3.7</u>	

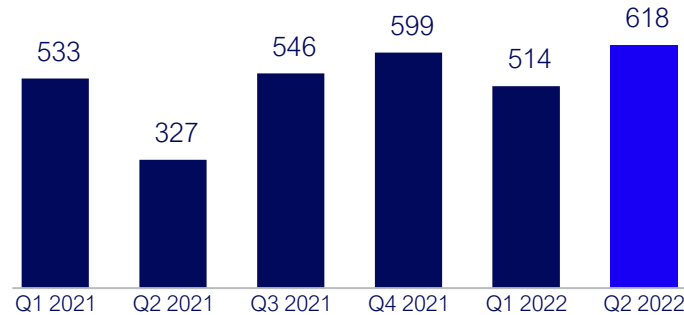
# North America

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

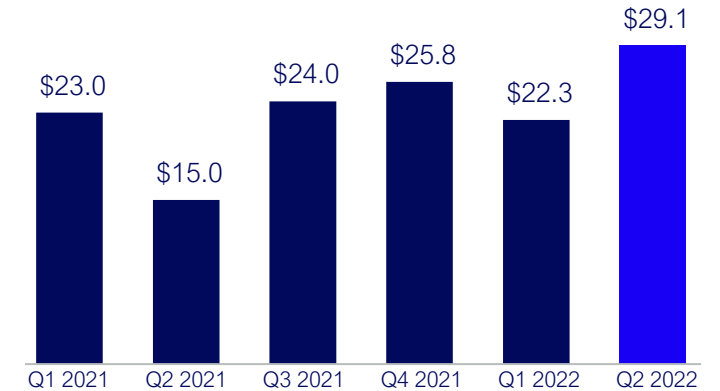
- Robust order bank with nearly all 2022 MY vehicles sold out; showroom traffic remains strong
- Commercial sales up both YoY and sequentially, outperforming the segment; E-Transit has a 95% share of the full-size EV van market in the U.S. with over 3,000 units sold YTD\*

\* Source: Motor Intelligence

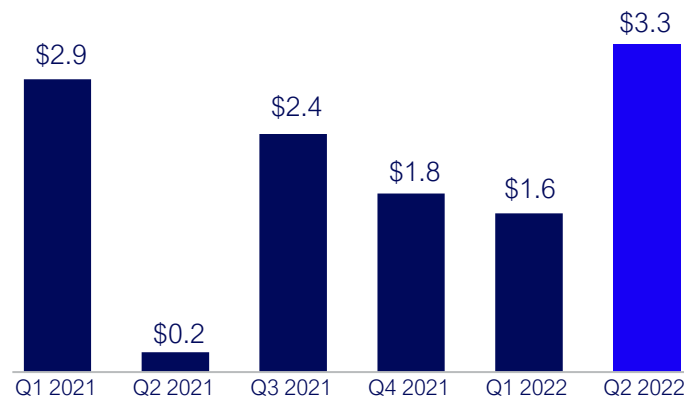
Wholesale Units (000)



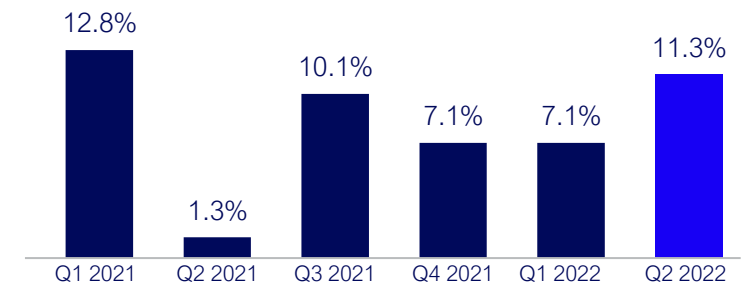
Revenue (\$B)



EBIT (\$B)



EBIT Margin (%)





# Ford Credit

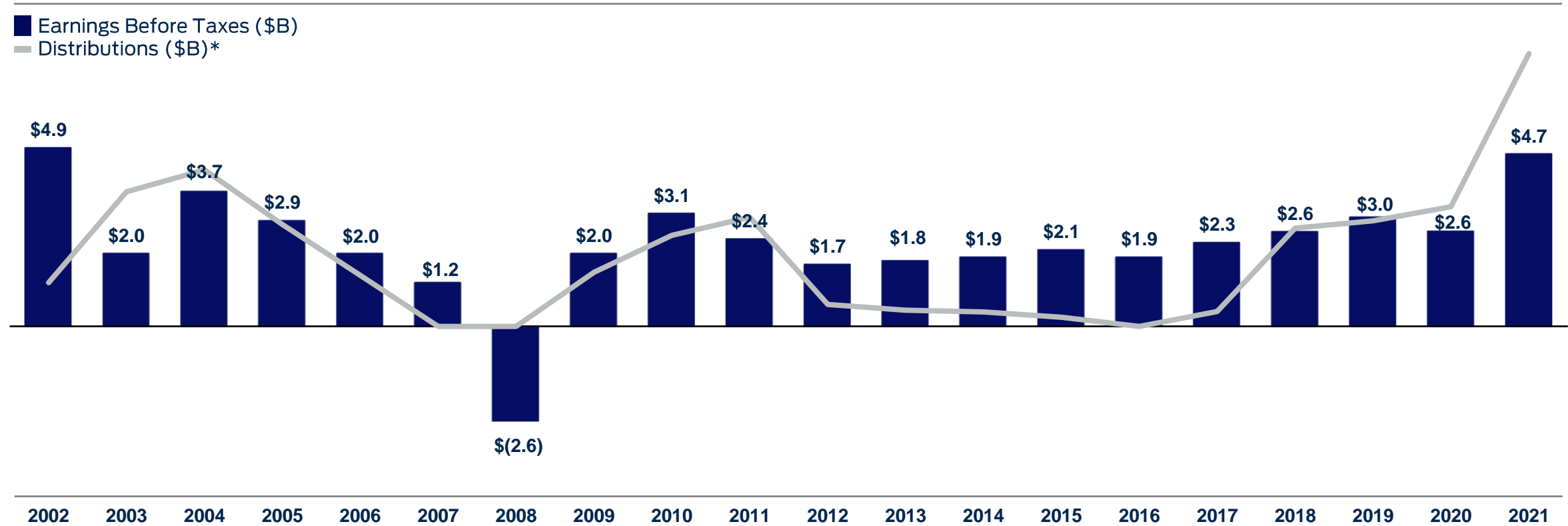


| Ford Credit



2022 Ford Bronco Raptor

# Ford Credit -- A Strategic Asset



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

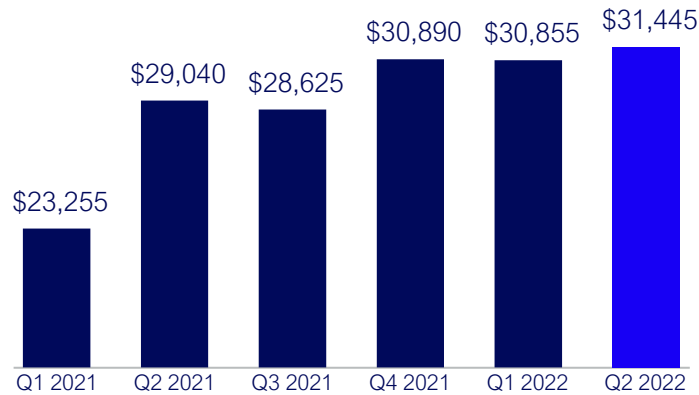
\* Distributions for the year 2020 have been updated, as a result of our adoption of ASU 2019-12, Simplifying the Accounting for Income Taxes. Distributions for years prior to 2020 have not been updated in this chart.

# Key Metrics

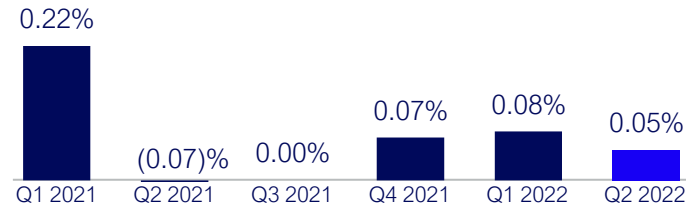
Best-in-class finance company

- Ford Pro FinSimple continues expanding its services to commercial customers:
  - Launched in U.K., Germany, France and Italy
  - Stood up a dedicated customer support function
- Expecting auction values to remain strong, but decline in the second half as the supply of new vehicles improves; expecting return rates to remain low

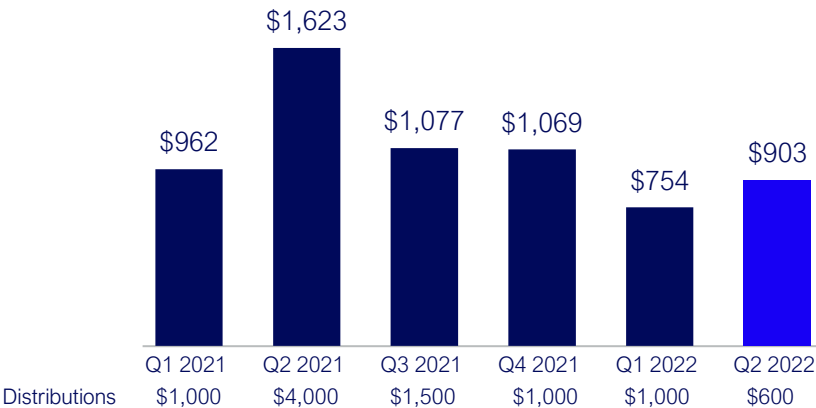
Auction Values (Per Unit) \*



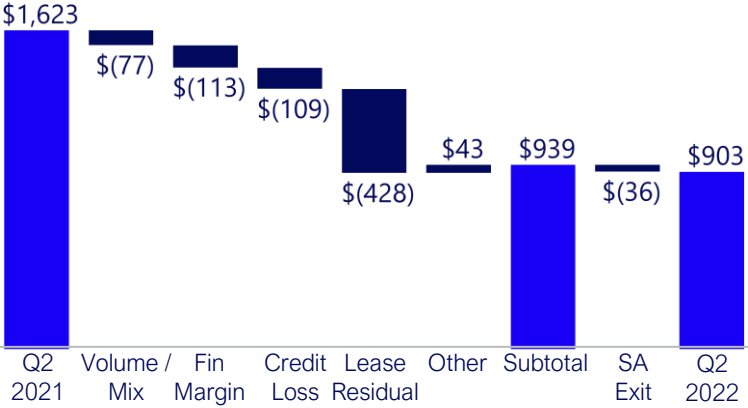
U.S. Retail LTR Ratio (%)



EBT (\$M)



Q2 EBT YoY (\$M)

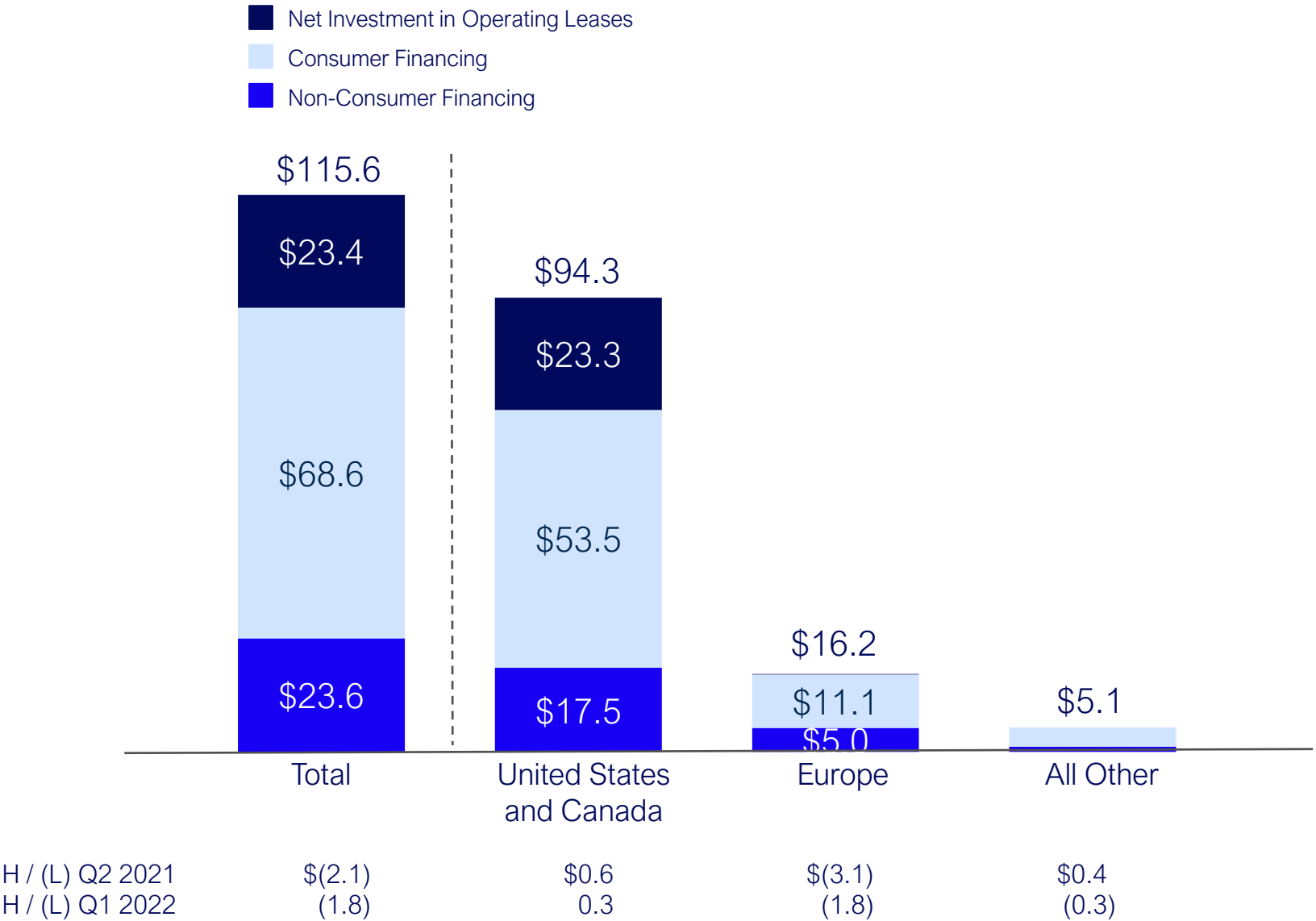


\* U.S. 36-month off-lease auction values at Q2 2022 mix



# Q2 2022 Net Receivables Mix (\$B)

- Receivables declined \$2.1B YoY, primarily resulting from lower volume due to supply constraints and lower Ford Credit share, and exchange
- Operating lease portfolio was 20% 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 Ratio remain low
- Delinquencies remain low; up YoY, beginning to normalize
- LTR Ratio reflects low losses and strong net recoveries

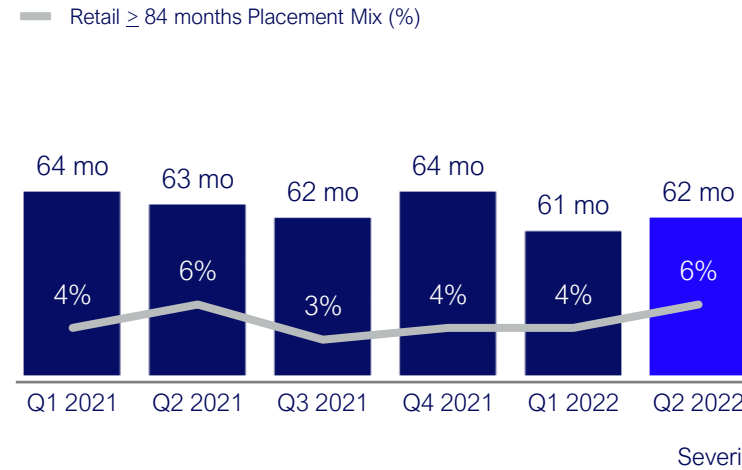
## Retail & Lease FICO and Higher Risk Mix (%)



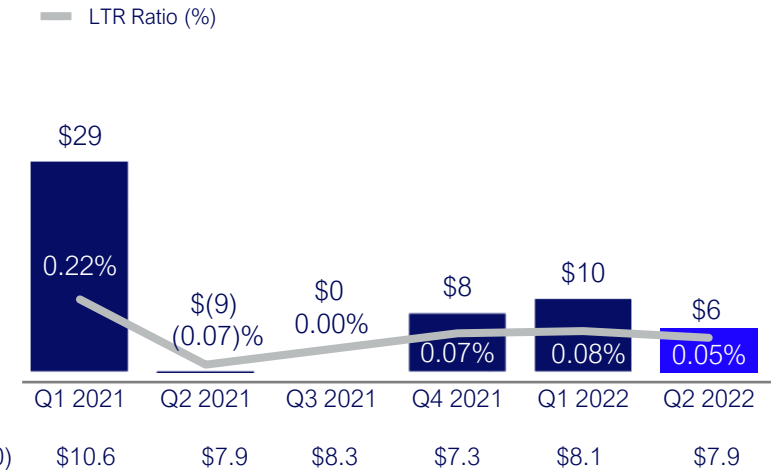
## Retail Repossessions (000) and Repossession Rate (%)



## Retail Contract Terms



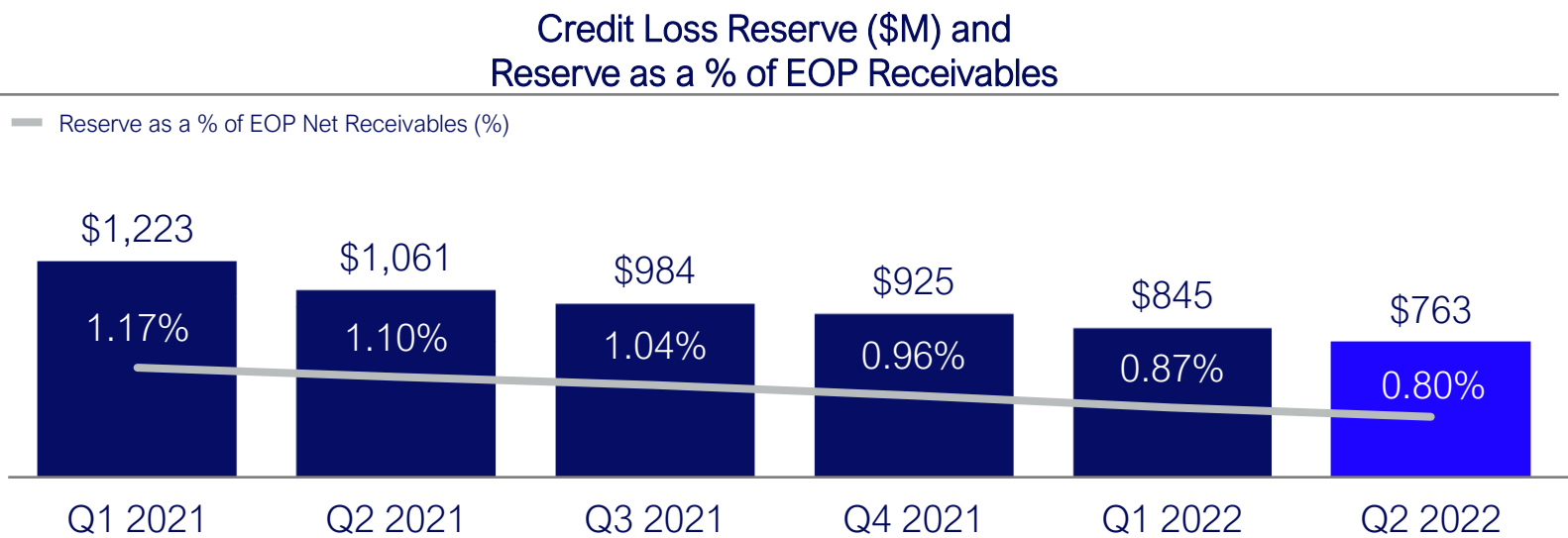
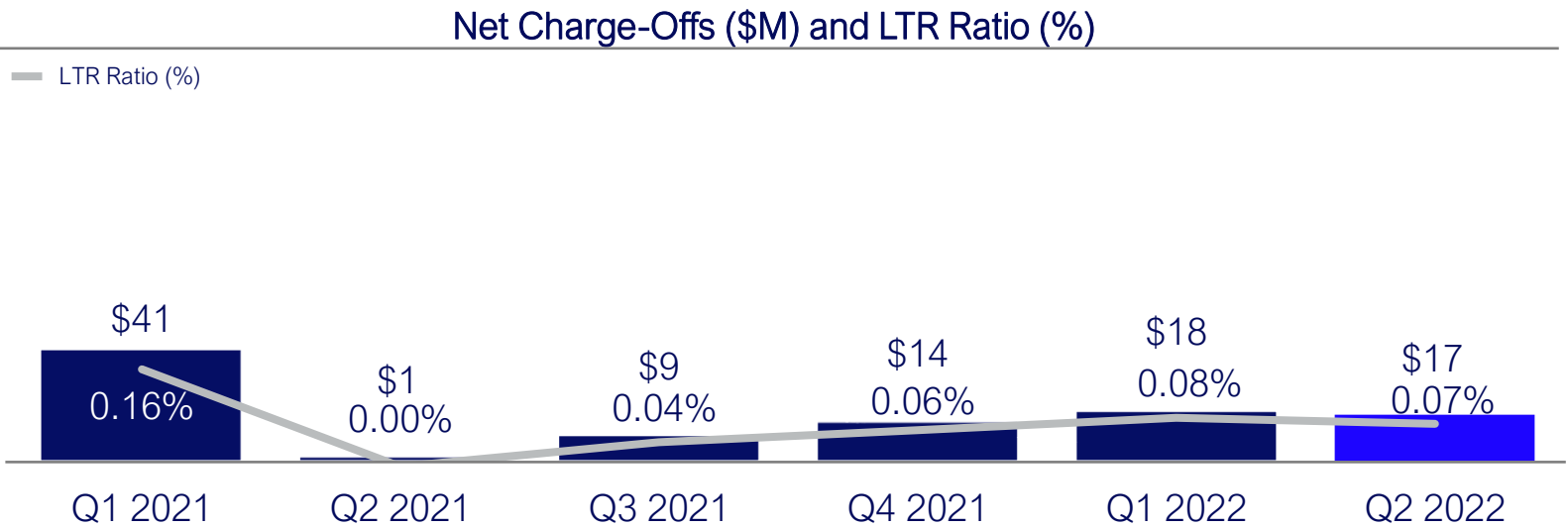
## Retail Net Charge-Offs (\$M) and LTR Ratio (%)



\* Excluding bankruptcies

# Worldwide Credit Loss Metrics

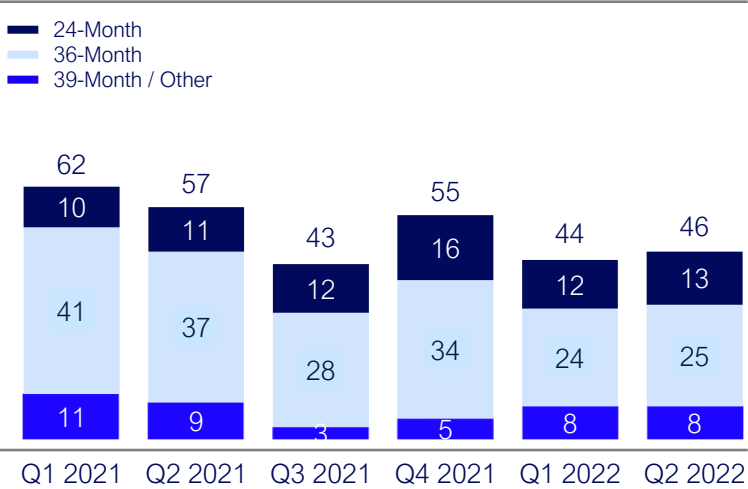
- Worldwide credit loss metrics remain strong, reflecting continued low losses
- Credit loss reserves continue to decline with the release of remaining COVID reserve



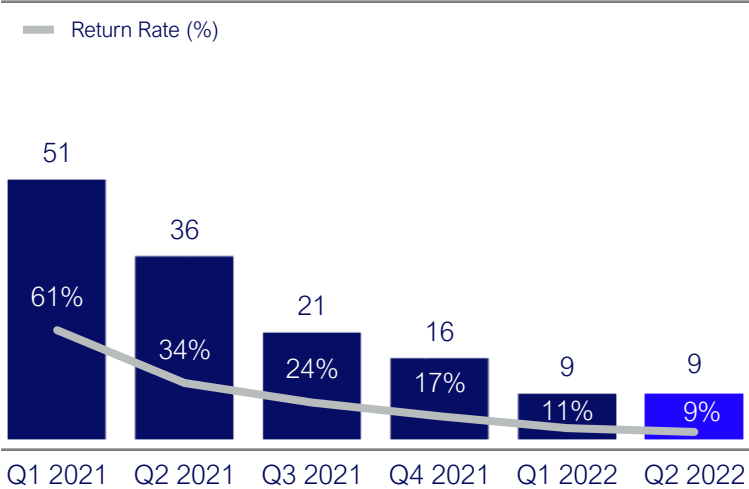
# U.S. Lease Metrics

- Auction values up 8% YoY, and up sequentially 2%, reflecting continued strong demand for used vehicles and impact of supply constraints on new vehicle production
- Lease return volume continues to trend lower, reflecting higher auction values
- Lease share continues to be below industry

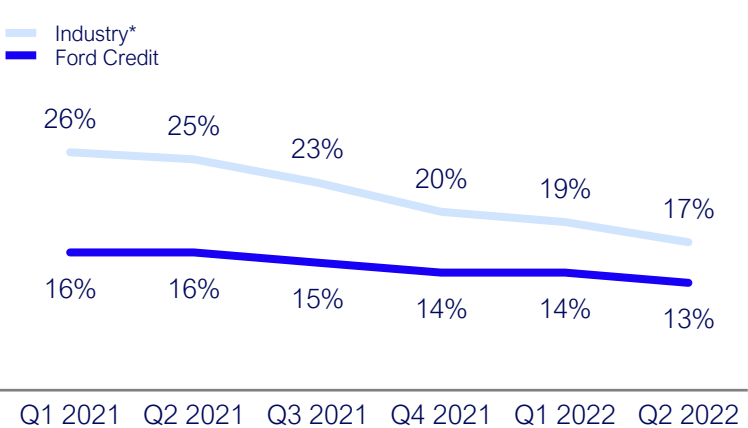
Lease Placement Volume (000)



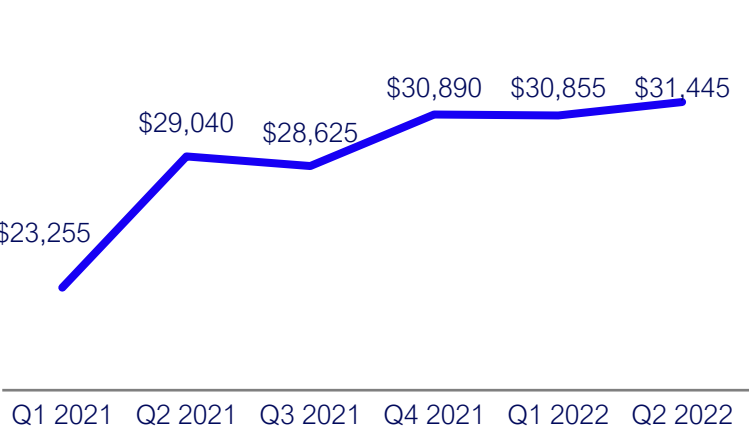
Lease Return Volume (000) and Return Rates (%)



Lease Share of Retail Sales (%)



Off-Lease Auction Values (36-month, at Q2 2022 Mix)

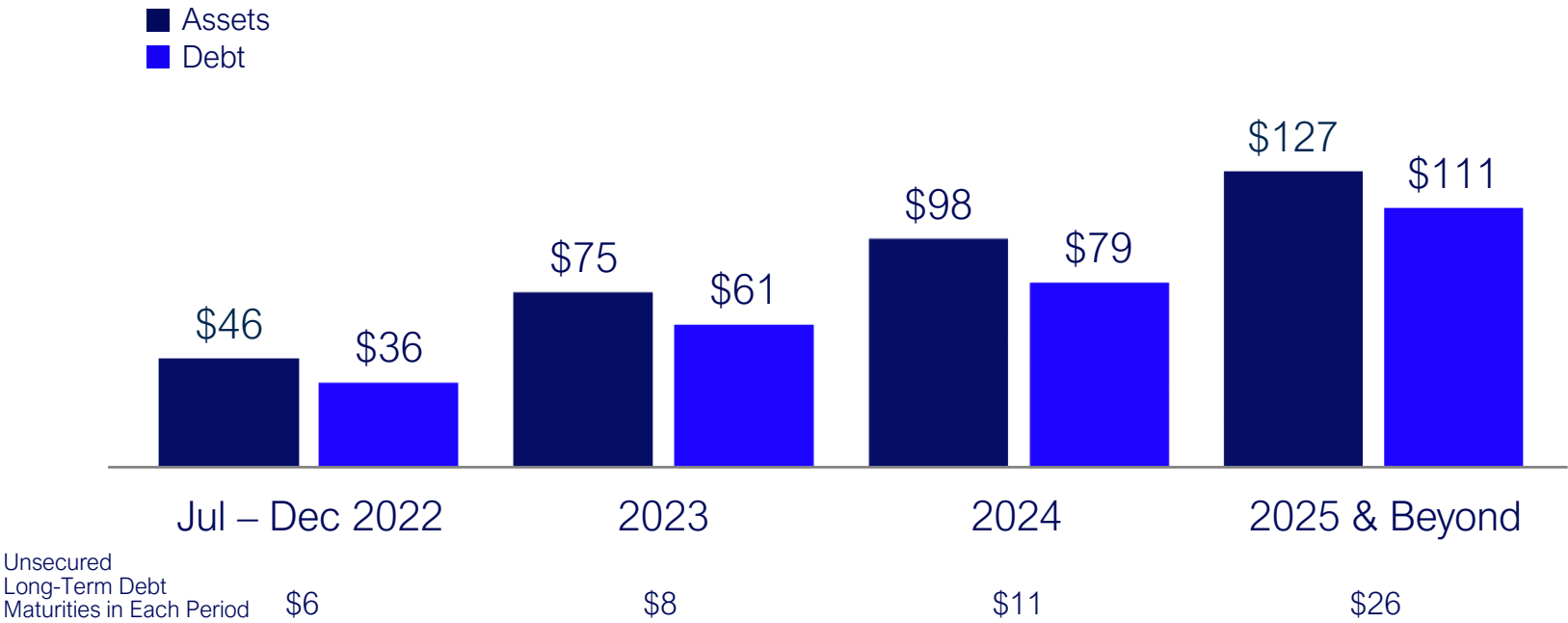


\* Source: J.D. Power PIN



# Cumulative Maturities At June 30, 2022\* (\$B)

- Strong balance sheet is inherently liquid with cumulative debt maturities having a longer tenor than asset maturities
- \$65B of \$127B assets are unencumbered



\* See Appendix for assets and debt definitions

# Funding Structure – Total Net Receivables (\$B)

- Well capitalized with a strong balance sheet; \$25B in net liquidity
- Funding is diversified across platforms and markets
- Used excess liquidity to repurchase \$3B of unsecured debt – reducing interest cost and 2023 maturities
- Financial Statement Leverage is at the lower end of our 9:1 to 10:1 target range

	Dec 31	Jun 30
Term Unsecured Debt	\$ 59.4	\$ 49.9
Term Asset-Backed Securities	45.4	47.1
Ford Interest Advantage / Retail Deposits	12.9	12.5
Other	(0.2)	1.9
Equity	12.4	12.0
Adjustments for Cash	(12.4)	(7.8)
<b>Total Net Receivables</b>	<b>\$ 117.5</b>	<b>\$ 115.6</b>
Securitized Funding as Pct of Total Debt	38.5%	43.0%
Net Liquidity	\$ 32.0	\$ 25.0
Financial Statement Leverage	9.5	9.1

# Public Term Funding Plan (\$B)

- Completed \$10B of public issuance in 2022
- Strong balance sheet and substantial liquidity provide funding flexibility

	2020 Actual	2021 Actual	2022 Forecast*	Through Aug 25
Unsecured	\$ 14	\$ 5	\$ 4 - 7	\$ 4
Securitizations**	13	9	8 - 10	6
Total	<u>\$ 27</u>	<u>\$ 14</u>	<u>\$ 12 - 17</u>	<u>\$ 10</u>

\* As of July 27, 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.





# Ford Credit Retail, Lease, And Floorplan Data

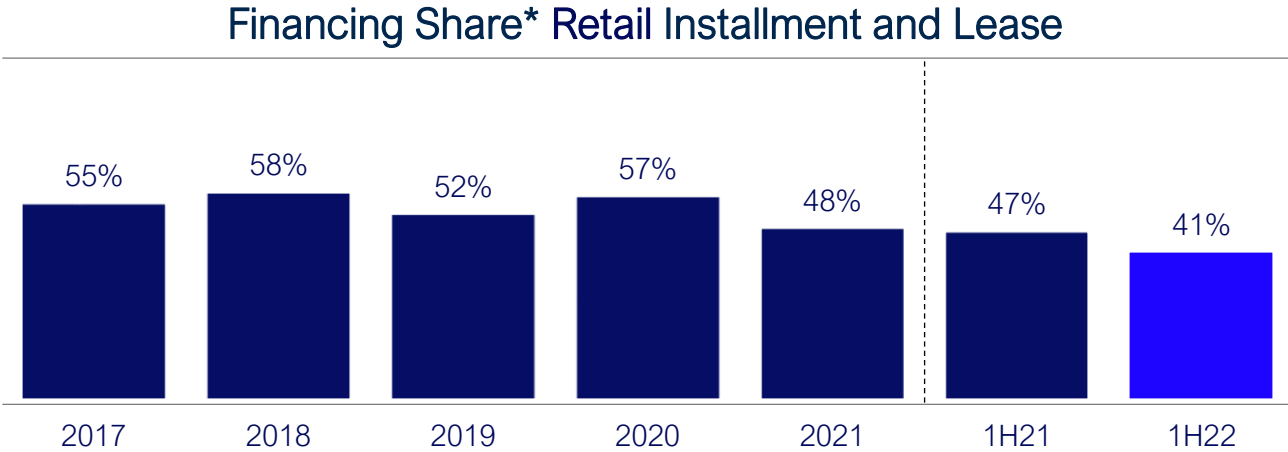
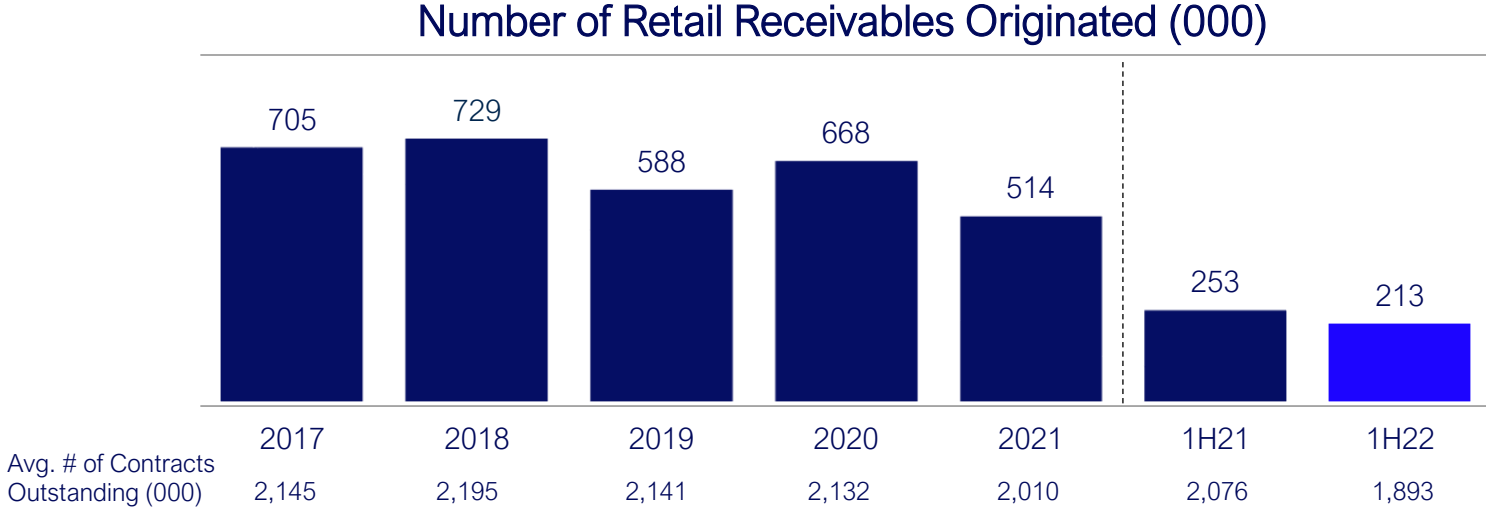


2022 Bronco Sport



# U.S. Retail Securitization U.S. Originations And Share

- Ford Credit provides support for Ford and Lincoln dealers and customers through all business cycles
- Originations volume primarily reflects lower Ford sales and reduced incentives related to the chip shortage



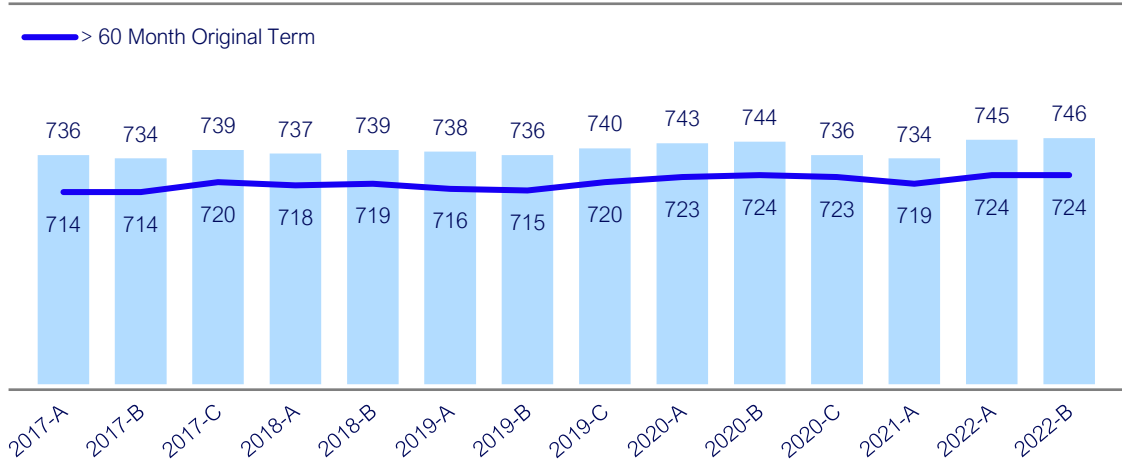
\* Retail Installment and lease share of Ford/Lincoln retail sales (excludes fleet sales)

# U.S. Retail Securitization

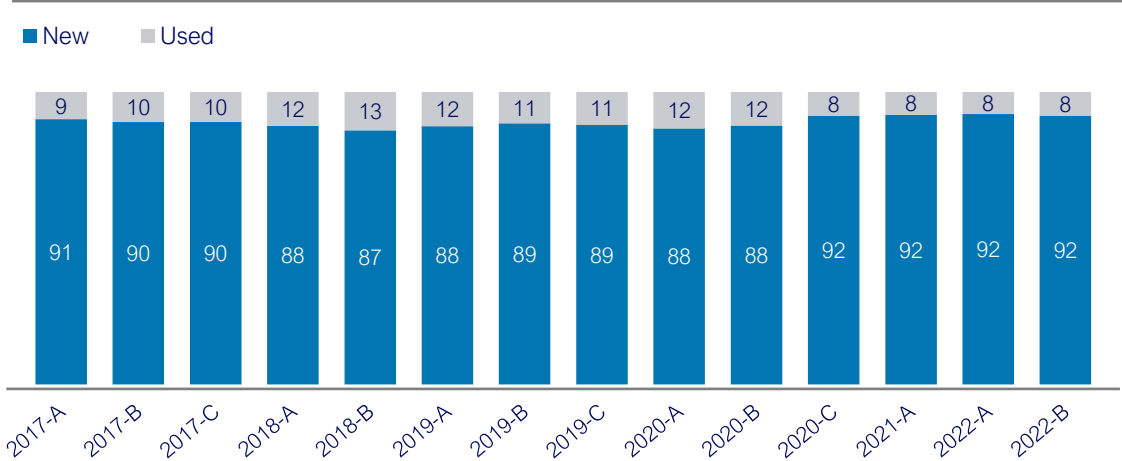
## Securitization Pool Metrics



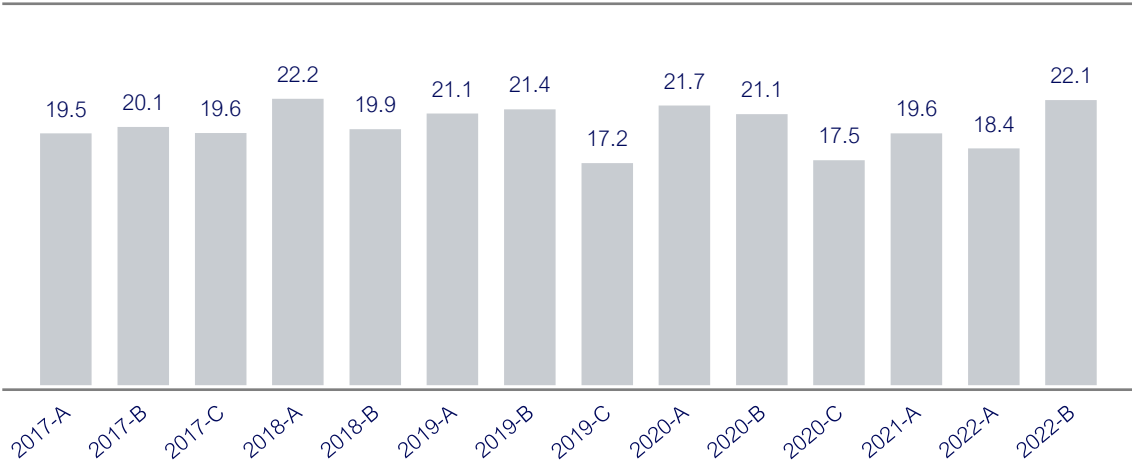
Weighted Average FICO at Origination



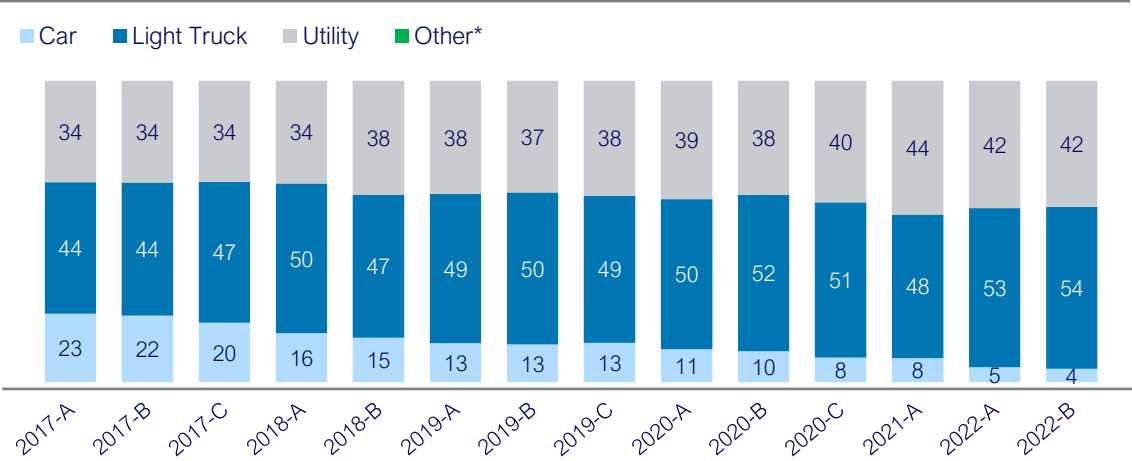
New / Used (%)



Commercial Use (%)



Car / Light Truck / Utility (%)



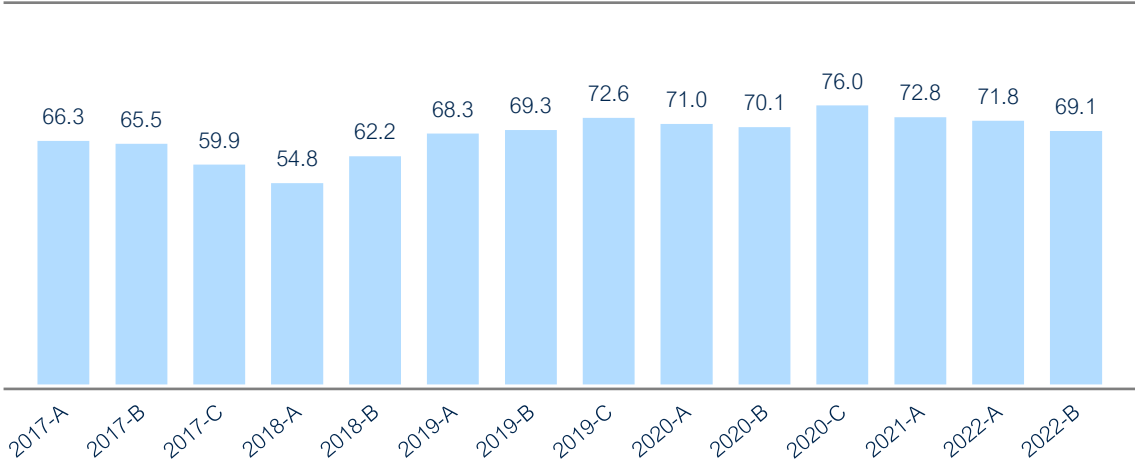
\* Primarily non-Ford, Lincoln and Mercury vehicles, which Ford Credit does not categorize

# U.S. Retail Securitization

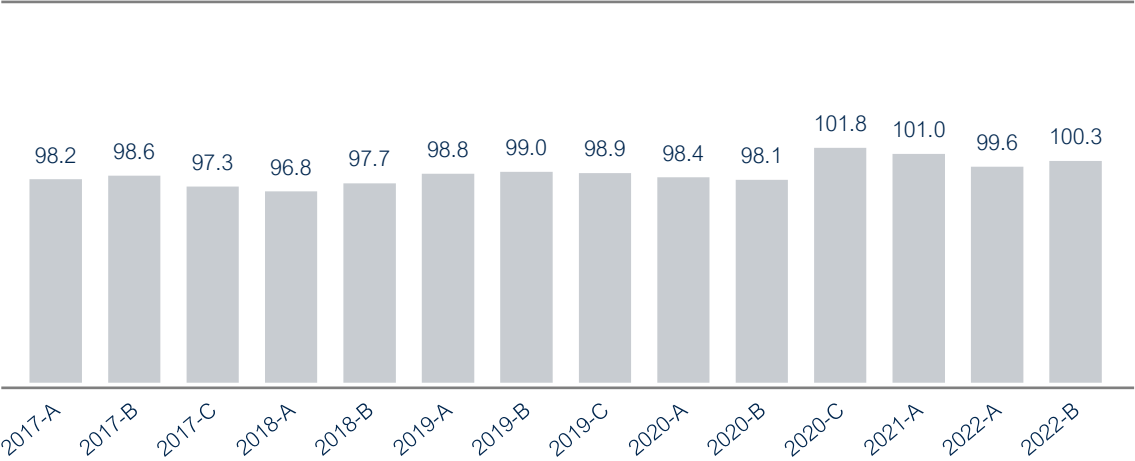
## Securitization Pool Metrics (Cont'd)



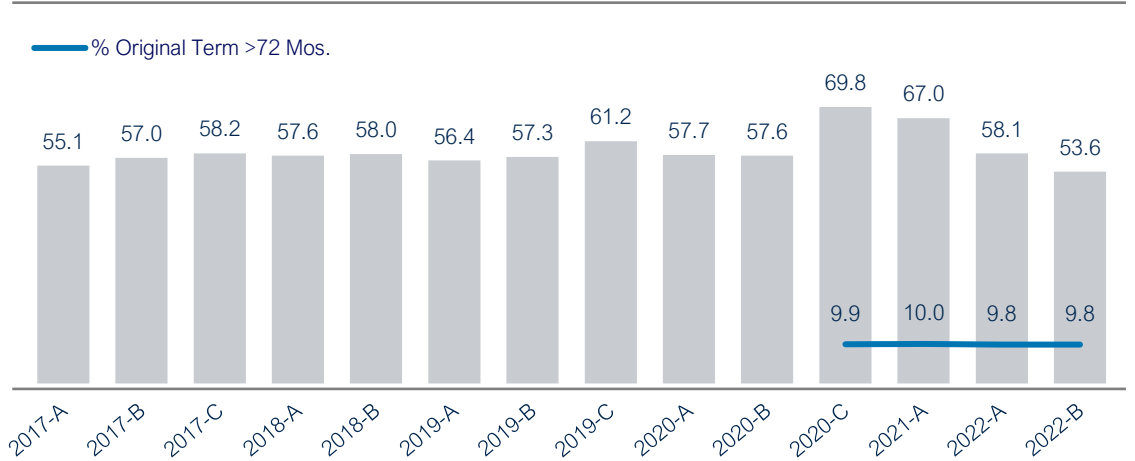
Subvened-APR Receivables (%)



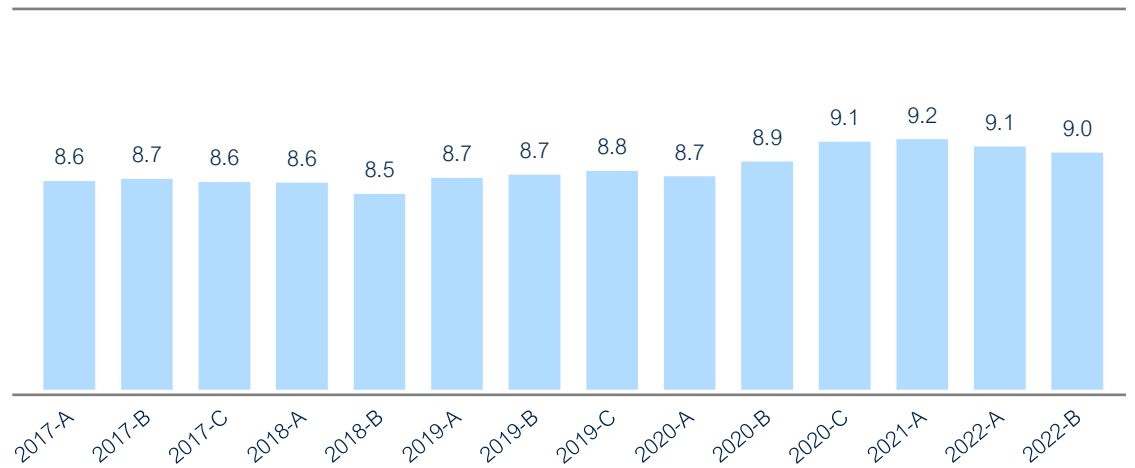
Weighted Average Loan-to-Value (%)



Original Term > 60 Mos. by Principal Balance (%)



Weighted Average Payment-to-Income (%)

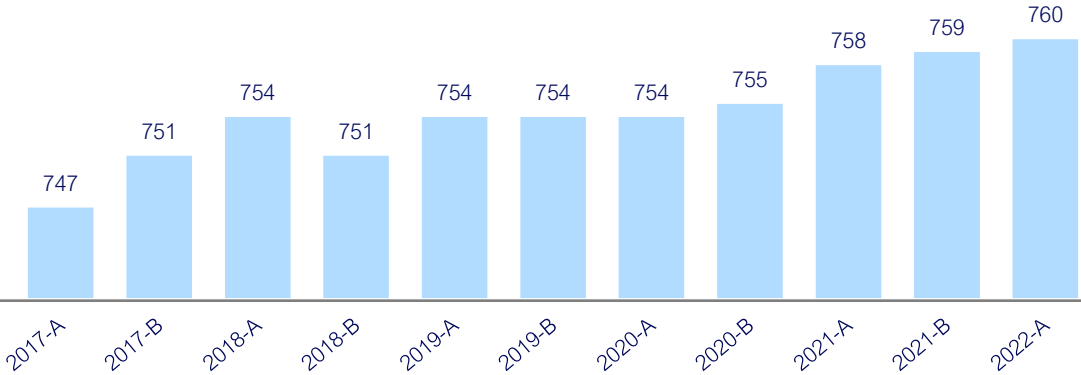




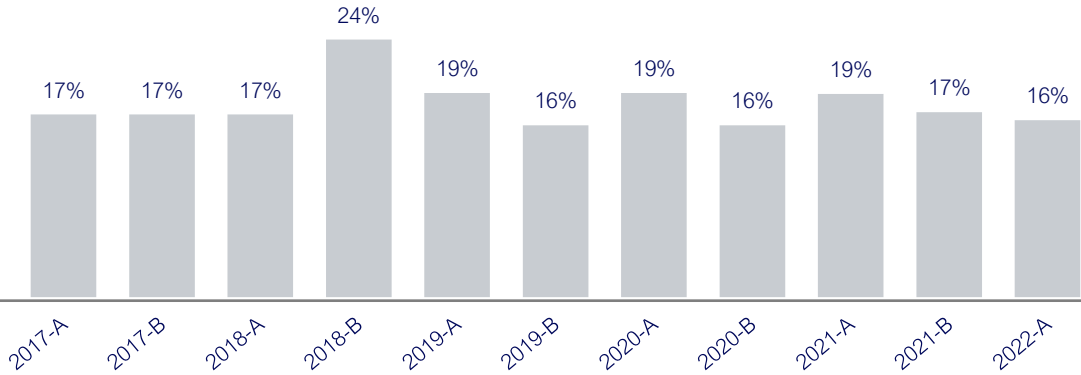
# U.S. Lease Securitization Securitization Pool Metrics



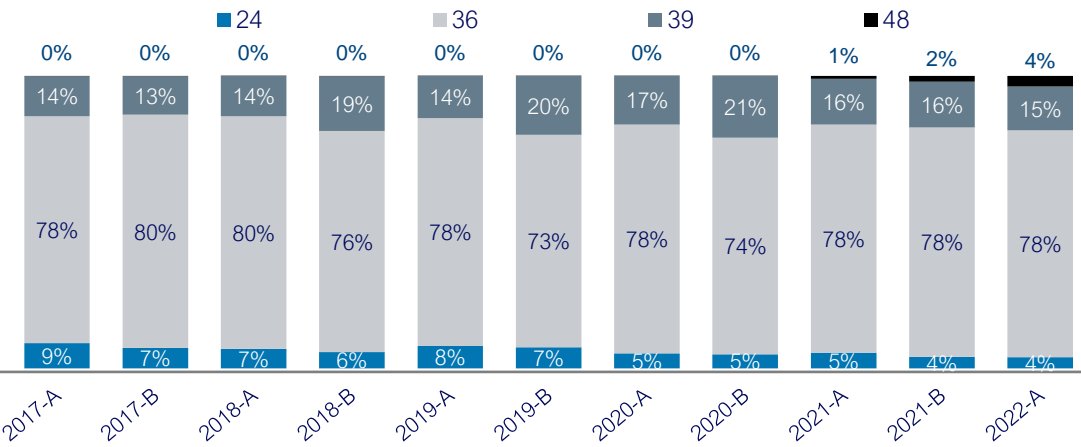
Weighted Average FICO at Origination



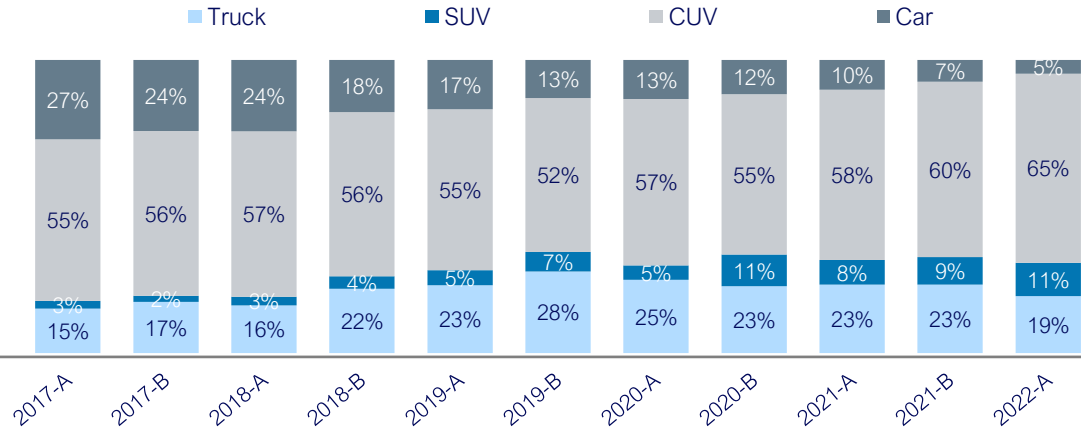
Maximum 3-Month Residual Concentration



Original Term as % of Securitization Value

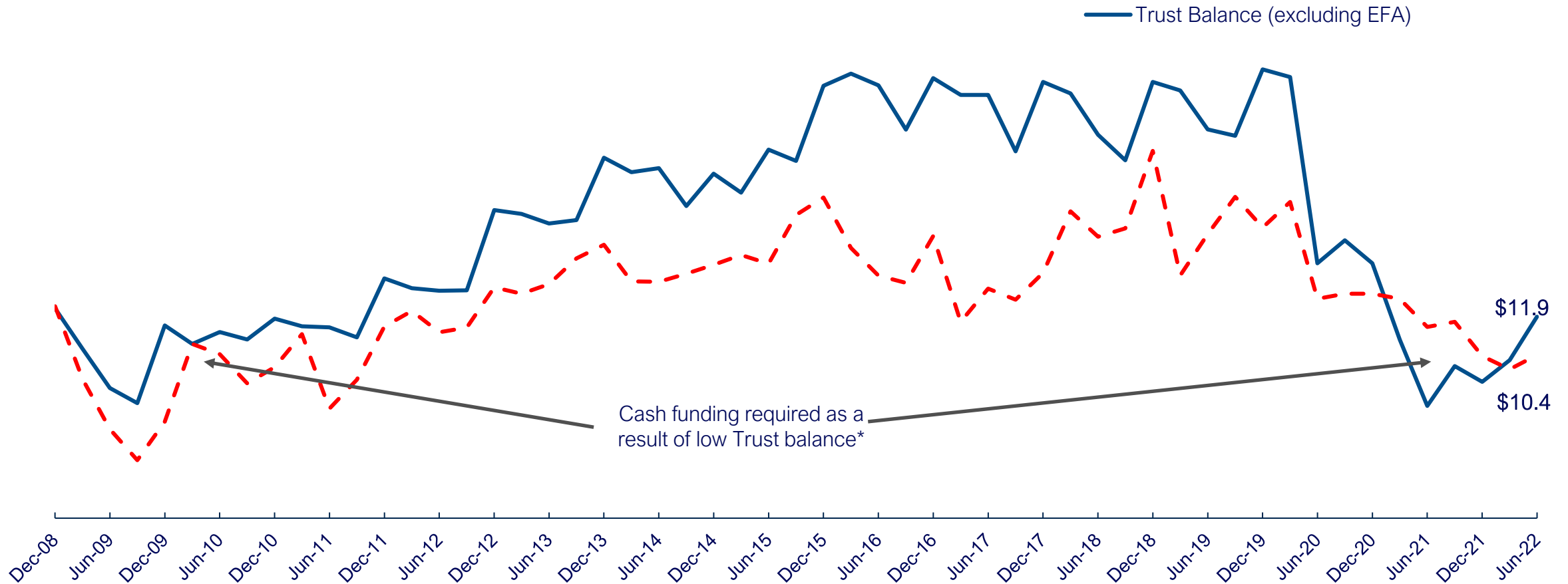


Vehicle Type as % of Securitization Value\*



\* For transactions prior to 2017-B, reflects classification of 2011 and newer model year Explorers and 2013 and newer model year Escapes as CUVs rather than SUVs

# Historical Trust Balance vs. Required Pool Balance (\$B)



\* Excess funding account (EFA) has been funded periodically when the Trust balance declines below the required pool balance (for example, as a result of plant shutdowns or manufacturer vehicle marketing incentive programs).

# U.S. Floorplan Securitization

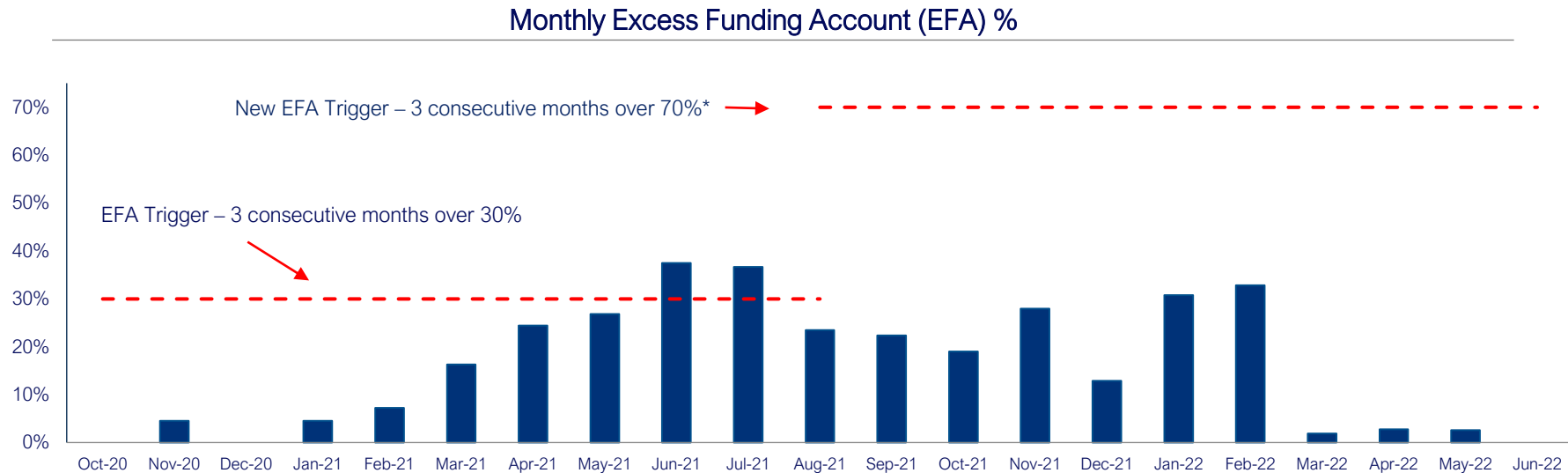
## Recent Business Environment

### 2021

- The global semi-conductor chip shortage impacted vehicle production starting in early 2021
- Production losses combined with robust sales reduced the Trust balance below the required level
- Cash in the Excess Funding Account (EFA) increased – EFA% trigger was not breached

### 2022

- Supply constraints continue to limit vehicle production
- As of 2Q, the combination of Trust balance increases and maturing debt has largely eliminated the need for cash in the EFA



\* The outstanding series were amended in August 2021 to raise the Excess Funding Account ("EFA") threshold for an amortization event from 30% for three consecutive Collections Periods to 70%. A provision was also added allowing Principal Collections to be used to pay interest and fees to cover any potential shortfalls



# Appendix



2022 F-150 Lightning



# Cash Flow And Balance Sheet (\$B)

	Second Quarter		First Half	
	2021	2022	2021	2022
Company Adj. EBIT excl. Ford Credit	\$ (0.6)	\$ 2.8	\$ 2.4	\$ 4.2
Capital spending	\$ (1.5)	\$ (1.5)	\$ (2.9)	\$ (2.9)
Depreciation and tooling amortization	1.3	1.3	2.5	2.6
Net Spending	\$ (0.2)	\$ (0.2)	\$ (0.4)	\$ (0.2)
Receivables	\$ (0.0)	\$ (0.6)	\$ (0.6)	\$ (0.6)
Inventory	(0.8)	0.3	(3.0)	(2.5)
Trade payables	(4.6)	0.4	(3.0)	2.0
Changes in Working Capital	\$ (5.4)	\$ 0.1	\$ (6.6)	\$ (1.1)
Ford Credit distributions	4.0	0.6	5.0	1.6
Interest on debt and cash taxes	(0.7)	(0.6)	(1.2)	(0.9)
All Other and timing differences (a)	(2.2)	0.9	(4.8)	(0.5)
Company Adjusted FCF	\$ (5.1)	<b>\$ 3.6</b>	\$ (5.5)	<b>\$ 3.0</b>
Global Redesign (incl. Separations)	(1.0)	0.3	(1.3)	0.2
Changes in debt	0.0	(0.6)	2.0	(0.8)
Funded pension contributions	(0.2)	(0.2)	(0.4)	(0.3)
Shareholder distributions	-	(0.4)	-	(0.8)
All Other (b)	(0.0)	(2.8)	(0.4)	(9.0)
Change in Cash	<u>\$ (6.2)</u>	<u>\$ (0.0)</u>	<u>\$ (5.7)</u>	<u>\$ (7.8)</u>

	Balance Sheet	
	2021 Dec. 31	2022 Jun. 30
<u>Company Excl. Ford Credit</u>		
Company Cash Balance (c)	\$ 36.5	\$ 28.7
Liquidity (c)	52.4	45.1
Debt	(20.4)	(19.4)
Cash Net of Debt	16.1	9.4
<u>Pension Funded Status</u>		
Funded Plans	\$ 5.8	\$ 6.7
Unfunded Plans	(6.1)	(6.0)
Total Global Pension	<u>\$ (0.3)</u>	<u>\$ 0.7</u>
Total Funded Status OPEB	\$ (6.0)	\$ (5.9)

## Q2 Adjusted FCF Of \$3.6B, Driven By Higher Adjusted EBIT And Timing Differences

- a. Includes differences between accrual-based EBIT and associated cash flows (e.g., pension and OPEB income or expense; compensation payments; marketing incentive and warranty payments to dealers)
- b. Includes a \$2.4B loss and a \$7.9B loss on our Rivian investment in the second quarter and first half of 2022, respectively
- c. At December 31, 2021 and June 30, 2022, Rivian common shares were valued at \$103.69 and \$25.74, respectively, per share. Our investment is marked to market on a recurring basis and gains and losses could be material in any period. In the second quarter of 2022, we sold 25.2 million of our 101.9 million Rivian common shares for about \$700 million.

# Special Items (\$B)

## Global Redesign

South America  
Europe  
China (including Taiwan)  
India and Other (not included above)  
Subtotal Global Redesign

## Other Items

Gain / (loss) on Rivian investment  
Russia suspension of operations / Asset write-off  
Other  
Subtotal Other Items

## Pension and OPEB Gain / (Loss)

Pension and OPEB remeasurement  
Pension Settlements & Curtailments  
Subtotal Pension and OPEB Gain / (Loss)

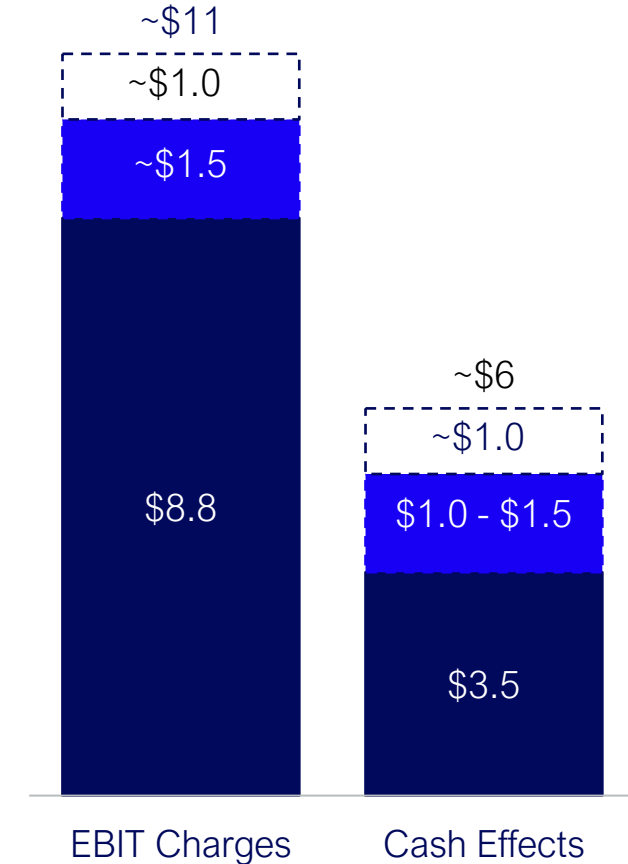
## Total EBIT Special Items

Cash effect of Global Redesign (incl. separations)

	Second Quarter		First Half	
	2021	2022	2021	2022
Global Redesign				
South America	\$ (0.1)	\$ 0.0	\$ (0.5)	\$ (0.0)
Europe	(0.2)	(0.0)	(0.3)	(0.0)
China (including Taiwan)	0.2	(0.0)	0.2	(0.0)
India and Other (not included above)	(0.0)	(0.1)	(0.0)	(0.1)
Subtotal Global Redesign	\$ (0.1)	\$ (0.1)	\$ (0.6)	\$ (0.2)
Other Items				
Gain / (loss) on Rivian investment	\$ -	\$ (2.4)	0.9	(7.9)
Russia suspension of operations / Asset write-off	-	0.0	-	(0.1)
Other	0.0	(0.1)	0.0	(0.3)
Subtotal Other Items	\$ 0.0	\$ (2.5)	\$ 0.9	\$ (8.3)
Pension and OPEB Gain / (Loss)				
Pension and OPEB remeasurement	\$ 0.3	\$ (0.0)	\$ 0.3	\$ (0.0)
Pension Settlements & Curtailments	(0.0)	-	(0.0)	-
Subtotal Pension and OPEB Gain / (Loss)	\$ 0.3	\$ (0.0)	\$ 0.3	\$ (0.0)
Total EBIT Special Items	\$ 0.1	\$ (2.6)	\$ 0.6	\$ (8.5)
Cash effect of Global Redesign (incl. separations)	\$ (1.0)	\$ 0.3	\$ (1.3)	\$ 0.2

## Global Redesign

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



**EBIT Special Items Of \$(2.6)B In Q2 And \$(8.5)B In 1H Driven Primarily By A Loss On Rivian Investment**

# Company Key Metrics



	Wholesale Units (000)						Market Share (%)					
	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022
North America	533	327	546	599	514	618	12.5 %	10.4 %	11.2 %	14.3 %	12.0 %	12.9 %
South America	18	18	20	26	15	18	3.6	2.3	2.4	2.4	2.2	2.0
Europe	278	182	218	213	254	222	7.2	6.1	6.2	6.1	6.6	6.4
China	150	150	162	186	128	114	2.3	2.3	2.5	2.5	2.2	2.3
International Markets Group	82	87	66	80	55	59	1.7	1.8	1.8	1.7	1.2	1.2
Total Automotive	1,062	764	1,012	1,104	966	1,032	5.3 %	4.9 %	4.9 %	5.4 %	4.8 %	5.3 %

	Revenue (\$B)						Revenue Change (%)					
	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022
North America	\$ 23.0	\$ 15.0	\$ 24.0	\$ 25.8	\$ 22.3	\$ 29.1	5 %	37 %	(5) %	17 %	(3) %	94 %
South America	0.4	0.5	0.6	0.8	0.6	0.7	(40)	124	(1)	(8)	33	29
Europe	7.1	5.6	6.1	5.7	6.9	5.8	13	55	7	(19)	(2)	3
China	0.8	0.6	0.6	0.6	0.6	0.4	39	(31)	(41)	(27)	(32)	(20)
International Markets Group	2.3	2.5	1.9	2.4	1.7	2.0	15	141	(7)	(7)	(23)	(21)
Total Automotive	\$ 33.6	\$ 24.1	\$ 33.2	\$ 35.3	\$ 32.1	\$ 37.9	7 %	45 %	(4) %	6 %	(4) %	57 %

# Company Key Metrics



	EBIT (\$B)						EBIT Change (%)					
	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022
North America	\$ 2.9	\$ 0.2	\$ 2.4	\$ 1.8	\$ 1.6	\$ 3.3	N/M %	120 %	(24) %	68 %	(46) %	N/M %
South America	(0.1)	(0.1)	0.0	0.0	0.1	0.1	35	48	102	134	169	N/M
Europe	0.3	(0.3)	(0.1)	(0.2)	0.2	0.0	N/M	57	88	(139)	(39)	103
China	(0.0)	(0.1)	(0.0)	(0.2)	(0.1)	(0.1)	94	9	32	(130)	N/M	2
International Markets Group	0.2	0.2	0.1	0.1	0.1	0.1	N/M	N/M	73	N/M	(52)	(70)
Total Automotive	\$ 3.4	\$ (0.1)	\$ 2.5	\$ 1.6	\$ 1.9	\$ 3.3	N/M %	95 %	(8) %	30 %	(44) %	N/M %

	EBIT Margin (%)						EBIT Margin Change (ppts)					
	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022
North America	12.8 %	1.3 %	10.1 %	7.1 %	7.1 %	11.3 %	11.1 ppts	9.9 ppts	(2.5) ppts	2.2 ppts	(5.7)ppts	10.0 ppts
South America	(16.7)	(15.9)	0.3	4.5	8.7	14.8	(1.3)	52.2	17.4	16.7	25.4	30.7
Europe	4.8	(5.1)	(0.9)	(2.8)	3.0	0.2	7.2	13.4	6.9	(8.6)	(1.8)	5.3
China	(1.8)	(22.3)	(6.6)	(25.8)	(9.4)	(27.6)	38.8	(5.4)	(0.9)	(17.6)	(7.6)	(5.3)
International Markets Group	8.9	8.3	6.6	3.9	5.5	3.1	10.2	22.9	3.0	6.3	(3.4)	(5.2)
Total Automotive	10.1 %	(0.4) %	7.4 %	4.7 %	5.9 %	8.8 %	10.6 ppts	12.0 ppts	(0.3) ppts	0.9 ppts	(4.2)ppts	9.2 ppts

# Company Key Metrics



## Wholesale Units (000)

	Q2 2021	Q2 2022	2022 B / (W) 2021	2021 1H	2022 1H	2022 B / (W) 2021		Q2 2021	Q2 2022	2022 B / (W) 2021	2021 1H	2022 1H	2022 B / (W) 2021
North America	327	618	291	861	1,132	271		10.4 %	12.9 %	2.5 ppts	11.4 %	12.4 %	1.1 ppts
South America	18	18	1	35	34	(2)		2.3	2.0	(0.3)	3.0	2.1	(0.9)
Europe	182	222	40	460	476	16		6.1	6.4	0.3	6.6	6.5	(0.1)
China	150	114	(36)	301	242	(59)		2.3	2.3	0.1	2.3	2.3	(0.0)
International Markets Group	87	59	(27)	169	114	(54)		1.8	1.2	(0.7)	1.8	1.2	(0.6)
Total Automotive	764	1,032	268	1,826	1,998	172		4.9 %	5.3 %	0.3 ppts	5.1 %	5.0 %	(0.1) ppts

## Revenue (\$B)

	Q2 2021	Q2 2022	2022 B / (W) 2021	2021 1H	2022 1H	2022 B / (W) 2021		Q2 2021	Q2 2022	2022 B / (W) 2021	2021 1H	2022 1H	2022 B / (W) 2021
North America	\$ 15.0	\$ 29.1	\$ 14.1	\$ 38.0	\$ 51.4	\$ 13.4		1.3 %	11.3 %	10.0 ppts	8.3 %	9.5 %	1.2 ppts
South America	0.5	0.7	0.2	1.0	1.3	0.3		(15.9)	14.8	30.7	(16.3)	12.1	28.4
Europe	5.6	5.8	0.2	12.7	12.7	0.0		(5.1)	0.2	5.3	0.4	1.7	1.3
China	0.6	0.4	(0.1)	1.4	1.0	(0.4)		(22.3)	(27.6)	(5.3)	(10.0)	(17.4)	(7.4)
International Markets Group	2.5	2.0	(0.5)	4.7	3.7	(1.0)		8.3	3.1	(5.2)	8.6	4.2	(4.4)
Total Automotive	\$ 24.1	\$ 37.9	\$ 13.8	\$ 57.7	\$ 70.0	\$ 12.3		(0.4) %	8.8 %	9.2 ppts	5.7 %	7.4 %	1.7 ppts



# Company Q2 Results (\$M)



	Second Quarter			First Half		
	2021	2022	2022 B / (W) 2021	2021	2022	2022 B / (W) 2021
North America	\$ 192	\$ 3,269	\$ 3,077	\$ 3,135	\$ 4,860	\$ 1,725
South America	(86)	104	190	(159)	154	313
Europe	(284)	10	294	57	217	160
China	(123)	(121)	2	(138)	(174)	(36)
International Markets Group	204	60	(144)	405	156	(249)
Automotive	\$ (97)	\$ 3,322	\$ 3,419	\$ 3,300	\$ 5,213	\$ 1,913
Mobility	(210)	(221)	(11)	(417)	(463)	(46)
Ford Credit	1,623	939	(684)	2,585	1,867	(718)
Corporate Other	(263)	(318)	(55)	(503)	(569)	(66)
Adjusted EBIT	\$ 1,053	\$ 3,722	\$ 2,669	\$ 4,965	\$ 6,048	\$ 1,083
Interest on Debt	(453)	(312)	141	(926)	(620)	306
Special Items (excl. tax)	135	(2,619)	(2,754)	638	(8,485)	(9,123)
Taxes	(182)	(153)	29	(862)	576	1,438
Less: Non-Controlling Interests	(8)	(29)	(21)	(8)	(38)	(30)
Net Income / (Loss) Attributable to Ford	<u>\$ 561</u>	<u>\$ 667</u>	<u>\$ 106</u>	<u>\$ 3,823</u>	<u>\$ (2,443)</u>	<u>\$ (6,266)</u>
Company Adjusted Free Cash Flow (\$B)	\$ (5.1)	\$ 3.6	\$ 8.7	\$ (5.5)	\$ 3.0	\$ 8.5
Revenue (\$B)	26.8	40.2	13.4	63.0	74.7	11.7
Company Adjusted EBIT Margin (%)	3.9 %	9.3 %	5.4 ppts	7.9 %	8.1 %	0.2 ppts
Net Income / (Loss) Margin (%)	2.1	1.7	(0.4)	6.1	(3.3)	(9.4)
Adjusted ROIC (Trailing Four Quarters) (%)	10.3	11.6	1.2	10.3	11.6	1.2
Adjusted EPS	\$ 0.13	\$ 0.68	\$ 0.55	\$ 0.83	\$ 1.06	\$ 0.23
EPS (GAAP)	0.14	0.16	0.02	0.95	(0.61)	(1.56)

# First Half 2022 Adjusted EBIT (\$B)

	North America	South America	Europe	China	IMG	Total Auto	Total Company	
First Half 2021	\$ 3.1	\$ (0.2)	\$ 0.1	\$ (0.1)	\$ 0.4	\$ 3.3	\$ 5.0	
YoY Change:								
Volume / Mix	\$ 3.7	\$ (0.0)	\$ (0.1)	\$ (0.1)	\$ (0.2)	\$ 3.3	\$ 3.3	
Net Pricing	2.3	0.4	1.2	0.0	0.1	4.0	4.0	
Cost	(4.3)	(0.1)	(1.0)	0.0	(0.1)	(5.5)	(5.5)	Material / Freight \$(1.0)
Exchange	0.1	(0.0)	(0.1)	0.0	(0.0)	0.0	0.0	Warranty (0.2)
JVs / Other	(0.1)	0.0	0.2	0.1	(0.1)	0.1	0.1	Commodities (2.7)
Total Automotive	\$ 1.7	\$ 0.3	\$ 0.2	\$ (0.0)	\$ (0.2)	\$ 1.9	\$ 1.9	Structural (1.3)
Mobility							(0.0)	Pension / OPEB (0.3)
Ford Credit							(0.7)	
Corporate Other							(0.1)	
Total Change							\$ 1.1	
First Half 2022	\$ 4.9	\$ 0.2	\$ 0.2	\$ (0.2)	\$ 0.2	\$ 5.2	\$ 6.0	JVs \$0.1
								Other 0.0

# Company Quarterly Results (\$M)



	2021					2022	
	Q1	Q2	Q3	Q4	Full Year	Q1	Q2
North America	\$ 2,943	\$ 192	\$ 2,420	\$ 1,822	\$ 7,377	\$ 1,591	\$ 3,269
South America	(73)	(86)	2	36	(121)	50	104
Europe	341	(284)	(52)	(159)	(154)	207	10
China	(15)	(123)	(39)	(150)	(327)	(53)	(121)
International Markets Group	201	204	125	92	622	96	60
Automotive	\$ 3,397	\$ (97)	\$ 2,456	\$ 1,641	\$ 7,397	\$ 1,891	\$ 3,322
Mobility	(207)	(210)	(271)	(342)	(1,030)	(242)	(221)
Ford Credit	962	1,623	1,077	1,055	4,717	928	939
Corporate Other	(240)	(263)	(269)	(312)	(1,084)	(251)	(318)
Adjusted EBIT	\$ 3,912	\$ 1,053	\$ 2,993	\$ 2,042	\$ 10,000	\$ 2,326	\$ 3,722
Interest on Debt	(473)	(453)	(439)	(438)	(1,803)	(308)	(312)
Special Items (excl. tax)	503	135	(669)	9,614	9,583	(5,866)	(2,619)
Taxes	(680)	(182)	(63)	1,055	130	729	(153)
Less: Non-Controlling Interests	-	(8)	(10)	(9)	(27)	(9)	(29)
Net Income / (Loss) Attributable to Ford	\$ 3,262	\$ 561	\$ 1,832	\$ 12,282	\$ 17,937	\$ (3,110)	\$ 667
Company Adjusted Free Cash Flow (\$B)	\$ (0.4)	\$ (5.1)	\$ 7.8	\$ 2.3	\$ 4.6	\$ (0.6)	\$ 3.6
Revenue (\$B)	36.2	26.8	35.7	37.7	136.3	34.5	40.2
Company Adjusted EBIT Margin (%)	10.8 %	3.9 %	8.4 %	5.4 %	7.3 %	6.7 %	9.3 %
Net Income / (Loss) Margin (%)	9.0	2.1	5.1	32.6	13.2	(9.0)	1.7
Adjusted ROIC (Trailing Four Quarters) (%)	6.6	10.3	9.7	9.8	9.8	7.8	11.6
Adjusted EPS	\$ 0.70	\$ 0.13	\$ 0.51	\$ 0.26	\$ 1.59	\$ 0.38	\$ 0.68
EPS (GAAP)	0.81	0.14	0.45	3.03	4.45	(0.78)	0.16

# Ford Credit

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



	Q2		YTD	
	2022	H / (L) 2021	2022	H / (L) 2021
<u>Results</u>				
United States and Canada segment	\$ 698	\$ (768)	\$ 1,481	\$ (981)
Europe segment	97	16	166	19
All Other segment	(17)	(39)	(191)	(198)
Total segments	\$ 778	\$ (791)	\$ 1,456	\$ (1,160)
Unallocated other	125	71	201	232
Earnings before taxes	\$ 903	\$ (720)	\$ 1,657	\$ (928)
Taxes	(99)	(127)	(184)	(95)
Net income	<u>\$ 804</u>	<u>\$ (847)</u>	<u>\$ 1,473</u>	<u>\$ (1,023)</u>
Distributions	\$ 600	\$ (3,400)	\$ 1,600	\$ (3,400)

\* See Appendix for definitions

# Financing Shares And Contract Placement Volume

	Q2		YTD	
	2021	2022	2021	2022
<u>Share of Ford Sales*</u>				
United States	47 %	37 %	47 %	40 %
Canada	74	68	68	65
U.K.	37	35	36	35
Germany	41	38	39	35
China	45	45	43	44
<u>Wholesale Share</u>				
United States	71 %	73 %	72 %	73 %
Canada	9	7	11	8
U.K.	100	100	100	100
Germany	91	87	91	90
China	68	70	67	67
<u>Contract Placement Volume - New and Used (000)</u>				
United States	187	150	383	312
Canada	37	38	62	58
U.K.	25	24	50	46
Germany	20	15	38	29
China	32	30	64	60

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



# Ford Credit

## Liquidity Sources (\$B)



	2021 Jun 30	2021 Dec 31	2022 Jun 30
<u>Liquidity Sources</u>			
Cash	\$ 15.3	\$ 12.4	\$ 7.8
Committed asset-backed facilities	38.4	37.1	34.3
Other unsecured credit facilities	2.6	2.7	2.5
Total liquidity sources	<u>\$ 56.3</u>	<u>\$ 52.2</u>	<u>\$ 44.6</u>
<u>Utilization of Liquidity</u>			
Securitization & restricted cash	\$ (8.1)	\$ (3.9)	\$ (2.7)
Committed asset-backed facilities	(11.3)	(12.5)	(15.3)
Other unsecured credit facilities	(0.5)	(1.0)	(0.5)
Total utilization of liquidity	<u>\$ (19.9)</u>	<u>\$ (17.4)</u>	<u>\$ (18.5)</u>
Gross liquidity	\$ 36.4	\$ 34.8	\$ 26.1
ABS capacity in excess of eligible receivables and other adjustments	(3.4)	(2.8)	(1.1)
Net liquidity available for use	<u>\$ 33.0</u>	<u>\$ 32.0</u>	<u>\$ 25.0</u>

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

	Second Quarter		First Half		Memo:
	2021	2022	2021	2022	FY 2021
Net income / (loss) attributable to Ford (GAAP)	\$ 561	\$ 667	\$ 3,823	\$ (2,443)	\$ 17,937
Income / (Loss) attributable to non-controlling interests	(8)	(29)	(8)	(38)	(27)
Net income / (loss)	\$ 553	\$ 638	\$ 3,815	\$ (2,481)	\$ 17,910
Less: (Provision for) / Benefit from income taxes	(182)	(153)	(862)	576	130
Income / (Loss) before income taxes	\$ 735	\$ 791	\$ 4,677	\$ (3,057)	\$ 17,780
Less: Special items pre-tax	135	(2,619)	638	(8,485)	9,583
Income / (Loss) before special items pre-tax	\$ 600	\$ 3,410	\$ 4,039	\$ 5,428	\$ 8,197
Less: Interest on debt	(453)	(312)	(926)	(620)	(1,803)
Adjusted EBIT (Non-GAAP)	<u>\$ 1,053</u>	<u>\$ 3,722</u>	<u>\$ 4,965</u>	<u>\$ 6,048</u>	<u>\$ 10,000</u>
Memo:					
Revenue (\$B)	\$ 26.8	\$ 40.2	\$ 63.0	\$ 74.7	\$ 136.3
Net income / (loss) margin (GAAP) (%)	2.1 %	1.7 %	6.1 %	(3.3) %	13.2 %
Adjusted EBIT margin (%)	3.9	9.3	7.9	8.1	7.3

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

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

	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022	First Half	
							2021	2022
<u>Net cash provided by / (used in) operating activities (GAAP)</u>	\$ 4,492	\$ 756	\$ 7,008	\$ 3,531	\$ (1,084)	\$ 2,947	\$ 5,248	\$ 1,863
<u>Less: Items Not Included in Company Adjusted Free Cash Flows</u>								
Ford Credit operating cash flows	4,998	9,638	(341)	998	(419)	(1,340)	14,636	(1,759)
Funded pension contributions	(229)	(164)	(209)	(171)	(174)	(154)	(393)	(328)
Global Redesign (including separations) *	(290)	(954)	(301)	(310)	(148)	(137)	(1,244)	(285)
Ford Credit tax payments / (refunds) under tax sharing agreement	4	-	-	11	-	-	4	-
Other, net	9	(279)	(5)	(146)	(48)	20	(270)	(28)
<u>Add: Items Included in Company Adjusted Free Cash Flows</u>								
Company excluding Ford Credit capital spending	(1,358)	(1,504)	(1,562)	(1,759)	(1,349)	(1,503)	(2,862)	(2,852)
Ford Credit distributions	1,000	4,000	1,500	1,000	1,000	600	5,000	1,600
Settlement of derivatives	(25)	(133)	(42)	(55)	64	(36)	(158)	28
Company adjusted free cash flow (Non-GAAP)	\$ (383)	\$ (5,122)	\$ 7,760	\$ 2,335	\$ (580)	\$ 3,619	\$ (5,505)	\$ 3,039

\* Global Redesign excludes cash flows reported in investing activities

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

	Second Quarter		First Half	
	2021	2022	2021	2022
<u>Diluted After-Tax Results</u> (\$M)				
Diluted after-tax results (GAAP)	\$ 561	\$ 667	\$ 3,823	\$ (2,443)
Less: Impact of pre-tax and tax special items	51	(2,082)	496	(6,756)
Adjusted net income – diluted (Non-GAAP)	<u>\$ 510</u>	<u>\$ 2,749</u>	<u>\$ 3,327</u>	<u>\$ 4,313</u>
 <u>Basic and Diluted Shares</u> (M)				
Basic shares (average shares outstanding)	3,992	4,021	3,986	4,014
Net dilutive options, unvested restricted stock units, unvested restricted stock shares, and convertible debt	36	31	36	43
Diluted shares	<u>4,028</u>	<u>4,052</u>	<u>4,022</u>	<u>4,057</u>
 Earnings / (Loss) per share – diluted (GAAP) *	\$ 0.14	\$ 0.16	\$ 0.95	\$ (0.61)
Less: Net impact of adjustments	0.01	(0.52)	0.12	(1.67)
Adjusted earnings per share – diluted (Non-GAAP)	<u>\$ 0.13</u>	<u>\$ 0.68</u>	<u>\$ 0.83</u>	<u>\$ 1.06</u>

\* The First Half 2022 calculation of Earnings Per Share - Diluted (GAAP) excludes 43M shares of net dilutive options, unvested restricted stock units, unvested restricted stock shares, and convertible debt due to their antidilutive effect



# Effective Tax Rate Reconciliation To Adjusted Effective Tax Rate

	2022		Memo:
	Q2	First Half	Full Year 2021
<u>Pre-Tax Results (\$M)</u>			
Income / (Loss) before income taxes (GAAP)	\$ 791	\$ (3,057)	\$ 17,780
Less: Impact of special items	(2,619)	(8,485)	9,583
Adjusted earnings before taxes (Non-GAAP)	<u>\$ 3,410</u>	<u>\$ 5,428</u>	<u>\$ 8,197</u>
<u>Taxes (\$M)</u>			
(Provision for) / Benefit from income taxes (GAAP)	\$ (153)	\$ 576	\$ 130
Less: Impact of special items	537	1,729	1,924
Adjusted (provision for) / benefit from income taxes (Non-GAAP)	<u>\$ (690)</u>	<u>\$ (1,153)</u>	<u>\$ (1,794)</u>
<u>Tax Rate (%)</u>			
Effective tax rate (GAAP)	19.3 %	18.8 %	(0.7)%
Adjusted effective tax rate (Non-GAAP)	20.2 %	21.2 %	21.9 %

# Company

## Adjusted ROIC (\$B)



	Four Quarters Ending Q2 2021	Four Quarters Ending Q2 2022
<u>Adjusted Net Operating Profit / (Loss) After Cash Tax</u>		
Net income / (loss) attributable to Ford	\$ 3.4	\$ 11.7
Add: Non-controlling interest	(0.0)	0.0
Less: Income tax	(0.2)	1.6
Add: Cash tax	(0.5)	(0.7)
Less: Interest on debt	(1.9)	(1.5)
Less: Total pension / OPEB income / (cost)	(0.7)	4.5
Add: Pension / OPEB service costs	(1.1)	(1.0)
Net operating profit / (loss) after cash tax	\$ 4.6	\$ 5.4
Less: Special items (excl. pension / OPEB) pre-tax	(3.0)	(3.0)
Adj. net operating profit / (loss) after cash tax	<u>\$ 7.5</u>	<u>\$ 8.3</u>
<u>Invested Capital</u>		
Equity	\$ 34.8	\$ 44.2
Debt (excl. Ford Credit)	25.9	19.4
Net pension and OPEB liability	11.5	5.2
Invested capital (end of period)	<u>\$ 72.2</u>	<u>\$ 68.8</u>
Average invested capital	<u>\$ 72.8</u>	<u>\$ 72.0</u>
ROIC (a)	6.3 %	7.4 %
Adjusted ROIC (Non-GAAP) (b)	10.3 %	11.6 %

- 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

# 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 earnings from ongoing operating activities. When we provide guidance for adjusted earnings / (loss) per share, we do not provide guidance on an earnings / (loss) per share basis because the GAAP measure will include potentially significant special items that have not yet occurred and are difficult to predict with reasonable certainty prior to year-end, including pension and OPEB remeasurement gains and losses.
- Adjusted Effective Tax Rate (Most Comparable GAAP Measure: Effective Tax Rate) – Measure of Company's tax rate excluding pre-tax special items (described above) and tax special items. The measure provides an ongoing effective rate which investors find useful for historical comparisons and for forecasting. When we provide guidance for adjusted effective tax rate, we do not provide guidance on an effective tax rate basis because the GAAP measure will include potentially significant special items that have not yet occurred and are difficult to predict with reasonable certainty prior to year-end, including pension and OPEB remeasurement gains and losses.

# Non-GAAP Financial Measures That Supplement GAAP Measures

- Company Adjusted Free Cash Flow (FCF) (Most Comparable GAAP Measure: Net Cash Provided By / (Used In) Operating Activities) – Measure of Company's operating cash flow excluding Ford Credit's operating cash flows. The measure contains elements management considers operating activities, including Company excluding Ford Credit capital spending, Ford Credit distributions to its parent, and settlement of derivatives. The measure excludes cash outflows for funded pension contributions, 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.



# 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 (including cash held for sale); excludes Ford Credit's cash, cash equivalents, marketable securities and restricted cash

## Market Factors

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

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

Assets (as shown on the Cumulative Maturities chart)

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

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

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

Debt (as shown on the Cumulative Maturities chart)

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

Debt (as used in the Leverage calculation)

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

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

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

Earnings Before Taxes ("EBT")

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

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

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

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

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

Net Charge-Offs

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

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

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

# Ford Credit Definitions And Calculations



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

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

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

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

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

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

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

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

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

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