Q2 2023 Earnings Review

July 27, 2023

Ford Credit

2024
Ford Ranger

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, 2022, as updated by subsequent Quarterly Reports on Form 10-Q and Current Reports on Form 8-K.

ADDITIONAL INFORMATION

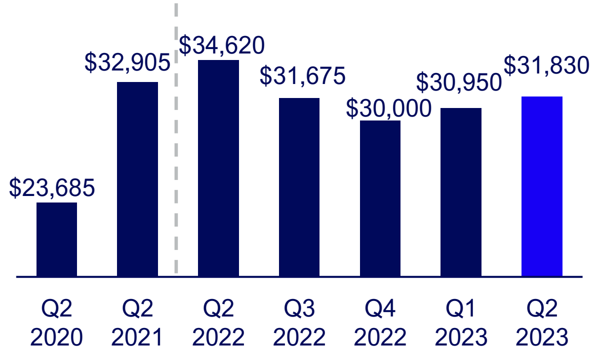
Calculated results may not sum due to rounding. All variances are year-over-year unless otherwise noted.

Key Metrics

Best-in-class finance company

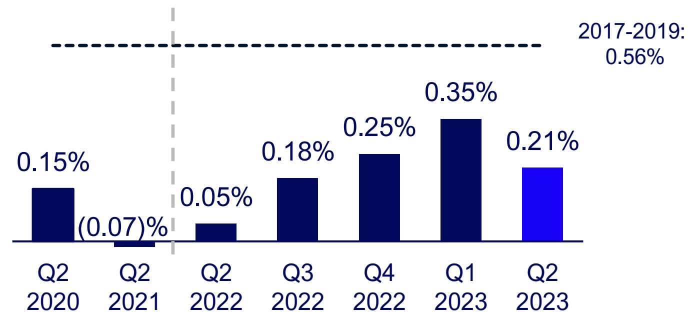
- **EBT down $0.5B, in line with expectations, driven by lower financing margin, credit losses and lease residuals**
- **Lower financing margin due to higher borrowing costs**
- **Credit losses remain below historical average but are normalizing**
- **Auction values remain strong, but expect industry decline as supply of new vehicles improves**

Auction Values (Per Unit)*

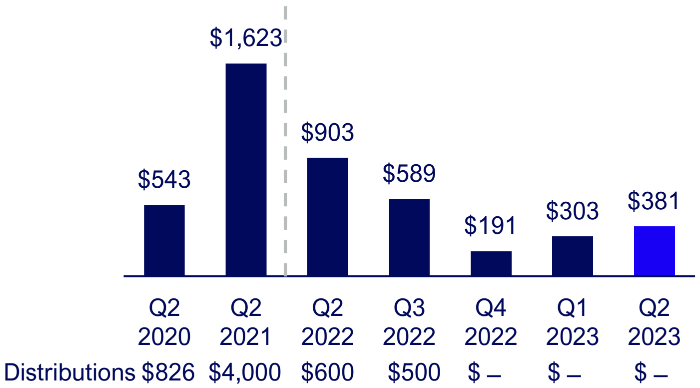


* U.S. 36-month off-lease auction values at Q2 2023 mix

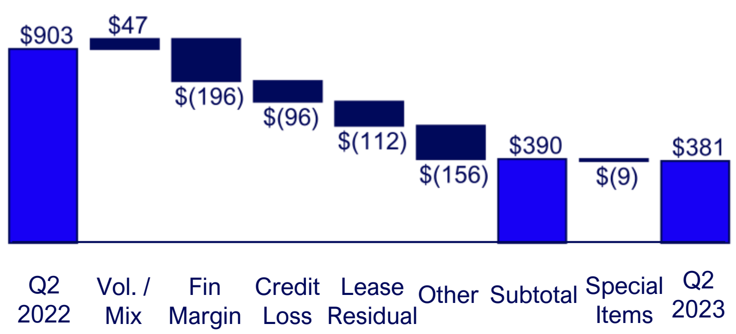
U.S. Retail Loss-to-Receivables ("LTR") Ratio (%)



EBT ($M)



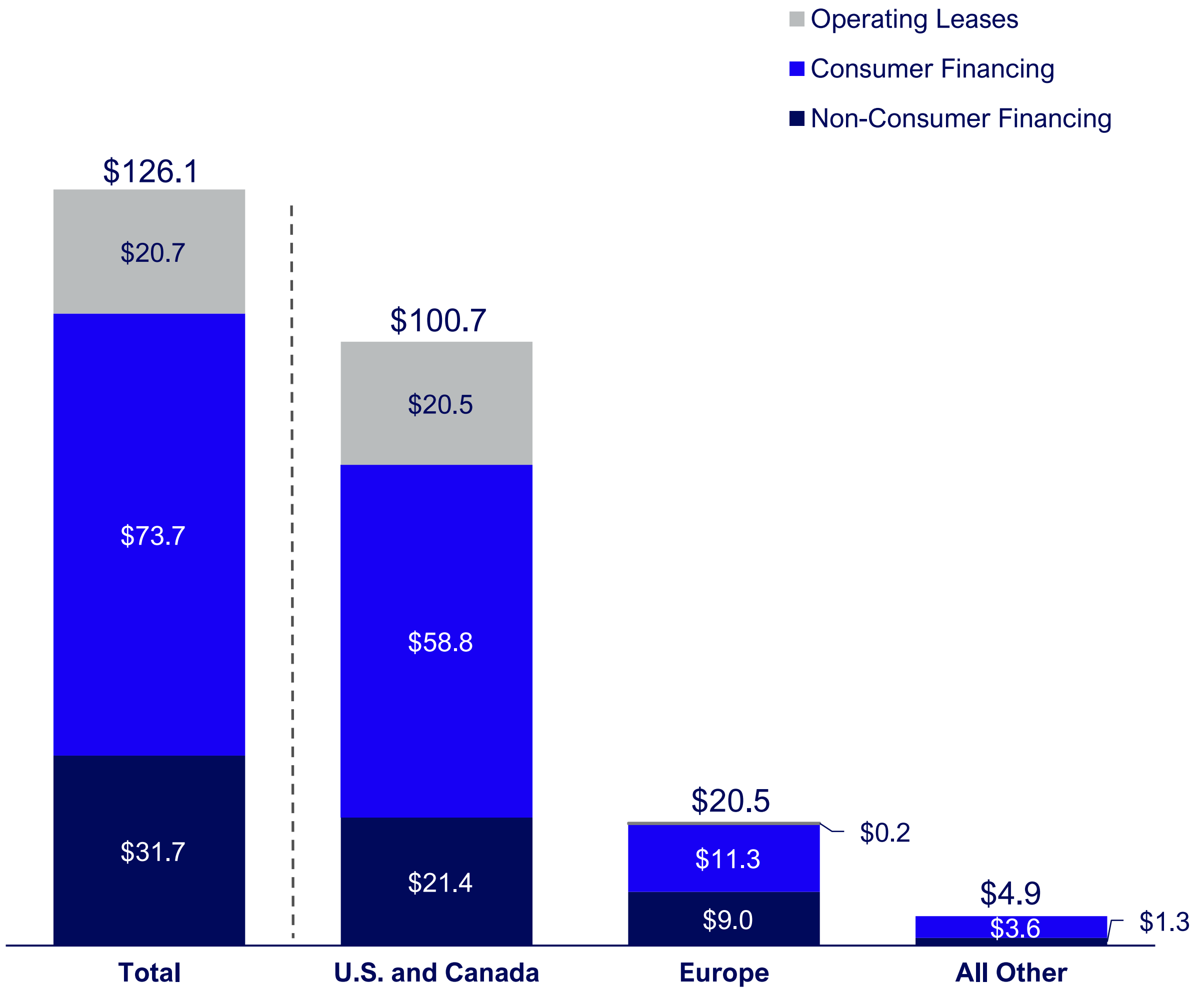
Q2 EBT YoY ($M) **



** Includes special items: $(36)M SA Exit in Q2 2022 and $(9)M investment impairments in Q2 2023

Q2 2023 Net Receivables Mix ($B)

- Total Net Receivables increased $2.3B sequentially and $10.5B YoY
- Non-Consumer Financing increased $8.1B YoY
- Operating lease portfolio was 16% of Total Net Receivables

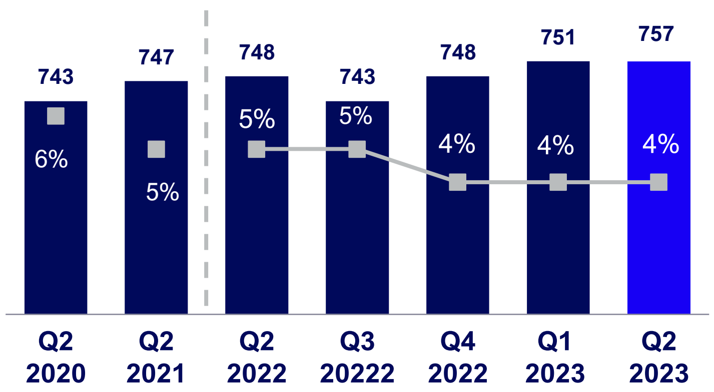


	Total	U.S. and Canada	Europe	All Other
H / (L) Q2 2022	$10.5	$6.4	$4.3	$(0.2)
H / (L) Q1 2023	2.3	2.0	0.3	0.0

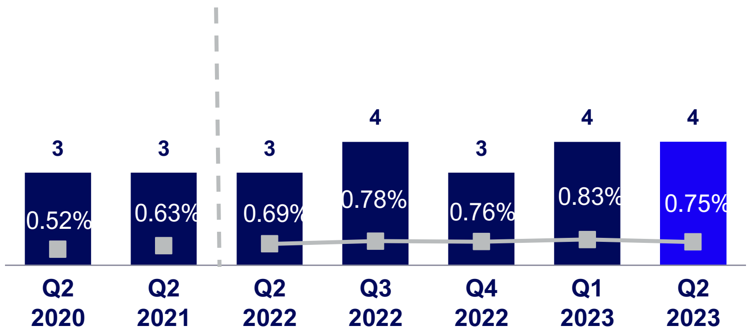
U.S. Origination Metrics And Credit Loss Drivers

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

Retail & Lease FICO and Higher Risk Mix (%)



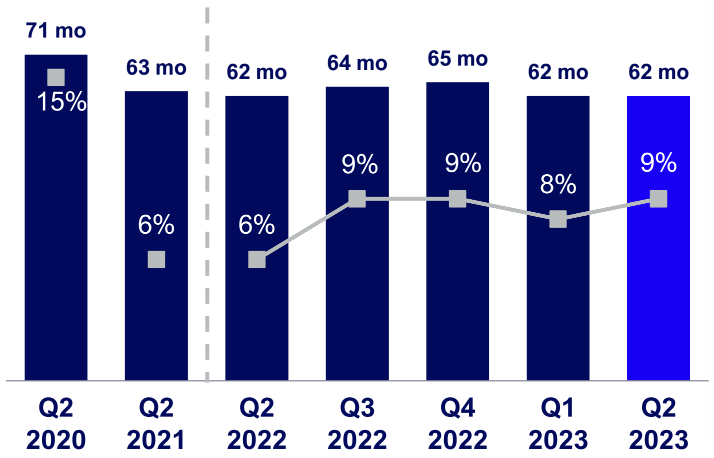
Retail Repossessions (000) and Repossession Rate (%)



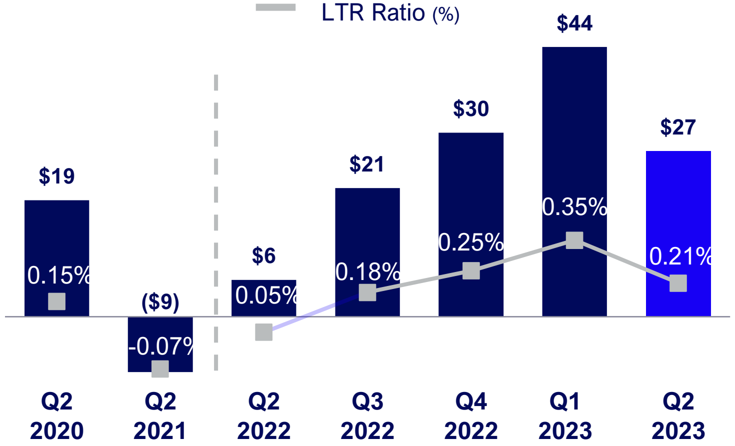
60+ Day Delinquencies*

Q2 2020	Q2 2021	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023
0.15%	0.08%	0.14%	0.15%	0.17%	0.17%	0.15%

Retail Contract Terms



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



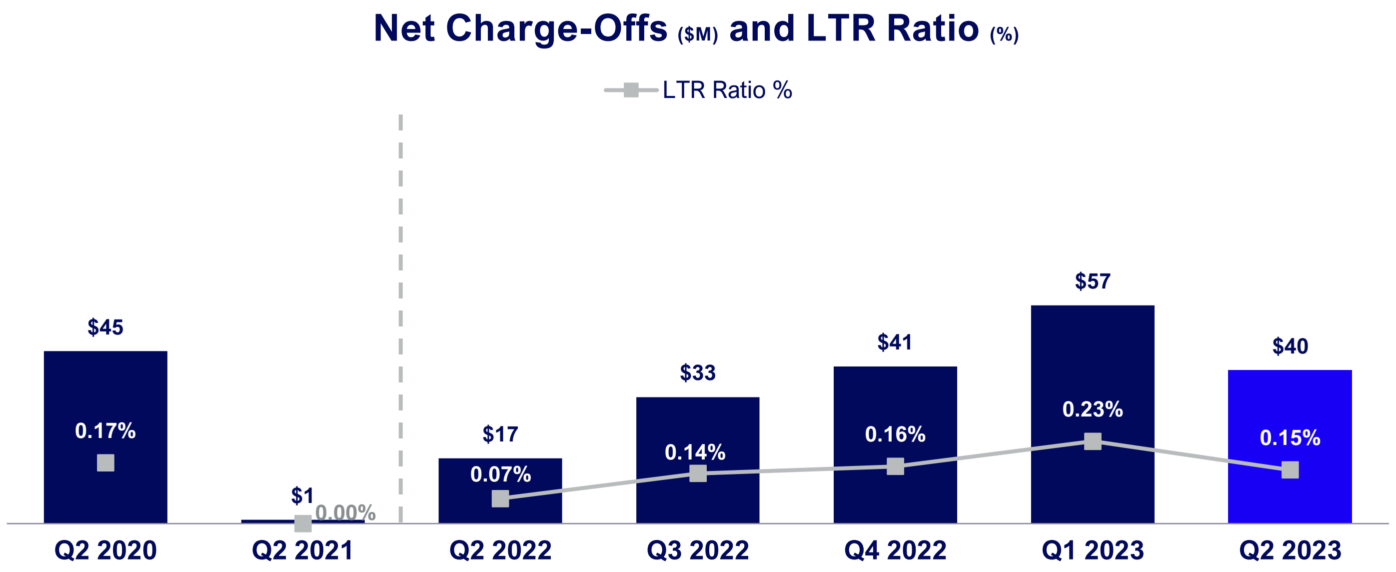
Severity (000)

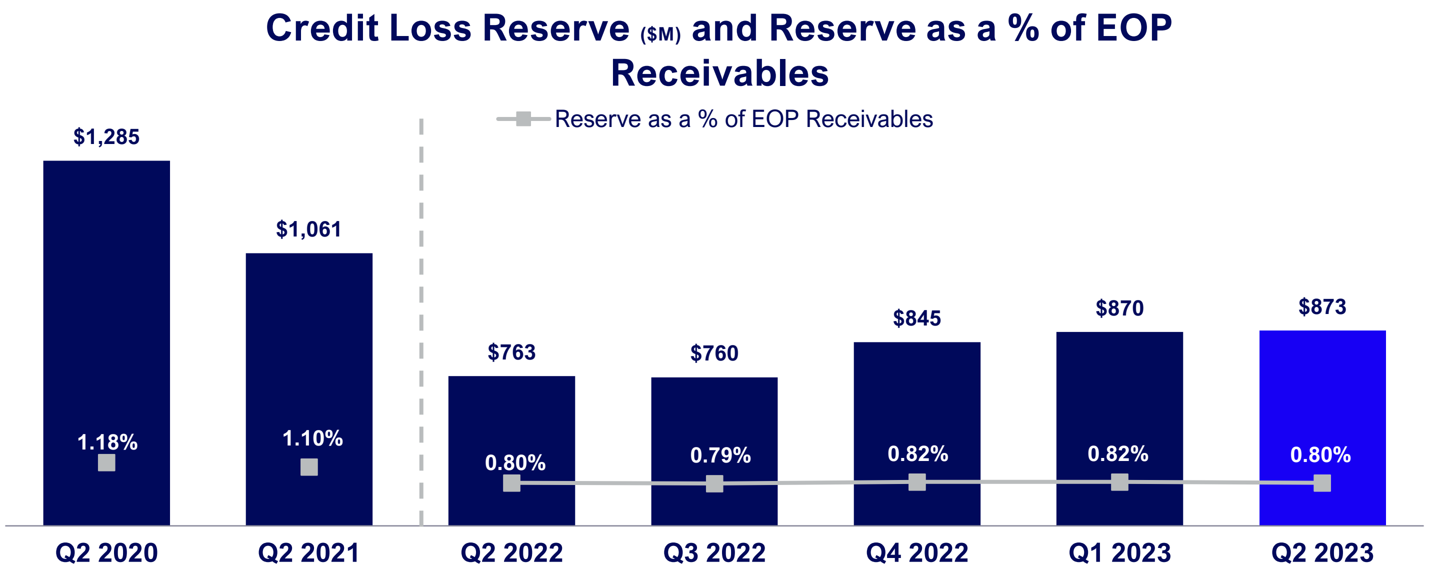
Q2 2020	Q2 2021	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023
$10.9	$7.9	$7.9	$9.6	$10.3	$10.6	$10.9

* Excluding bankruptcies

Worldwide Credit Loss Metrics

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

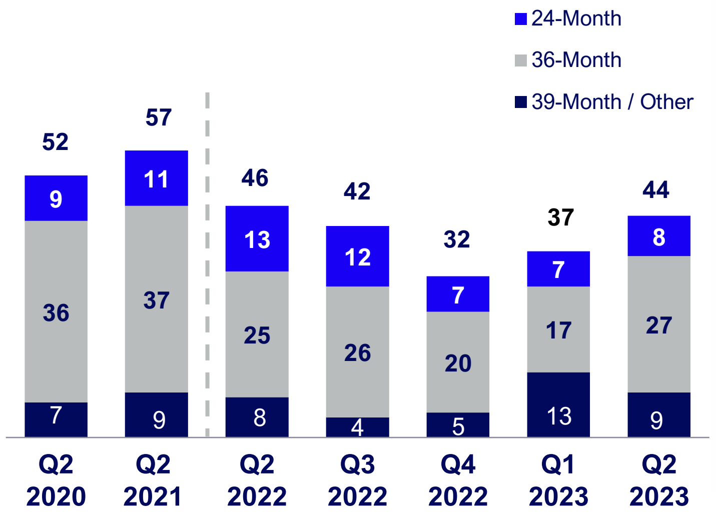




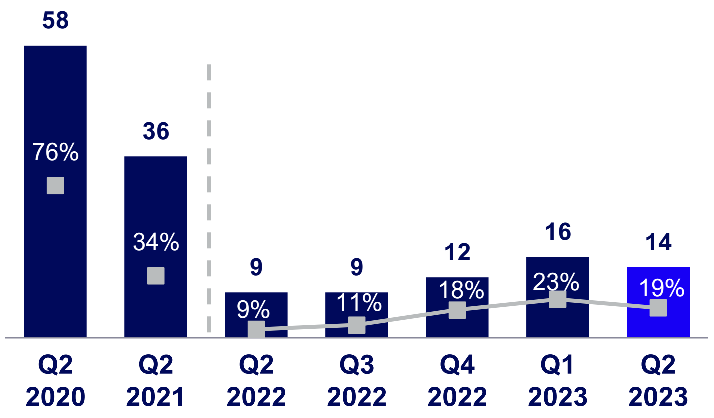
U.S. Lease Metrics

+ Lease return rates remain historically low, reflecting the impact of high auction values; we expect return rates to increase in the second half of 2023 as new and used vehicle inventory improves
+ Auction values increased 3% sequentially; down 8% YoY

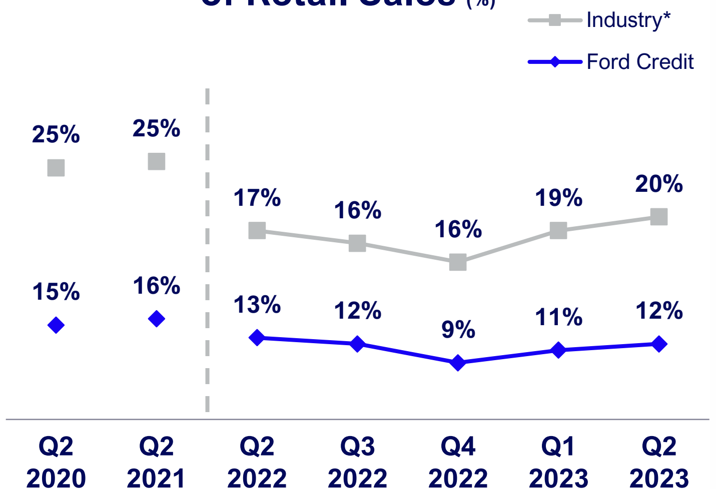
Lease Placement Volume (000)



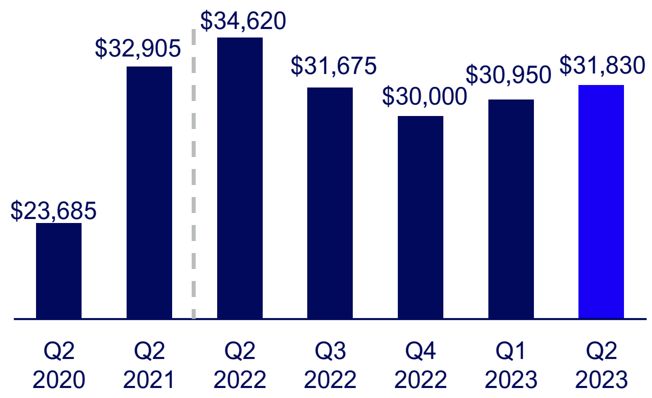
Lease Return Volume (000) and Return Rates (%)



Lease Share of Retail Sales (%)



Auction Values (Per Unit)**



* Source: J.D. Power PIN

** U.S. 36-month off-lease auction values at Q2 2023 mix

Funding Structure ($B)

- Well capitalized with a strong balance sheet; funding diversified across platforms and markets
- Further improvement of key balance sheet metrics; $29B in net liquidity
- Upgraded to Investment Grade by DBRS in June 2023; upgraded by Moody's to Ba1 in July
- Leverage is within the target range of 9:1 to 10:1

	2022 Dec. 31	2023 Jun. 30
Term Unsecured Debt	$ 48.3	$ 52.2
Term Asset-Backed Securities	56.4	55.6
Deposits / Ford Interest Advantage (FIA)	14.3	15.9
Other	2.6	2.3
Equity	11.9	12.5
Adjustments for Cash	(11.2)	(12.4)
Total Net Receivables	$ 122.3	$ 126.1
Securitized Funding as Pct. of Total Debt	47.4%	45.0%
Net Liquidity	$ 21.0	$ 28.8
Financial Statement Leverage	10.0	9.9

Public Term Funding Plan ($B)

+ **Completed $18B of public issuance YTD in 2023; have executed about two-thirds of the full-year funding plan**
+ **Liquidity and diverse funding sources provide flexibility**

	2020 Actual	2021 Actual	2022 Actual	2023 Forecast	Through July 26
Unsecured	$ 14	$ 5	$ 6	$ 11 - 14	$ 9
Securitizations*	13	9	10	12 - 14	9
Total	$ 27	$ 14	$ 16	$ 23 - 28	$ 18

* Includes Rule 144A offerings

Liquidity Sources
($B)

+ **$29B of net liquidity up $8B from year-end 2022**
+ **Reflects strong access to public and private funding markets**

	2022 Jun. 30	2022 Dec. 31	2023 Jun. 30
Liquidity Sources			
Cash	$ 7.8	$ 11.2	$ 12.4
Committed asset-backed facilities	34.3	37.4	42.3
Other unsecured credit facilities	2.5	2.3	2.6
Total liquidity sources	$ 44.6	$ 50.9	$ 57.3
Utilization of Liquidity			
Securitization & restricted cash	$ (2.7)	$ (2.9)	$ (2.9)
Committed asset-backed facilities	(15.3)	(26.6)	(23.1)
Other unsecured credit facilities	(0.5)	(0.8)	(1.2)
Total utilization of liquidity	$ (18.5)	$ (30.3)	$ (27.2)
Gross liquidity	$ 26.1	$ 20.6	$ 30.1
ABS capacity*	(1.1)	0.4	(1.3)
Net liquidity available for use	$ 25.0	$ 21.0	$ 28.8

* In excess of eligible receivables and other adjustments

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 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 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

Ford Credit

EBT By Segment* ($M)

	Q2		YTD	
	2023	H / (L) 2022	2023	H / (L) 2022
Results**				
United States and Canada segment	$ 271	$ (409)	$ 544	$ (902)
Europe segment	113	7	191	9
All Other segment	27	35	49	221
Total segments	$ 411	$ (367)	$ 784	$ (672)
Unallocated other	(30)	(155)	(100)	(301)
Earnings before taxes	$ 381	$ (522)	$ 684	$ (973)
Taxes	95	(4)	158	(26)
Net income	$ 286	$ (518)	$ 526	$ (947)
Distributions	$ -	$ (600)	$ -	$ (1,600)

* See Appendix for definitions

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

Financing Share And Contract Placement Volume

	Q2 2023	Q2 2022	YTD 2023	YTD 2022
Share of Ford Sales*				
United States	51 %	37 %	49 %	40 %
Canada	67	68	71	65
U.K.	35	35	34	35
Germany	32	38	31	35
China	39	45	41	44
Wholesale Share				
United States	71 %	73 %	71 %	73 %
U.K.	100	100	100	100
Germany	89	87	87	90
China	71	70	71	67
Contract Placement Volume - New and Used (000)				
United States	211	150	397	312
Canada	29	38	57	58
U.K.	23	24	46	46
Germany	13	15	27	29
China	25	30	47	60

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

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

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