



Ford

Delivering Ford+

Q1 2023 Earnings

All-Electric Ford Explorer
Available to order in Europe later in 2023

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Delivering Ford+

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Safe Harbor Statement and Disclosures

Forward-Looking Statements

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

GAAP & Non-GAAP Financial Measures

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

Additional Information

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

Benefits Of New Segmentation



For **Customers**

- + Closer relationships, enhancing our ability to understand and address their needs
- + Extraordinary products that surprise and delight
- + Digital and physical experiences that deliver a positive impact on people's lives



For **Investors**

- + Validate the discrete growth and profit trajectory of the segments
- + Transparency into where capital is allocated and the returns it delivers
- + New insight into growth opportunities for all three segments



For **Ford**

- + Enhanced focus, agility and accountability
- + Value unlock through more disciplined capital allocation
- + Attract and retain top talent and offer exciting career opportunities
- + Sustainable, profitable growth



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



Ford
Blue



Ford
Model e



Ford
Pro

Q1 Financial Results

Revenue

\$41.5B

▲ 20%

Adj. EBIT

\$3.4B

▲ 45%

Adj. EBIT Margin

8.1%

▲ 1.4pts

Adj. FCF

\$0.7B

▲ \$1.3B

Adj. EPS

\$0.63

▲ 66%

Ford
Blue

EBIT
\$2.6B

EBIT Margin
10.4%

Ford
Model e

EBIT
\$(0.7)B

EBIT Margin
(102.1)%

Ford
Pro

EBIT
\$1.4B

EBIT Margin
10.3%



All-Electric Ford Explorer

Ford
Blue

\$2.6B
Q1 EBIT

EBIT up nearly **2X** on a 6% increase in
wholesales – led by F-150

EBIT margin of **10.4%**

Fresh product line up drives strong order
bank and pricing power

**America's #1 Selling
Truck Manufacturer**

One unit built every 30 seconds



+80,000

Unit increase to annual
production run rate for
popular **Maverick** and
Bronco Sport by late 2023





Ford BlueCruise | Top-Rated Active Driving Assistance System*

199,000

BlueCruise Equipped Vehicles

Ford BlueCruise has helped drivers enjoy over **70M** highway miles hands free since launch, a 65% increase since the end of 2022

* [Consumer Reports, January 25, 2023](#)

Ford Model e

\$(0.7)B
Q1 EBIT

Higher growth **start-up**; investment driving loss
Scaling production, disciplined investment in future-gen vehicles, as well as **award-winning** ADAS and other technologies

Announced all-new **EV Explorer** for Europe

Announced **\$3.5B Investment** in a Ford owned LFP battery plant in Marshall, Michigan

Plant adds ~35 GWh of battery capacity and creates 2,500 new American jobs



8%

EBIT margin
by end of 2026



Scaling

Cuautitlan capacity
(Mach-E) **210,000** this fall

Lightning **150,000** this fall

Scaling EV Manufacturing To Revolutionize America's Truck

BlueOval City, preparing to build Ford's next-gen electric truck beginning in 2025

Radically efficient and carbon neutral, plant will be capable of producing **500,000 electric trucks** a year

"Revolutionizing America's truck" by combining a century of truck know-how with world-class electric vehicle, software and aerodynamics talent

Ford Pro



\$1.4B
Q1 EBIT

EBIT nearly **tripled** on an 18% increase in wholesales; supported by growth in both ICE and EV

EBIT margin of **10.3%**

All-new Super Duty launched in March



#1
#1

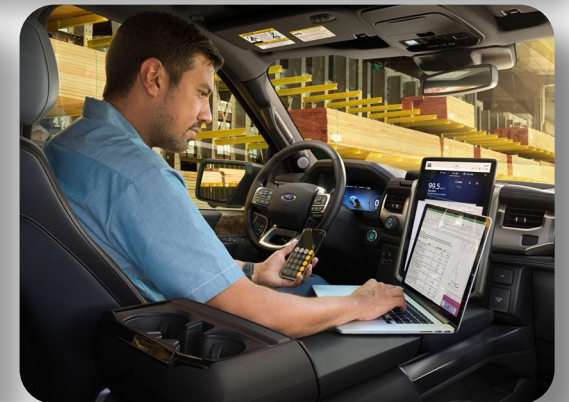
U.S. class 1-7 truck / van share; share up 1.0 ppt.*

CV brand in Europe; share up 0.5 ppts.



64%

paid subscription growth in Q1



We Put The Pro In Productivity



Service Elite Centers

First Service Elite Center opened in Apple Valley, Minnesota. Targeting over 100 facilities by 2027



233,000

Days of customer downtime avoided in Q1 with **FordLive**, an increase of over 250%



Mobile Service

Q1 repair orders more than doubled from the prior year and are up 44% sequentially



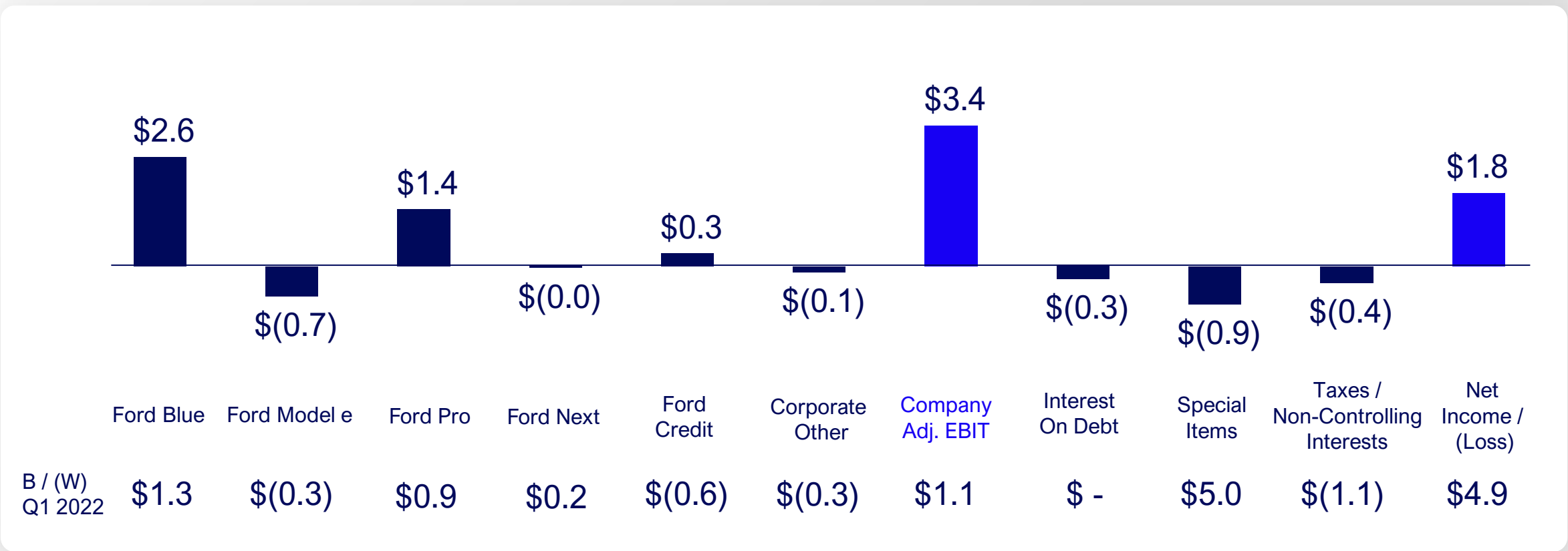
Financials



Q1 Cash Flow, Cash Balance & Liquidity



Q1 2023 Results (\$B)



Q1 2023 Adjusted EBIT (\$B)

	Ford Blue	Ford Model e	Ford Pro	Ford Next	Ford Credit	Corporate Other	Total Company
Q1 2022	\$ 1.3	\$ (0.4)	\$ 0.5	\$ (0.2)	\$ 0.9	\$ 0.2	\$ 2.3
YoY Change:							
Volume / Mix	\$ 2.2	\$ (0.0)	\$ 0.5	\$ -	\$ -	\$ -	\$ 2.7
Net Pricing	0.1	0.0	1.5	-	-	-	1.6
Cost	(1.0)	(0.4)	(1.0)	0.1	-	(0.5)	(2.8)
Exchange	(0.1)	0.0	(0.1)	(0.0)	-	-	(0.2)
Other	0.1	0.0	(0.0)	0.1	(0.6)	0.1	(0.3)
Total Change	\$ 1.3	\$ (0.3)	\$ 0.9	\$ 0.2	\$ (0.6)	\$ (0.3)	\$ 1.1
Q1 2023	\$ 2.6	\$ (0.7)	\$ 1.4	\$ (0.0)	\$ 0.3	\$ (0.1)	\$ 3.4

Material / Freight \$(1.0)
 Structural (0.9)
 Pension / OPEB (0.5)
 Commodities (0.3)
 Warranty (0.2)

Ford Blue

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

+ EBIT up almost 2X, driven by favorable mix, primarily F-150, and increased volume

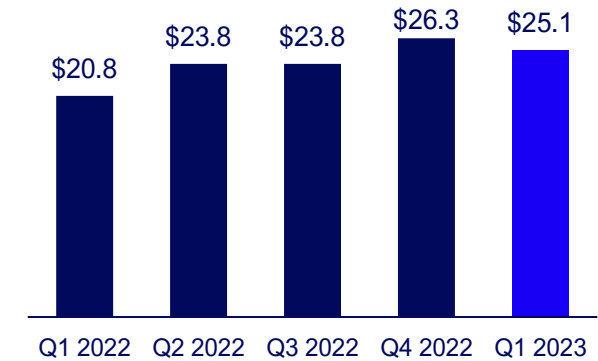
- Moderated by inflationary pressures (incl. commodities), new product and volume related costs

+ Fresh product line up supports strong order bank

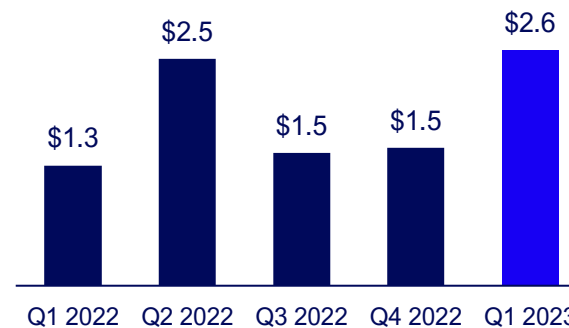
Wholesale Units (000)



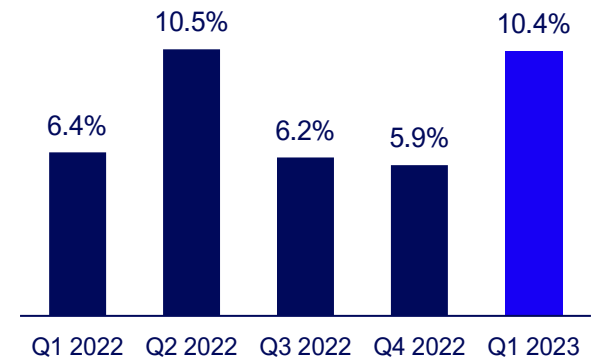
Revenue (\$B)



EBIT (\$B)



EBIT Margin (%)



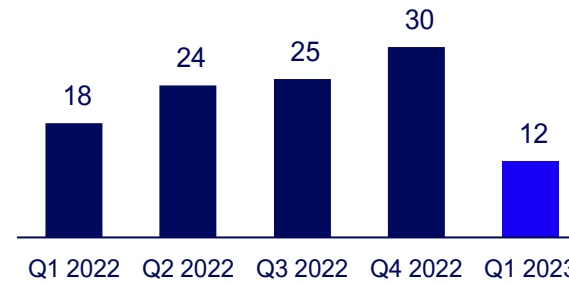
* Includes Ford and Lincoln brand and Jiangling Motors Corporation (JMC) brand vehicles produced and sold in China by our unconsolidated affiliates

Ford Model e

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

- + EBIT down \$0.3B, driven by higher costs, mainly higher engineering, and spending-related expense, commodities and other inflationary pressures
- + Lower volume due to scheduled downtime at Cuautitlan to increase Mach-E capacity to 35 Jobs Per Hour
- + Disciplined investment in future-gen products

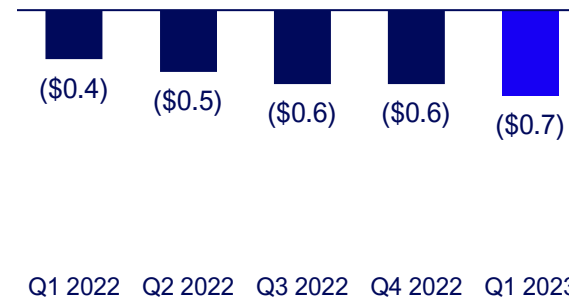
Wholesale Units (000)



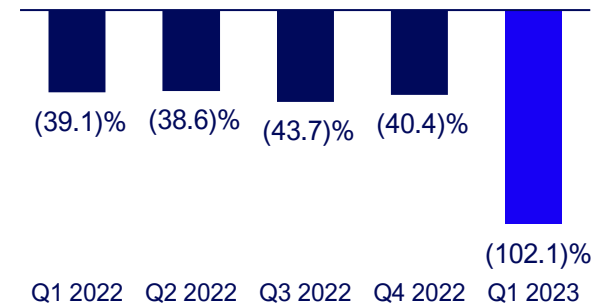
Revenue (\$B)



EBIT (\$B)



EBIT Margin (%)



Ford Pro

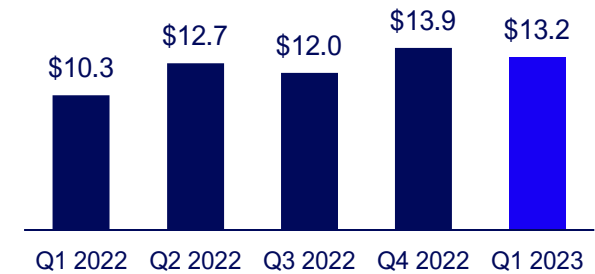
Integrated vehicle hardware, software, service, charging and financing solutions that increase commercial customer productivity

- + EBIT up almost 3X on an 18% increase in wholesales, supported by both ICE and EV
- + Higher costs reflect inflationary pressures (incl. commodities) and all-new Super Duty product and launch expense

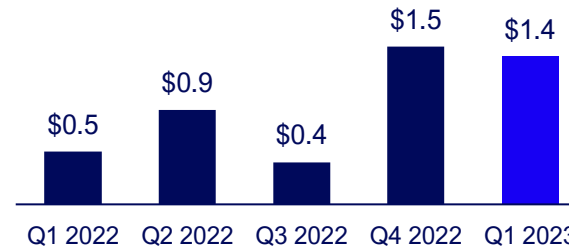
Wholesale Units (000)



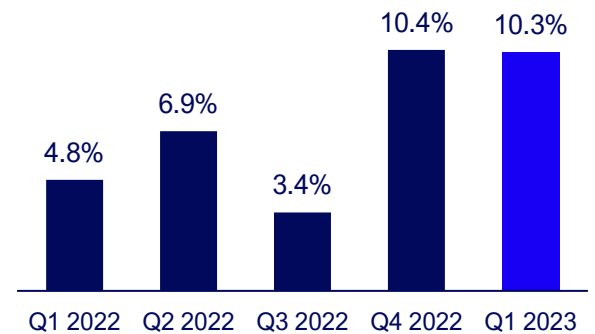
Revenue (\$B)



EBIT (\$B)



EBIT Margin (%)



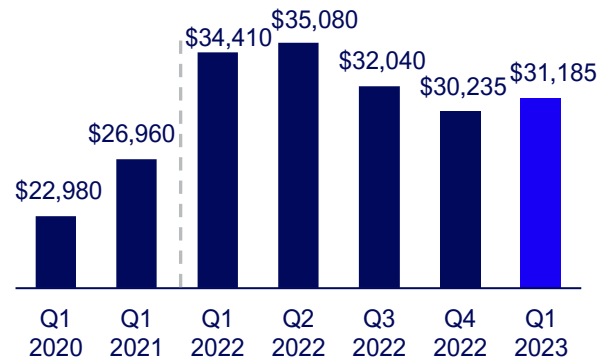
* Includes Ford brand vehicles produced and sold by our unconsolidated affiliate Ford Otosan in Türkiye

Ford Credit

A strategic asset and competitive advantage

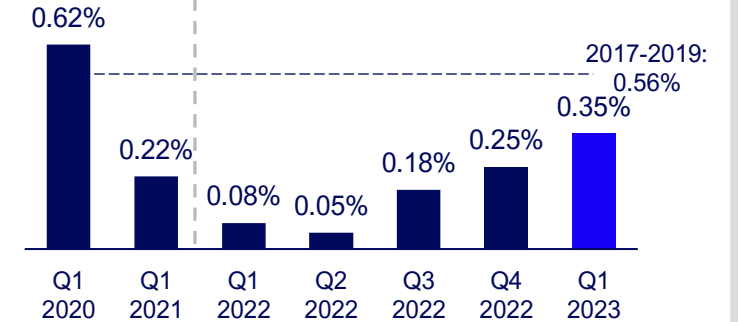
- + EBT down \$0.6B, in line with expectations, driven by lower financing margin, credit losses and lease residuals
- + Lower financing margin due to higher borrowing costs
- + Credit losses remain below historical average but are normalizing
- + Auction values remain strong, but expect industry decline as supply of new vehicles improves

Auction Values* (Per Unit)



* U.S. 36-month off-lease auction values at Q1 2023 mix

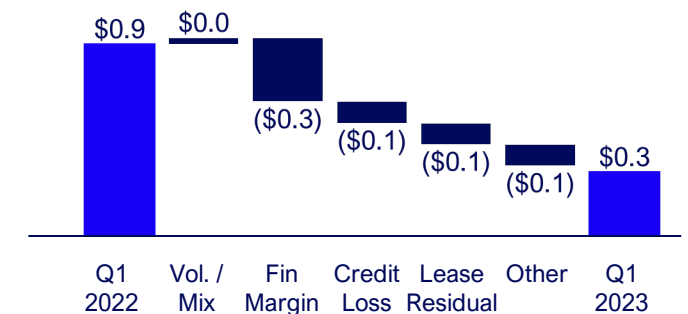
U.S. Retail Loss-to-Receivables Ratio ("LTR") (%)



EBT (\$B)



Q1 EBT YoY (\$B)



Cash Flow And Balance Sheet (\$B)

	2022	2023
Company Adj. EBIT excl. Ford Credit	\$ 1.4	\$ 3.1
Capital spending	\$ (1.3)	\$ (1.8)
Depreciation and tooling amortization	1.3	1.3
Net Spending	\$ (0.1)	\$ (0.5)
Receivables	\$ 0.0	\$ 0.4
Inventory	(2.7)	(2.0)
Trade payables	1.5	0.3
Changes in Working Capital	\$ (1.2)	\$ (1.2)
Ford Credit distributions	1.0	-
Interest on debt and cash taxes	(0.3)	(0.6)
All Other and timing differences (a)	(1.3)	(0.1)
Company Adjusted FCF	\$ (0.6)	\$ 0.7
Restructuring	(0.1)	0.0
Changes in debt	(0.3)	(0.2)
Funded pension contributions	(0.2)	(0.1)
Shareholder distributions	(0.4)	(3.2)
All Other (b)	(6.2)	(0.7)
Change in Cash	\$ (7.8)	\$ (3.6)

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. Q1 2022 includes a \$5.4B mark-to-market loss on our Rivian investment

	Balance Sheet	
	2022 Dec 31	2023 Mar 31
<u>Company Excl. Ford Credit</u>		
Company Cash Balance	\$ 32.3	\$ 28.7
Liquidity	48.0	46.2
Debt	(19.9)	(19.7)
Cash Net of Debt	12.3	9.0
<u>Pension Funded Status</u>		
Funded Plans	\$ 4.1	\$ 4.1
Unfunded Plans	(4.3)	(4.3)
Total Global Pension	\$ (0.2)	\$ (0.2)
Total Funded Status OPEB	\$ (4.5)	\$ (4.4)

Special Items (\$B)

	First Quarter	
	2022	2023
<u>Restructuring</u>		
Europe	\$ (0.0)	\$ (0.4)
China	-	(0.3)
Ford Credit - Brazil	(0.1)	-
Other	(0.0)	0.0
Subtotal Restructuring	\$ (0.2)	\$ (0.7)
<u>Pension and OPEB Gain / (Loss)</u>		
Pension and OPEB remeasurement	\$ 0.0	\$ (0.1)
Pension settlements and curtailments	-	(0.0)
Subtotal Pension and OPEB Gain / (Loss)	\$ 0.0	(0.2)
<u>Other Items</u>		
Gain / (loss) on Rivian investment	\$ (5.4)	\$ (0.0)
Russia suspension of operations / asset write-off	(0.1)	-
Patent matters related to prior calendar years	(0.1)	-
Other	0.0	(0.1)
Subtotal Other Items	\$ (5.7)	\$ (0.1)
Total EBIT Special Items	\$ (5.9)	\$ (0.9)



CY 2023

Guidance



All-New Super Duty
Launched Spring, 2023

CY 2023 Guidance

Headwinds & Tailwinds

- Global economic uncertainty
- Higher industrywide customer incentives, as vehicle supply and demand rebalances
- Lower past service pension income / exchange
- Growth-related investments (e.g., customer experience, connected services, etc.)
- + Improvement of supply chain and higher industry volume
- + Launch of all-new Super Duty
- + Lower costs of goods sold (incl. materials and commodities)

	2023 Outlook	2022 Actuals
Total Company Adj. EBIT	\$9B to \$11B	\$10.4B
Total Company Adj. FCF	~\$6B	\$9.1B
Capital Spending	\$8B to \$9B	\$6.5B
Ford Blue EBIT	~\$7B	\$6.8B
Model e EBIT	~\$(3)B	\$(2.1)B
Ford Pro EBIT	~\$6B	\$3.2B
Ford Credit EBT	~\$1.3B	\$2.7B

Cautionary Note On Forward-Looking Statements

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

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

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



Appendix

Key Metrics

	EBIT (\$B)					Revenue (\$B)				
	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023
Ford Blue	\$ 1.3	\$ 2.5	\$ 1.5	\$ 1.5	\$ 2.6	\$ 20.8	\$ 23.8	\$ 23.8	\$ 26.3	\$ 25.1
Ford Model e	(0.4)	(0.5)	(0.6)	(0.6)	(0.7)	1.0	1.3	1.4	1.6	0.7
Ford Pro	0.5	0.9	0.4	1.5	1.4	10.3	12.7	12.0	13.9	13.2
Ford Next	(0.2)	(0.2)	(0.2)	(0.2)	(0.0)	0.1	0.0	0.0	(0.0)	0.0
Ford Credit*	0.9	0.9	0.6	0.2	0.3	2.3	2.3	2.2	2.3	2.4
Corporate Other	0.2	0.1	0.2	0.2	(0.1)	0.0	0.0	0.0	0.0	0.0
Total Company (Adjusted)	\$ 2.3	\$ 3.7	\$ 1.8	\$ 2.6	\$ 3.4	\$ 34.5	\$ 40.2	\$ 39.4	\$ 44.0	\$ 41.5

	EBIT Margin (%)					Wholesale Units (000)				
	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023
Ford Blue	6.4 %	10.5 %	6.2 %	5.9 %	10.4 %	663	670	741	760	706
Ford Model e	(39.1)	(38.6)	(43.7)	(40.4)	(102.1)	18	24	25	30	12
Ford Pro	4.8	6.9	3.4	10.4	10.3	285	338	321	358	337
Total Company (Adjusted)	6.7 %	9.3 %	4.6 %	5.8 %	8.1 %	966	1,032	1,086	1,147	1,056

* Ford Credit EBT

Memo: EV
Wholesales

22

31

32

43

21

Quarterly Results (\$M)

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

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

	First Quarter	
	2022	2023
Net income / (loss) attributable to Ford (GAAP)	\$ (3,110)	\$ 1,757
Income / (Loss) attributable to non-controlling interests	(9)	(94)
Net income / (loss)	\$ (3,119)	\$ 1,663
Less: (Provision for) / Benefit from income taxes	729	(496)
Income / (Loss) before income taxes	\$ (3,848)	\$ 2,159
Less: Special items pre-tax	(5,866)	(912)
Income / (Loss) before special items pre-tax	\$ 2,018	\$ 3,071
Less: Interest on debt	(308)	(308)
Adjusted EBIT (Non-GAAP)	\$ 2,326	\$ 3,379
Memo:		
Revenue (\$B)	\$ 34.5	\$ 41.5
Net income / (loss) margin (GAAP) (%)	(9.0) %	4.2 %
Adjusted EBIT margin (Non-GAAP) (%)	6.7 %	8.1 %

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

	Q4 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023
Net cash provided by / (Used in) operating activities (GAAP)	\$ 3,531	\$ (1,084)	\$ 2,947	\$ 3,812	\$ 1,178	\$ 2,800
Less: <u>Items Not Included in Company Adjusted Free Cash Flows</u>						
Ford Credit operating cash flows	998	(419)	(1,340)	(439)	(3,218)	626
Funded pension contributions	(171)	(174)	(154)	(130)	(109)	(125)
Restructuring (including separations)*	(310)	(176)	(137)	(179)	(343)	(81)
Ford Credit tax payments / (refunds) under tax sharing agreement	11	-	-	22	125	(5)
Other, net	(146)	(20)	20	(150)	92	(140)
Add: <u>Items Included in Company Adjusted Free Cash Flows</u>						
Company excluding Ford Credit capital spending	(1,759)	(1,349)	(1,503)	(1,613)	(2,046)	(1,760)
Ford Credit distributions	1,000	1,000	600	500	-	-
Settlement of derivatives	(55)	64	(36)	26	(144)	(72)
Company adjusted free cash flow (Non-GAAP)	<u>\$ 2,335</u>	<u>\$ (580)</u>	<u>\$ 3,619</u>	<u>\$ 3,601</u>	<u>\$ 2,441</u>	<u>\$ 693</u>

* Restructuring excludes cash flows reported in investing activities

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

	First Quarter	
	2022	2023
<u>Diluted After-Tax Results (\$M)</u>		
Diluted after-tax results (GAAP)	\$ (3,110)	\$ 1,757
Less: Impact of pre-tax and tax special items	(4,674)	(768)
Adjusted net income – diluted (Non-GAAP)	<u>\$ 1,564</u>	<u>\$ 2,525</u>
 <u>Basic and Diluted Shares (M)</u>		
Basic shares (average shares outstanding)	4,008	3,990
Net dilutive options, unvested restricted stock units, unvested restricted stock shares, and convertible debt	56	39
Diluted shares	<u>4,064</u>	<u>4,029</u>
 Earnings / (Loss) per share – diluted (GAAP)*	\$ (0.78)	\$ 0.44
Less: Net impact of adjustments	(1.16)	(0.19)
Adjusted earnings per share – diluted (Non-GAAP)	<u>\$ 0.38</u>	<u>\$ 0.63</u>

- For Q1 2022, there were 56M shares excluded from the calculation of diluted earnings / (loss) per share, due to their anti-dilutive effect

Effective Tax Rate Reconciliation To Adjusted Effective Tax Rate

	Q1 2023	Full Year 2022
<u>Pre-Tax Results</u> (\$M)		
Income / (Loss) before income taxes (GAAP)	\$ 2,159	\$ (3,016)
Less: Impact of special items	(912)	(12,172)
Adjusted earnings before taxes (Non-GAAP)	<u>\$ 3,071</u>	<u>\$ 9,156</u>
<u>Taxes</u> (\$M)		
(Provision for) / Benefit from income taxes (GAAP)	\$ (496)	\$ 864
Less: Impact of special items*	144	2,573
Adjusted (provision for) / benefit from income taxes (Non-GAAP)	<u>\$ (640)</u>	<u>\$ (1,709)</u>
<u>Tax Rate</u> (%)		
Effective tax rate (GAAP)	23.0 %	28.6 %
Adjusted effective tax rate (Non-GAAP)	20.8 %	18.7 %

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

Adjusted ROIC (\$B)

Adjusted Net Operating Profit / (Loss) After Cash Tax

	Four Quarters Ending Q1 2022	Four Quarters Ending Q1 2023
Net income / (loss) attributable to Ford	\$ 11.6	\$ 2.9
Add: Non-controlling interest	(0.0)	(0.3)
Less: Income tax	1.5	(0.4)
Add: Cash tax	(0.6)	(0.9)
Less: Interest on debt	(1.6)	(1.3)
Less: Total pension / OPEB income / (cost)	4.8	(0.1)
Add: Pension / OPEB service costs	(1.1)	(0.9)
Net operating profit / (loss) after cash tax	\$ 5.2	\$ 2.6
Less: Special items (excl. pension / OPEB) pre-tax	(0.4)	(6.6)
Adj. net operating profit / (loss) after cash tax	\$ 5.6	\$ 9.2

Invested Capital

Equity	\$ 45.1	\$ 42.2
Debt (excl. Ford Credit)	20.1	19.7
Net pension and OPEB liability	5.8	4.6
Invested capital (end of period)	\$ 70.9	\$ 66.5
Average invested capital	\$ 72.7	\$ 68.2
ROIC (a)	7.2 %	3.8 %
Adjusted ROIC (Non-GAAP) (b)	7.8 %	13.5 %

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

Non-GAAP Financial Measures That Supplement GAAP Measures

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

Definitions And Calculations

Wholesale Units and Revenue

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

Industry Volume and Market Share

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

SAAR

- SAAR means seasonally adjusted annual rate

Company Cash

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

Market Factors

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

Earnings Before Taxes (EBT)

- Reflects Income before income taxes



Delivering Ford+

Q1 2023 Earnings

