

Crédit Agricole Auto Conference

September 24, 2024



2024 Ford
Kuga



| Ford Credit



Further Information

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INFORMATION ON FORD:

www.shareholder.ford.com

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

INFORMATION ON FORD MOTOR CREDIT COMPANY:

<https://www.ford.com/finance/investor-center/>

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



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, 2023, 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. N/M denotes “Not Meaningful.” All variances are year-over-year unless otherwise noted. Visit ford.com for vehicle information.



Corporate



Freedom of Choice

Vehicles Shown (L to R): F-150 Platinum Hybrid, Bronco Sport, Mustang Dark Horse, Mustang Mach-E and Maverick XLT Hybrid

Ford+ Investment Thesis

Disruptive technology allows us to leverage foundational strengths to build new capabilities enriching customer experiences and deepening loyalty

Customer experience

FOUNDATIONAL STRENGTHS

- + Leading iconic nameplates
- + Leading commercial vehicle portfolio
- + Industrial prowess

Drives strong margins and cash flow

+

ENHANCED CAPABILITIES

- + Integrated hardware and software
- + Connectivity
- + Data analytics

Enables deep customer insight

=

EXPANDED TAM & VALUE CREATION

- + Ford Blue
- + Ford Model e
- + Ford Pro

Unlocks new growth opportunities

Q2 2024 Highlights

Growth

- + “Freedom of choice” global product portfolio drove \$48B of revenue, up 6%
- + Global hybrid sales up 34%; global mix approaching 9%
- + America’s #1 ICE brand, #2 EV brand, #3 hybrid brand
- + #1 U.S. class 1-7 truck / van share, up 2.3 pts

Profitability

- + Q2 Total Company adj. EBIT \$2.8B; 1H \$5.5B
- + Reaffirmed full-year adj. EBIT in range of \$10B - \$12B
- + Ford Pro EBIT margin strong at 15.1%
 - Driven by continued strength across all three levers: vehicles, software and physical services
- + Ford Blue profitable in every region it operates

Free Cash Flow & Liquidity

- + Increased full-year adj. FCF guidance to \$7.5B to \$8.5B
- + Announced Q3 regular dividend of \$0.15 per share
- + Targeting a consistent return of 40% - 50% of adj. FCF to shareholders
- + Strong balance sheet ~\$27B in cash and ~\$45B in liquidity

Software & Physical Services

- + Paid software subscriptions >765K, up 40% – growth across all three customer segments and gross margins >50%
- + Delivered 2M remote experiences in 1H; 4.5M by year end
- + BlueCruise now has over 415K enabled vehicles on the road in America, up more than 25% from Q1
- + ~75% of new Nautilus owners cited the new panoramic and digital experiences as a reason to choose Lincoln

Product News

- + Launched all-new Explorer in North America
- + Expanding Super Duty capacity, including future multi-energy technology
- + Ford Pro continues ramping all-new 1T Transit production in Europe, including hybrid and EV
- + Began mass production of EV Explorer in Europe
- + Ford jumped 14 spots in the J.D. Power 2024 U.S. Initial Quality Study; Bronco Sport named best small SUV for initial quality

Note: All comparisons are YoY unless noted otherwise

Higher Growth, Higher Margin, More Capital Efficient, More Durable Company

Q2 Financial Results

Revenue	Adj. EBIT	Adj. EBIT Margin	Adj. FCF	Adj. EPS
\$47.8B	\$2.8B	5.8%	\$3.2B	\$0.47
▲ 6%	▼ 27%	▼ 2.7 pts	▲ \$0.3B	▼ \$0.25

Ford Blue		Ford Model e		Ford Pro	
EBIT	EBIT Margin	EBIT	EBIT Margin	EBIT	EBIT Margin
\$1.2B	4.4%	\$(1.1)B	(99.5)%	\$2.6B	15.1%

First Half Financial Results

Revenue	Adj. EBIT	Adj. EBIT Margin	Adj. FCF	Adj. EPS
\$90.6B	\$5.5B	6.1%	\$2.8B	\$0.97
▲ 5%	▼ 23%	▼ 2.2 pts	▼ \$0.9B	▼ \$0.37

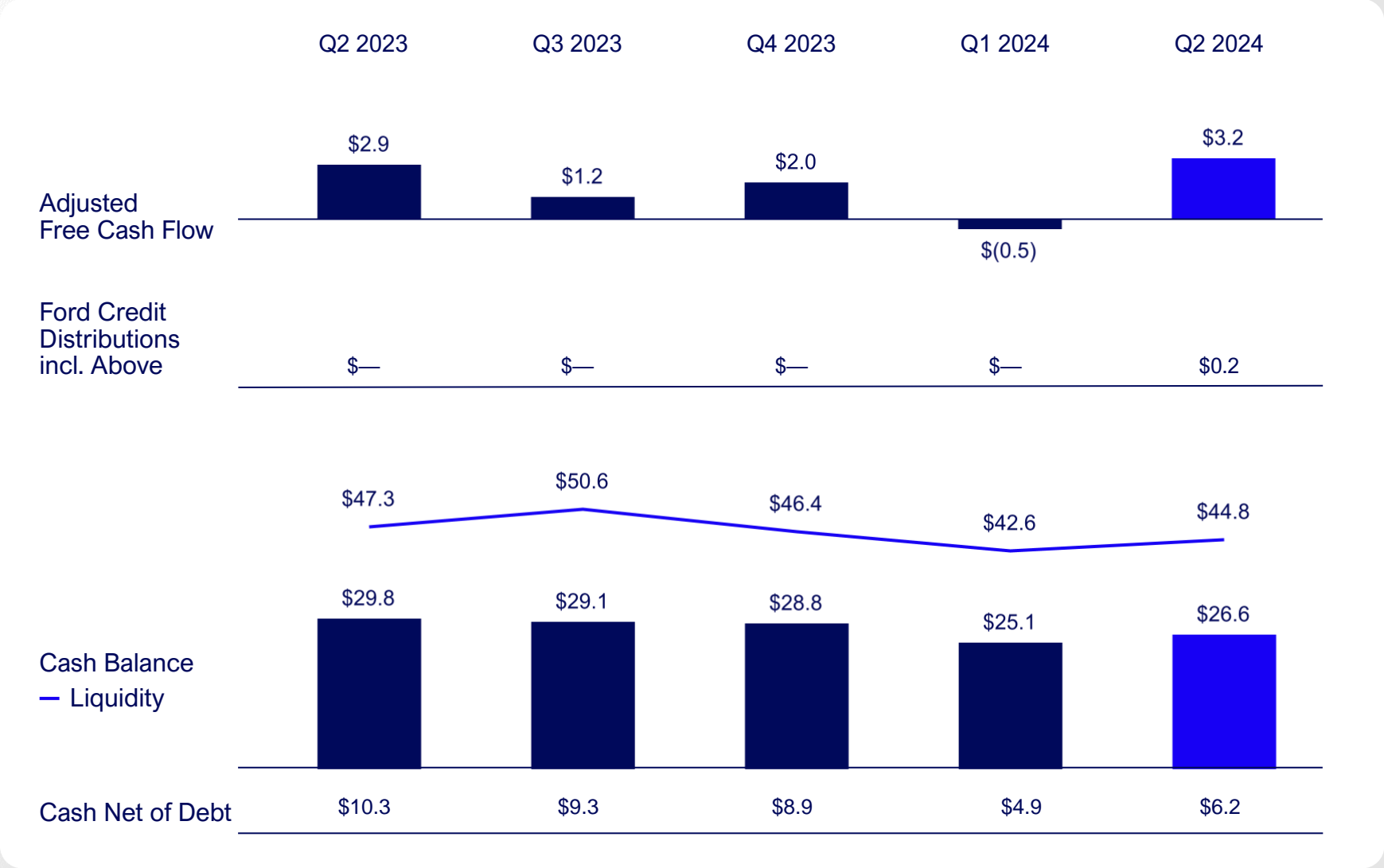
Ford Blue		Ford Model e		Ford Pro	
EBIT	EBIT Margin	EBIT	EBIT Margin	EBIT	EBIT Margin
\$2.1B	4.3%	\$(2.5)B	(194.8)%	\$5.6B	15.9%

Financials

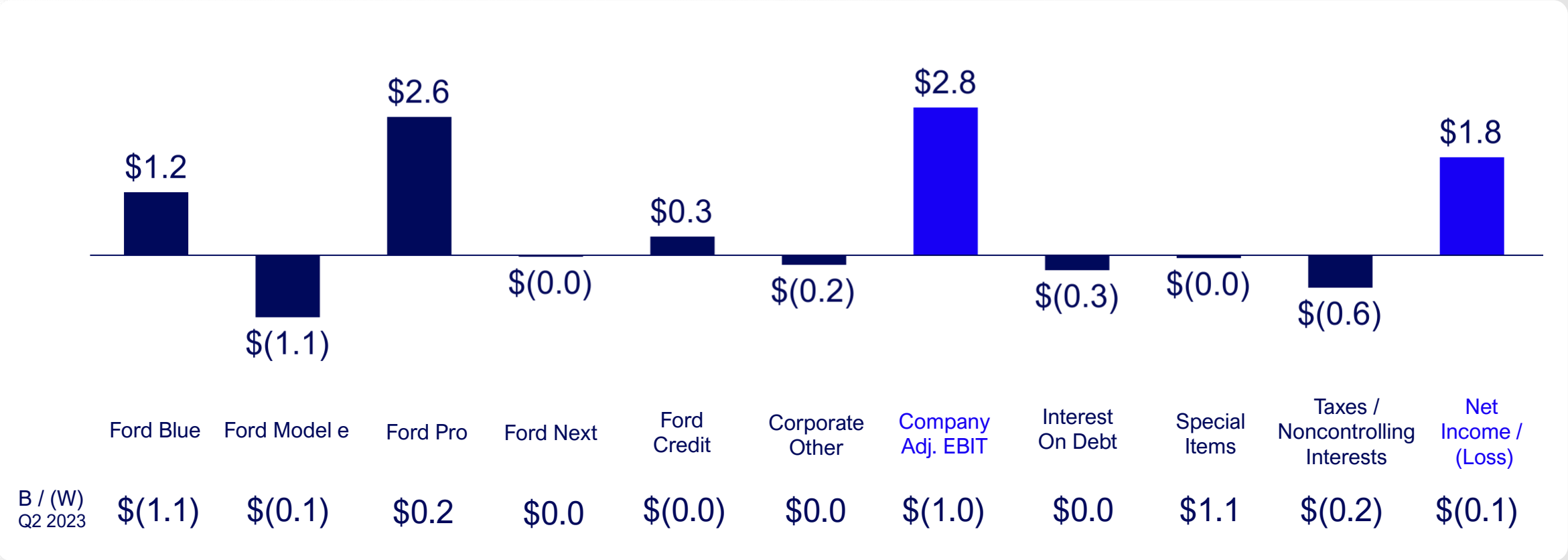


Mass Production Of New All-Electric Explorer Starts At Ford's EV Assembly Plant In Cologne

Q2 Cash Flow, Cash Balance & Liquidity (\$B)



Q2 2024 Results (\$B)



Q2 2024 Adjusted EBIT (\$B)

	Ford Blue	Ford Model e	Ford Pro	Ford Next	Ford Credit	Corporate Other	Total Company
Q2 2023	\$ 2.3	\$ (1.1)	\$ 2.4	\$ (0.0)	\$ 0.4	\$ (0.2)	\$ 3.8
YoY Change:							
Volume / Mix	\$ 0.3	\$ (0.2)	\$ 0.5	\$ —	\$ —	\$ —	\$ 0.6
Net Pricing	0.2	(0.3)	0.3	—	—	—	0.2
Cost	(1.4)	0.4	(0.6)	—	—	—	(1.6)
Exchange	(0.2)	(0.0)	0.1	—	—	—	(0.1)
Other	(0.0)	0.0	(0.1)	0.0	(0.0)	0.0	(0.1)
Total Change	\$ (1.1)	\$ (0.1)	\$ 0.2	\$ 0.0	\$ (0.0)	\$ 0.0	\$ (1.0)
Q2 2024	\$ 1.2	\$ (1.1)	\$ 2.6	\$ (0.0)	\$ 0.3	\$ (0.2)	\$ 2.8

VOLUME

Robust demand for trucks and vans

NET PRICING

Robust commercial demand and portfolio strength, offset partially by lower EV pricing

COST

Primarily higher warranty, new-product material cost and manufacturing costs

Ford Blue

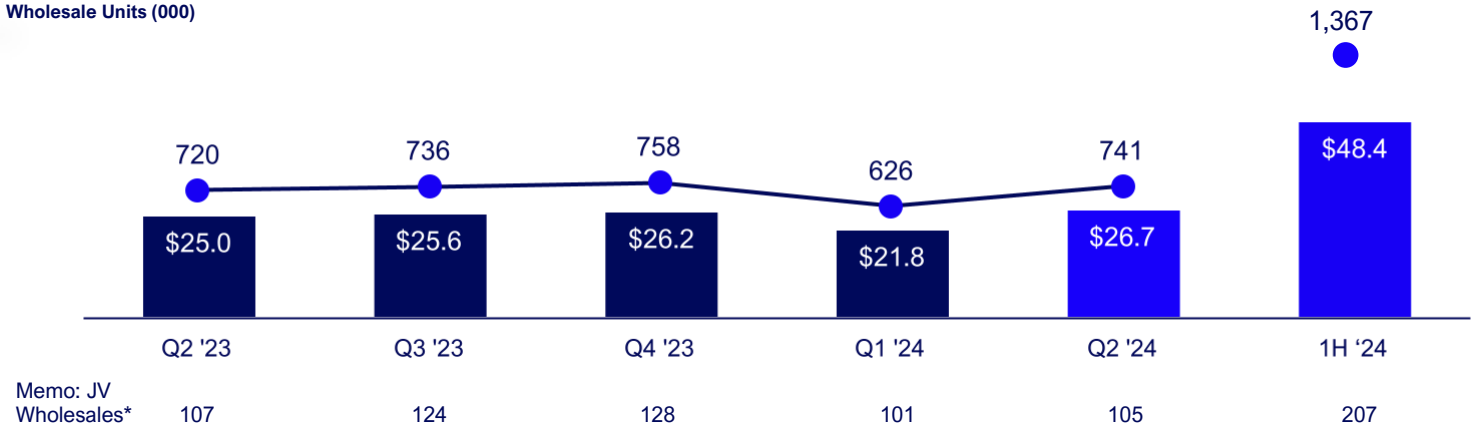
- Volume and revenue up 3% and 7%, respectively
- EBIT down \$1.1B:
 - Warranty
 - New-product material cost
 - Manufacturing cost
 - + Market factors
- Profitable in all regions



Ford Kuga

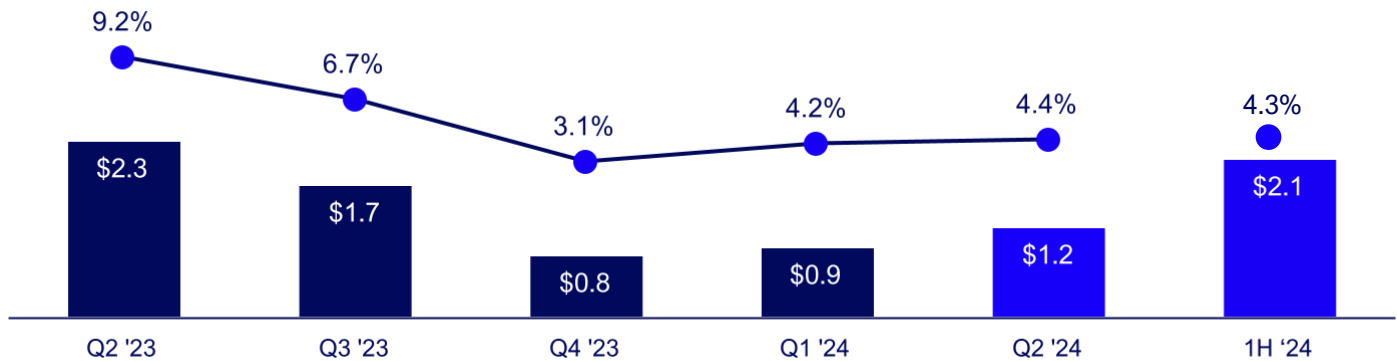
Revenue (\$B)

● Wholesale Units (000)



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

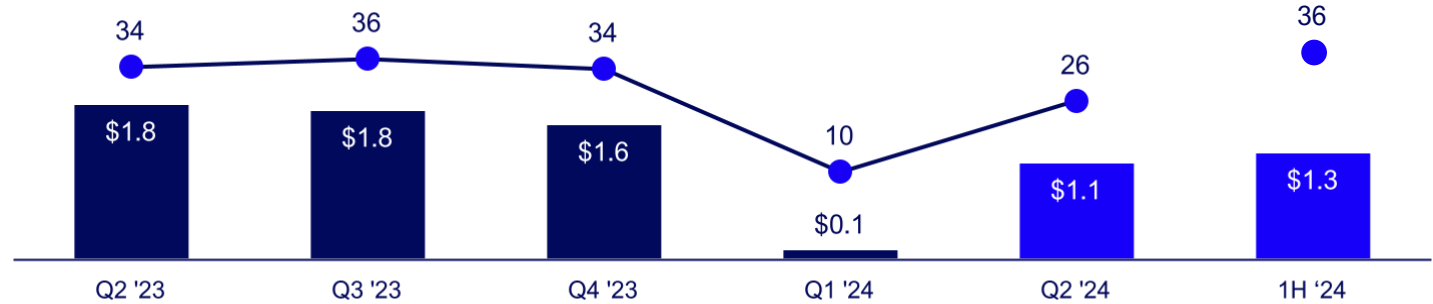
- Volume down 23%
- Revenue down 37%, lower volume and industry-wide pricing pressure
- EBIT loss flat at \$1.1B:
 - Market factors
 - + Material cost
 - + Battery economics
 - + Engineering expense



Ford Mustang Mach-E Rally Edition

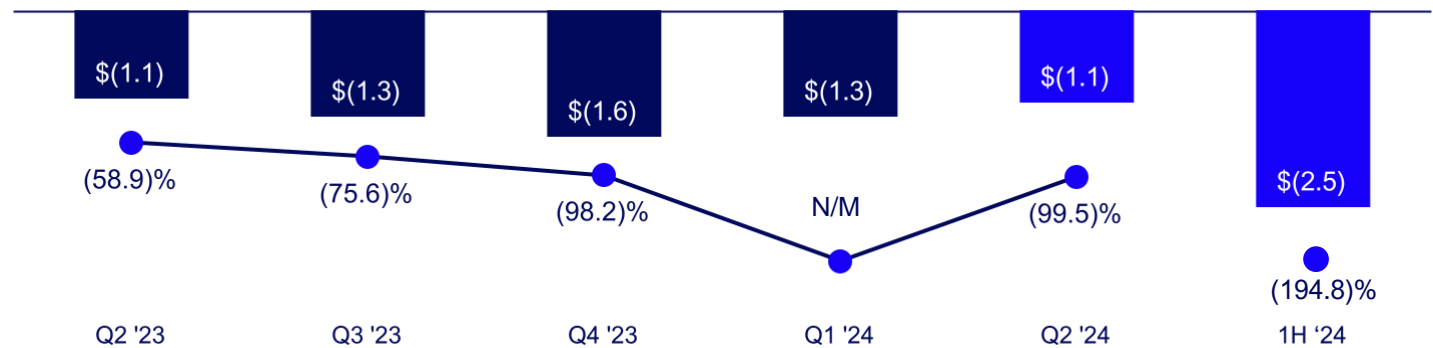
Revenue (\$B)

● Wholesale Units (000)



EBIT (\$B)

● EBIT Margin (%)



Ford Pro

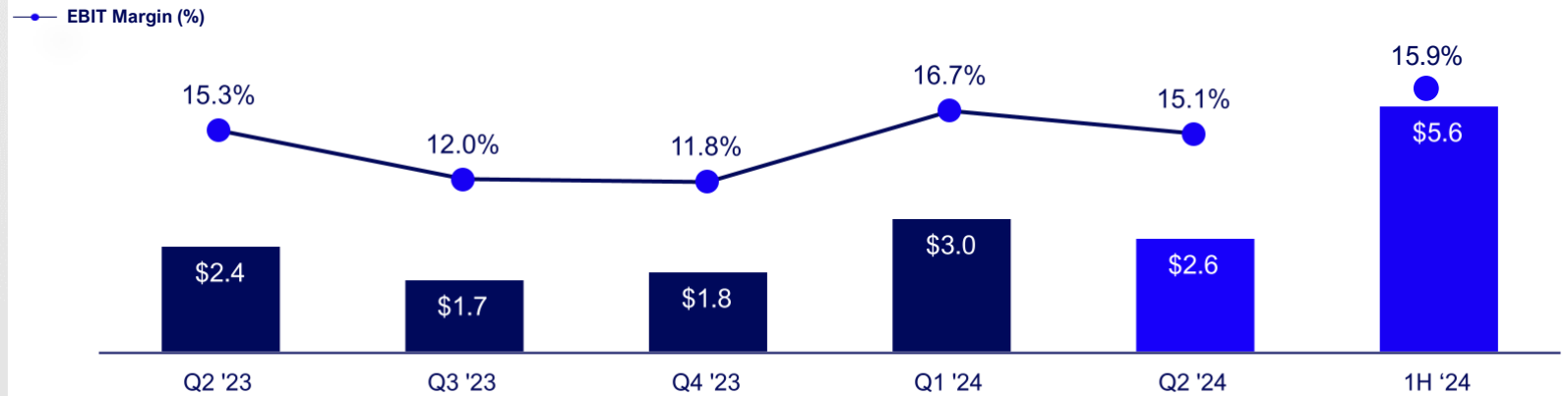
- Volume and revenue up 3% and 9%, respectively
- EBIT margin of 15.1%
- EBIT improvement:
 - + Market factors (Super Duty and Transit)
 - + Software and physical services growth
 - Growth-related costs
- Resilient high-growth business with earnings power

Ford Police F-150

Revenue (\$B)



EBIT (\$B)



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

Cash Flow And Balance Sheet (\$B)

	Second Quarter		First Half	
	2023	2024	2023	2024
Company Adj. EBIT excl. Ford Credit	\$ 3.4	\$ 2.4	\$ 6.5	\$ 4.9
Capital Spending	(1.9)	(2.1)	(3.7)	(4.2)
Depreciation and Tooling Amortization	1.3	1.3	2.6	2.5
Net Spending	\$ (0.6)	\$ (0.8)	\$ (1.1)	\$ (1.6)
Receivables	\$ (0.6)	\$ (0.2)	\$ (0.2)	\$ (0.2)
Inventory	(1.4)	1.3	(3.4)	(1.8)
Trade Payables	1.4	(1.2)	1.7	0.8
Changes in Working Capital	\$ (0.7)	\$ (0.0)	\$ (1.9)	\$ (1.2)
Ford Credit Distributions	\$ —	\$ 0.2	\$ —	\$ 0.2
Interest on Debt and Cash Taxes	(0.7)	(0.5)	(1.3)	(1.2)
All Other and Timing Differences ^(a)	1.6	2.0	1.4	1.8
Company Adjusted FCF	\$ 2.9	\$ 3.2	\$ 3.6	\$ 2.8
Restructuring	\$ (0.1)	\$ (0.3)	\$ (0.1)	\$ (0.5)
Changes in Debt	(0.0)	0.2	(0.2)	0.4
Funded Pension Contributions	(0.1)	(0.1)	(0.2)	(0.6)
Shareholder Distributions	(0.6)	(0.8)	(3.8)	(2.2)
All Other	(0.9)	(0.7)	(1.7)	(2.1)
Change in Cash	\$ 1.1	\$ 1.5	\$ (2.4)	\$ (2.2)

Company Excl. Ford Credit	Balance Sheet	
	2023 Dec 31	2024 Jun 30
Company Cash Balance	\$ 28.8	\$ 26.6
Liquidity	46.4	44.8
Debt	(19.9)	(20.4)
Cash Net of Debt	8.9	6.2
Pension Funded Status		
Funded Plans	\$ 2.1	\$ 2.7
Unfunded Plans	(4.4)	(4.1)
Total Global Pension	\$ (2.3)	\$ (1.4)
Total Funded Status OPEB	\$ (4.7)	\$ (4.6)

a. Includes differences between accrual-based EBIT and associated cash flows (e.g., marketing incentive and warranty payments to dealers, JV equity income, compensation payments, and pension and OPEB income or expense)

Special Items (\$B)

	Second Quarter		First Half	
	2023	2024	2023	2024
<u>Restructuring (by Geography)</u>				
Europe	\$ (0.1)	\$ (0.2)	\$ (0.4)	\$ (0.5)
North America Hourly Buyouts	—	—	—	(0.3)
China	(0.4)	—	(0.8)	—
Other	(0.2)	—	(0.1)	—
Subtotal Restructuring	\$ (0.7)	\$ (0.2)	\$ (1.3)	\$ (0.8)
<u>Other Items</u>				
Transit Connect customs matter	\$ (0.3)	\$ —	\$ (0.3)	\$ —
Extended Oakville Assembly Plant Changeover	—	0.0	—	(0.2)
Other (including Gains / (Losses) on Investments)	(0.1)	0.0	(0.2)	0.0
Subtotal Other Items	\$ (0.4)	\$ 0.1	\$ (0.5)	\$ (0.2)
<u>Pension and OPEB Gain / (Loss)</u>				
Pension and OPEB Remeasurement	\$ (0.1)	\$ 0.2	\$ (0.2)	\$ 0.2
Pension Settlements and Curtailments	(0.1)	(0.0)	(0.1)	(0.1)
Subtotal Pension and OPEB Gain / (Loss)	\$ (0.1)	\$ 0.1	\$ (0.3)	\$ 0.1
Total EBIT Special Items	\$ (1.2)	\$ (0.0)	\$ (2.1)	\$ (0.9)

Ford Credit

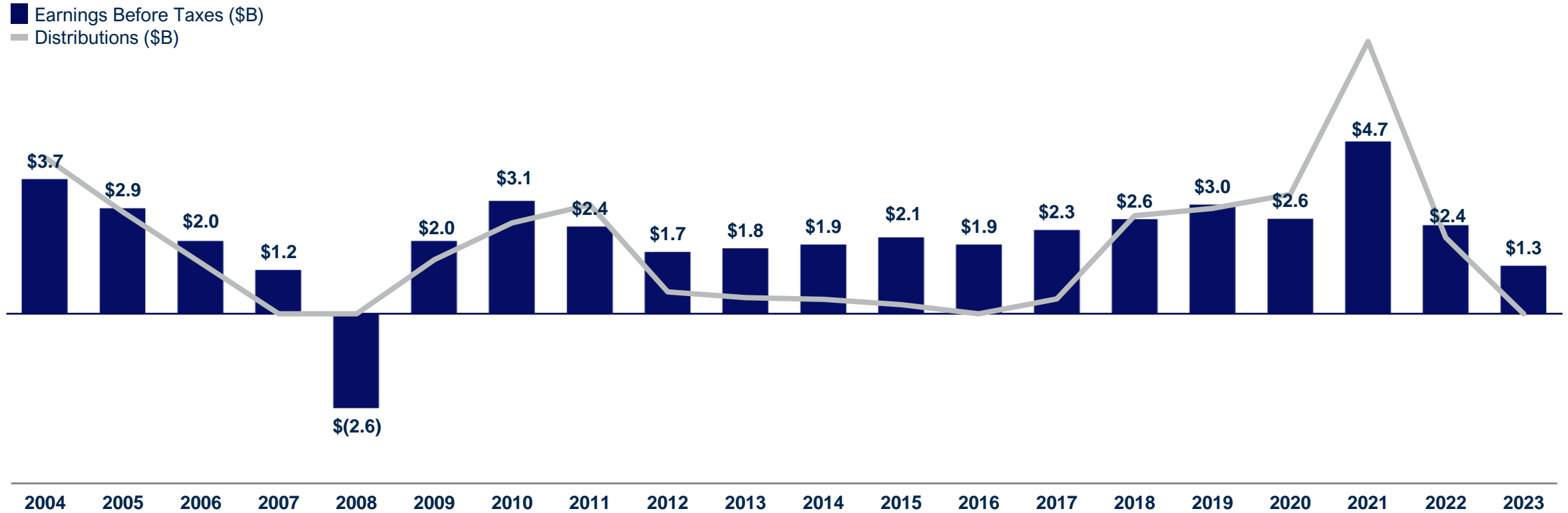


2024 Bronco Sport Outer Banks





Ford Credit – A Strategic Asset



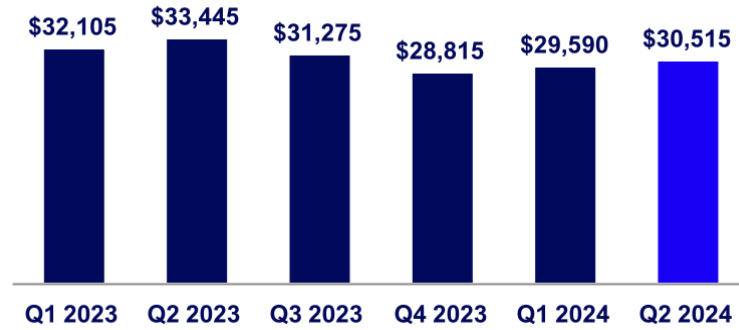
Over The Last 20 Years, Ford Credit Generated \$43 Billion In Earnings Before Taxes And \$36 Billion In Distributions

Key Metrics

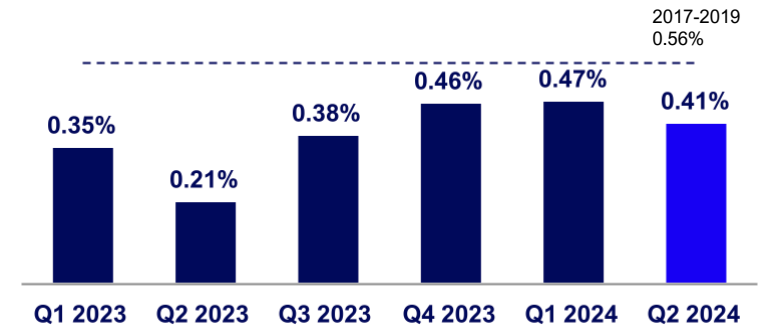
Best-in-class finance company

- EBT of \$343M:
 - Auction values down 9%
 - Normalizing credit losses
 - + Financing margin improvement
- Low EV residual risk
- Distributed \$150M to the parent company

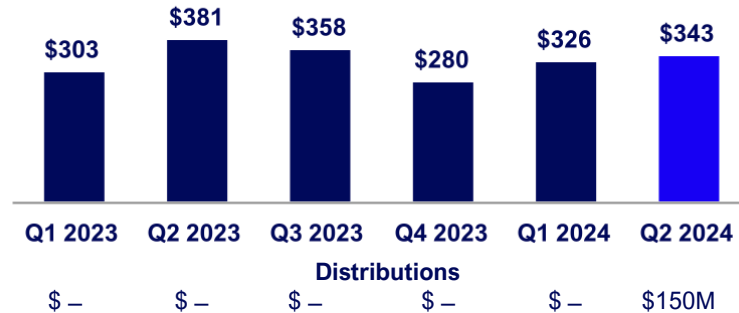
Auction Values (Per Unit)*



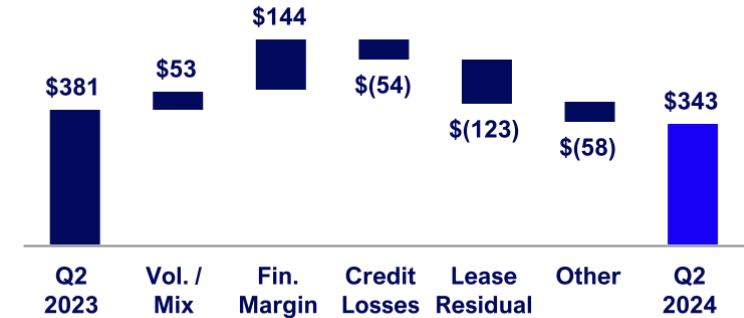
U.S. Retail Loss-to-Receivables (“LTR”) Ratio (%)



EBT (\$M)



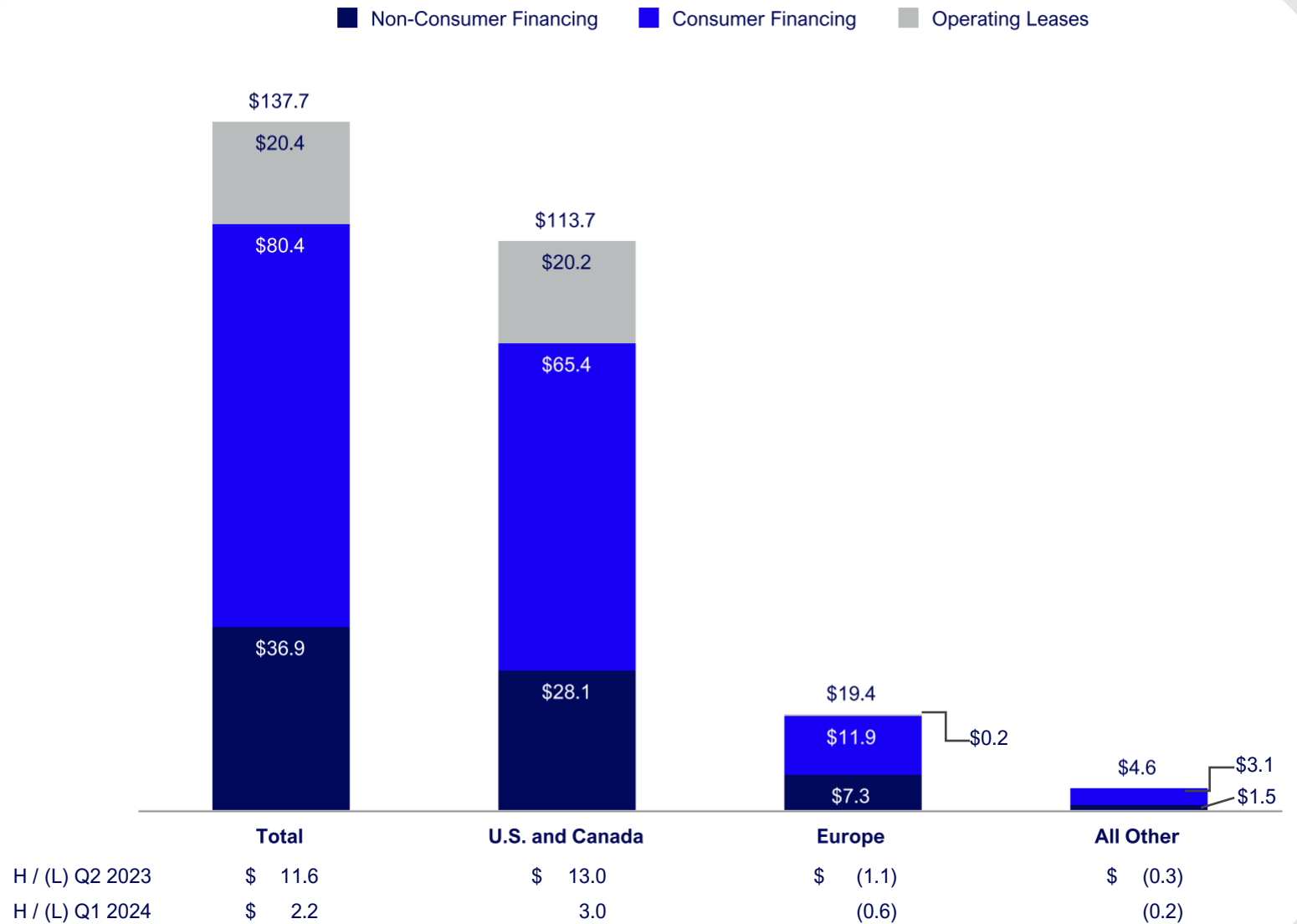
Q2 EBT YoY (\$M)



* U.S. 36-month off-lease auction values at Q2 2024 mix

Q2 2024 Net Receivables Mix (\$B)

- Total Net Receivables increased \$11.6B YoY and \$2.2B sequentially
- Consumer Financing increased \$6.7B YoY and Non-Consumer Financing increased \$5.2B YoY
- Operating lease portfolio was 15% of Total Net Receivables, down 1 Ppt. YoY and flat sequentially

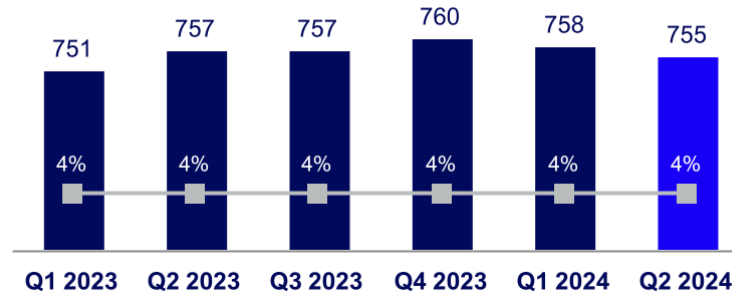


U.S. Origination Metrics And Credit Loss Drivers

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

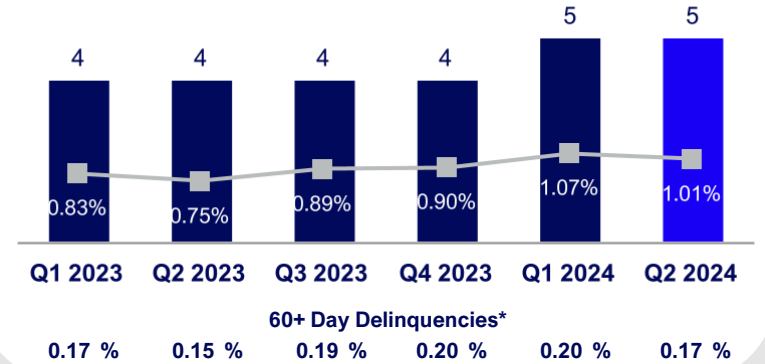
Retail & Lease FICO and Higher Risk Mix (%)

— Higher Risk Portfolio Mix (%)



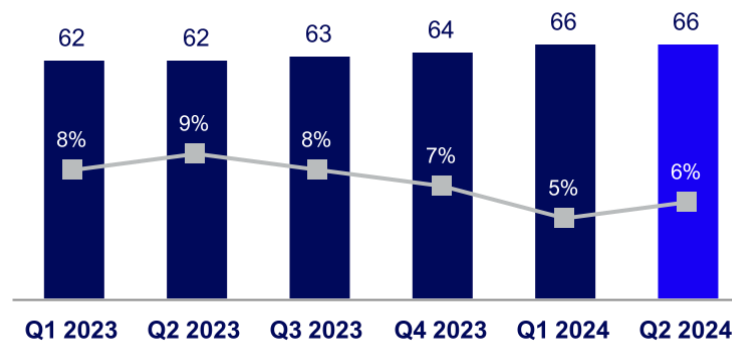
Retail Repossessions⁽⁰⁰⁰⁾ and Repossession Rate (%)

— Repossession Rate (%)



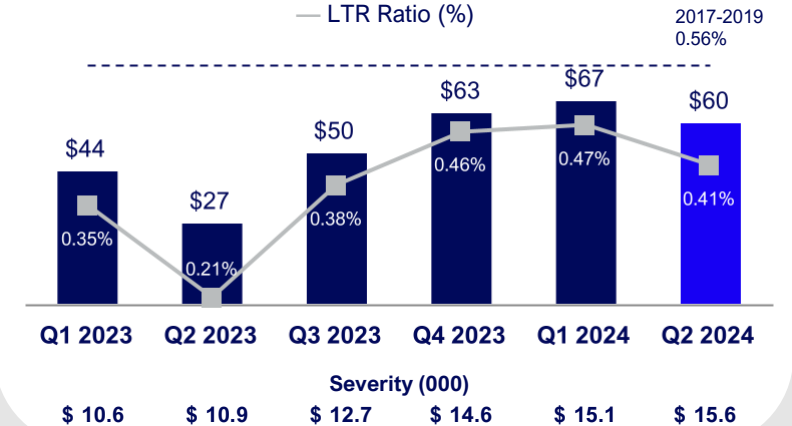
Retail Contract Terms (months)

— Retail ≥ 84 Months Placement Mix (%)



Retail Net Charge-Offs and LTR Ratio (%)

— LTR Ratio (%)

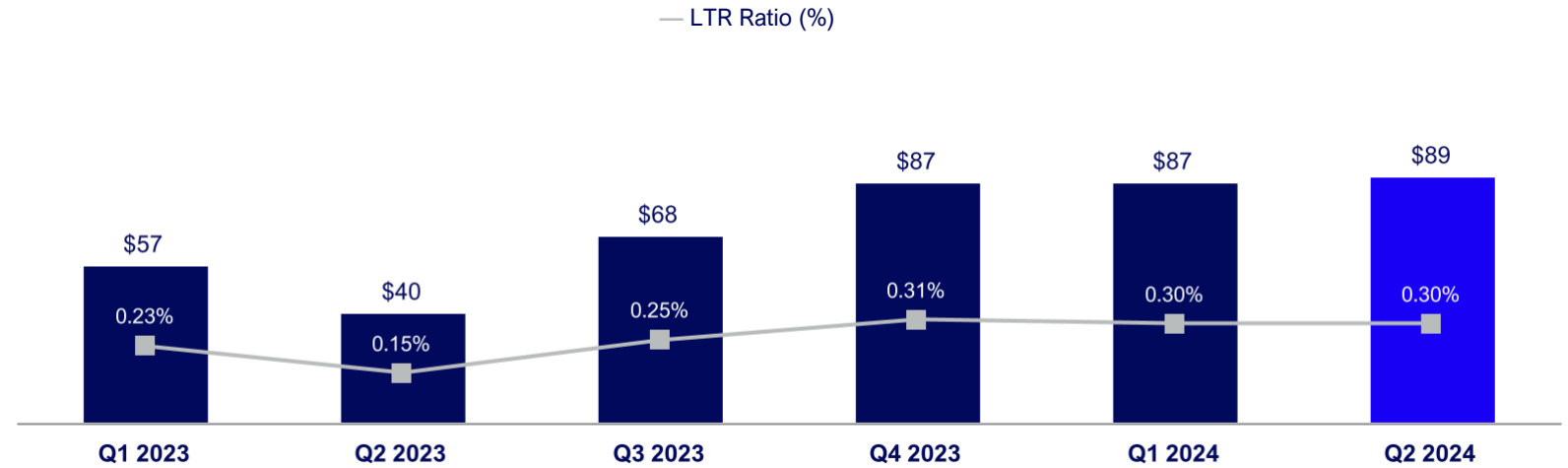


* Excluding bankruptcies

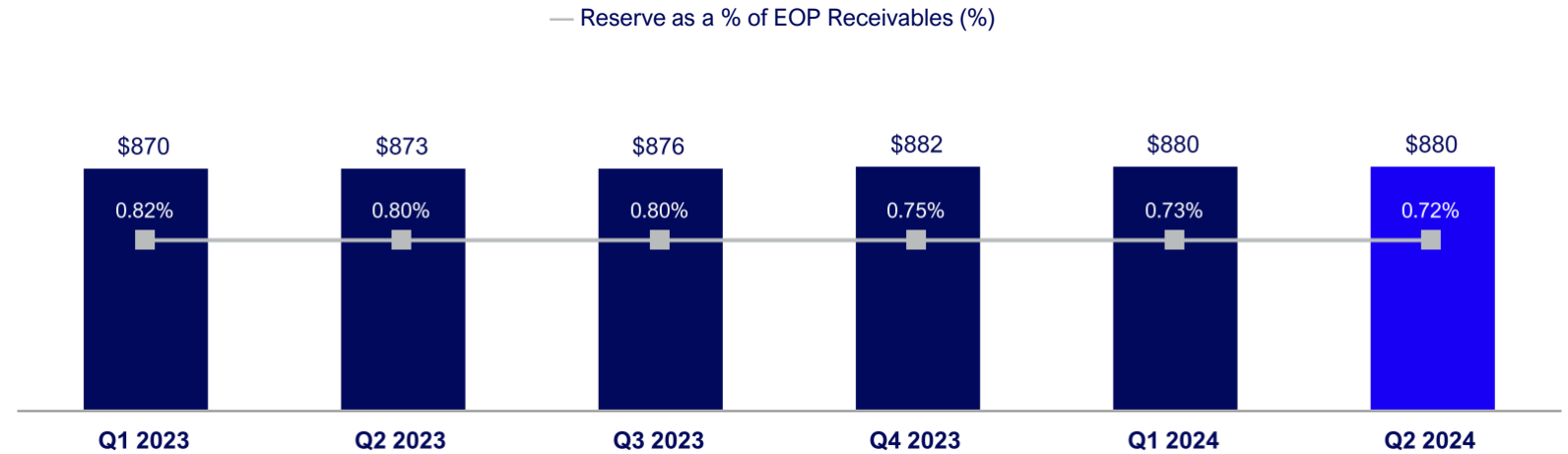
Worldwide Credit Loss Metrics

- Worldwide credit loss metrics remain strong
- Credit Loss Reserve remains flat compared to prior quarter

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



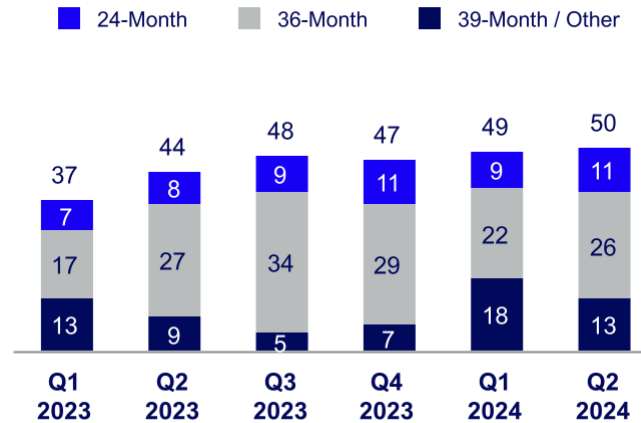
Credit Loss Reserve (\$M) and Reserve as a % of EOP Receivables (%)



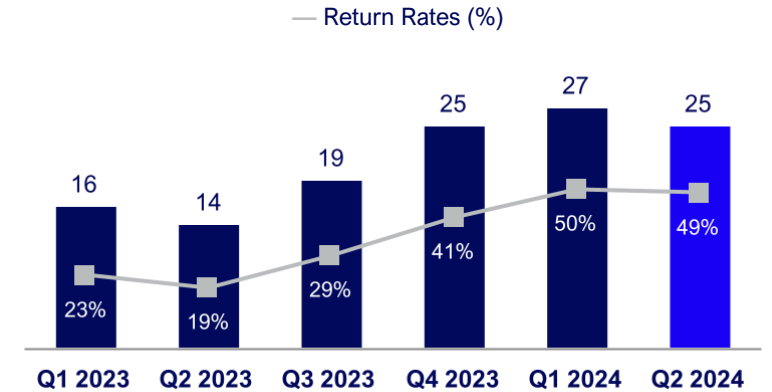
U.S. Lease Metrics

- Aligned with expectations, lease return rates higher than a year ago as they normalize from historical lows, reflecting the impact of declining auction values
- Q2 auction values decreased 9% YoY and increased 3% sequentially, reflecting normal seasonality

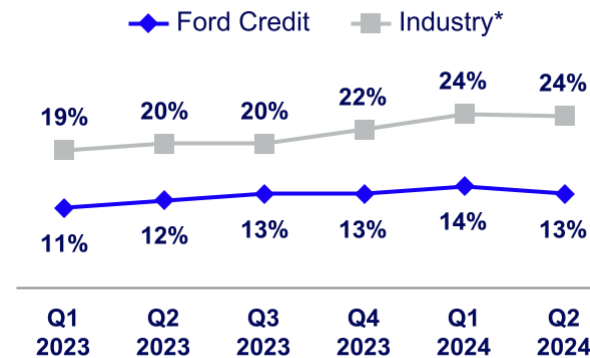
Lease Placement Volume (000)



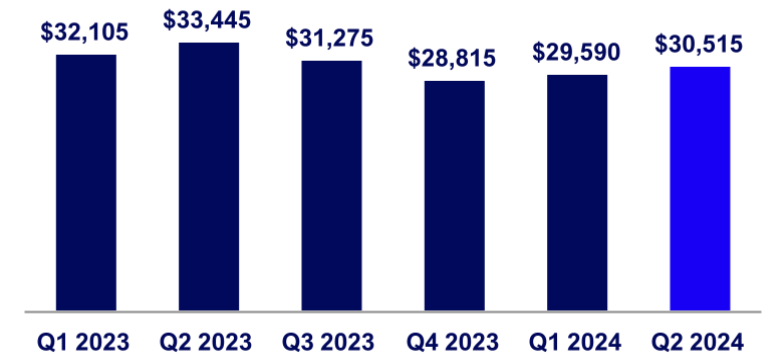
Lease Return Volume (000) and Return Rates (%)



Lease Share of Retail Sales (%)



Auction Values (Per Unit)**



* Source: J.D. Power PIN; Q2 2024 data as of June 20, 2024
 ** U.S. 36-month off-lease auction values at Q2 2024 mix

Funding Structure (\$B)

- Well capitalized with a strong balance sheet; funding diversified across platforms and markets
- Net liquidity strong at \$28.3B
- Leverage is within the target range of 9:1 to 10:1

	2023 <u>Dec. 31</u>	2024 <u>Jun. 30</u>
Term Unsecured Debt	\$ 54.1	\$ 59.2
Term Asset-Backed Securities	58.0	53.9
Deposits / Ford Interest Advantage (FIA)	17.2	17.4
Other	1.4	1.1
Equity	13.4	13.6
Adjustments for Cash	(10.9)	(7.5)
Total Net Receivables	<u>\$ 133.2</u>	<u>\$ 137.7</u>
Securitized Funding as Pct. of Total Debt	44.9%	41.3%
Net Liquidity	\$ 25.7	\$ 28.3
Financial Statement Leverage	9.7	9.6

Public Term Funding Plan (\$B)

- Completed \$28B of public issuance YTD in 2024
- Liquidity and diverse funding sources provide flexibility

	2022 Actual	2023 Actual	2024 Forecast*	Through Sept. 20
Unsecured	\$ 6	\$ 14	\$ 14 - 17	\$ 16
Securitized ^{**}	10	14	14 - 16	12
Total	<u>\$ 16</u>	<u>\$ 28</u>	<u>\$ 28 - 33</u>	<u>\$ 28</u>

* As of July 24, 2024

** Includes Rule 144A Offerings

Liquidity Sources (\$B)

- **\$28.3B of net liquidity, up \$2.6B from year-end 2023**
- **Reflects strong access to public and private funding markets**

	2023 Jun. 30	2023 Dec. 31	2024 Jun. 30
<u>Liquidity Sources</u>			
Cash	\$ 12.5	\$ 10.9	\$ 7.5
Committed asset-backed facilities	42.3	42.9	42.5
Other unsecured credit facilities	2.6	2.4	2.2
Total liquidity sources	<u>\$ 57.4</u>	<u>\$ 56.2</u>	<u>\$ 52.2</u>
<u>Utilization of Liquidity</u>			
Securitization & restricted cash	\$ (2.9)	\$ (2.8)	\$ (2.8)
Committed asset-backed facilities	(23.1)	(27.5)	(21.1)
Other unsecured credit facilities	(1.2)	(0.4)	(0.2)
Total utilization of liquidity	<u>\$ (27.2)</u>	<u>\$ (30.7)</u>	<u>\$ (24.1)</u>
Available liquidity	\$ 30.2	\$ 25.5	\$ 28.1
Other adjustments	(1.3)	0.2	0.2
Net liquidity available for use	<u><u>\$ 28.9</u></u>	<u><u>\$ 25.7</u></u>	<u><u>\$ 28.3</u></u>

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 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 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 and other components necessary for the production of electric vehicles, Ford has entered into and may, in the future, enter into multi-year commitments to raw material and other suppliers that subject Ford to risks associated with lower future demand for such items 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 recall campaigns, increased warranty costs, or delays in new model launches, and the time it takes to improve the quality of Ford’s vehicles and services could continue to have an adverse effect on Ford’s business;
- Ford may not realize the anticipated benefits of existing or pending strategic alliances, joint ventures, acquisitions, divestitures, or business strategies;
- Ford may not realize the anticipated benefits of restructuring actions and such actions may cause Ford to incur significant charges, disrupt its operations, or harm its reputation;
- Operational information systems, security systems, vehicles, and services could be affected by cybersecurity 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, public health issues, natural or man-made disasters, adverse effects of climate change, financial distress, production difficulties, capacity limitations, or other factors;
- Failure to develop and deploy secure digital services that appeal to customers could have a negative impact on Ford’s business;
- Ford’s ability to maintain a competitive cost structure could be affected by labor or other constraints;
- Ford’s ability to attract, develop, grow, and reward talent 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 and supply chain, Ford’s results and operations 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, public health emergency, 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, particularly for electric vehicles;
- 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 employee 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, data protection, and artificial intelligence 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, 2023, as updated by subsequent Quarterly Reports on Form 10-Q and Current Reports on Form 8-K.

FCE Bank plc





2024 Ford
Explorer

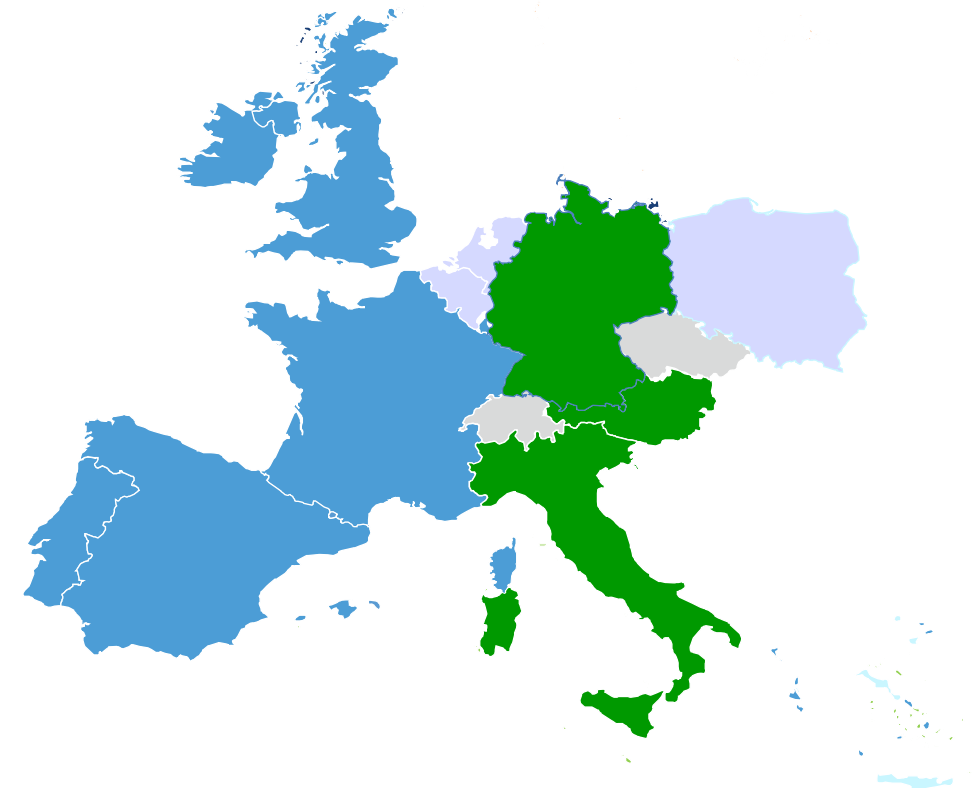


Who We Are

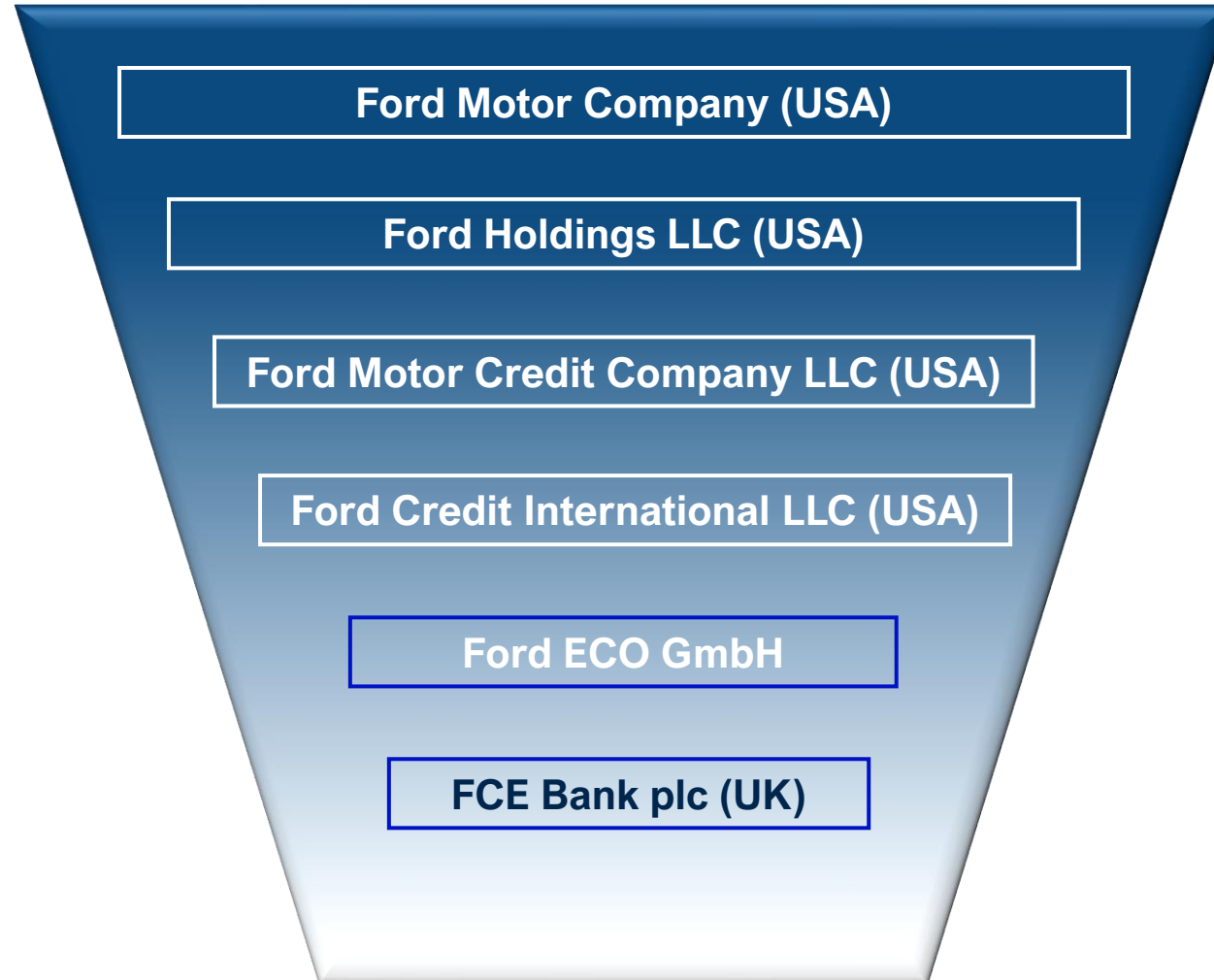
- **FCE Bank plc (FCE) is a public limited company incorporated in England and Wales and is regulated by the Prudential Regulation Authority and the Financial Conduct Authority**
- **At the beginning of 2024, FCE operated in the UK and 8 other European countries through a branch and subsidiary network providing branded financial services for Ford**
- **As a result of FCE's continuous efforts to improve efficiency, its operational footprint has been restructured to focus on its largest markets -- UK, Germany, Italy, France and Spain**
- **On September 1, 2024, Ford Bank GmbH (FBG) separated from FCE to become a sister company of FCE**
- **FCE has long term credit ratings of Baa2/BBB-/BBB- by Moody's/S&P/Fitch, respectively**
- **FBG has long term credit ratings of Baa1/BBB- by Moody's/S&P, respectively**

Markets Served By:

-  FCE Company and Branches
-  FCE Subsidiaries



Ownership Structure



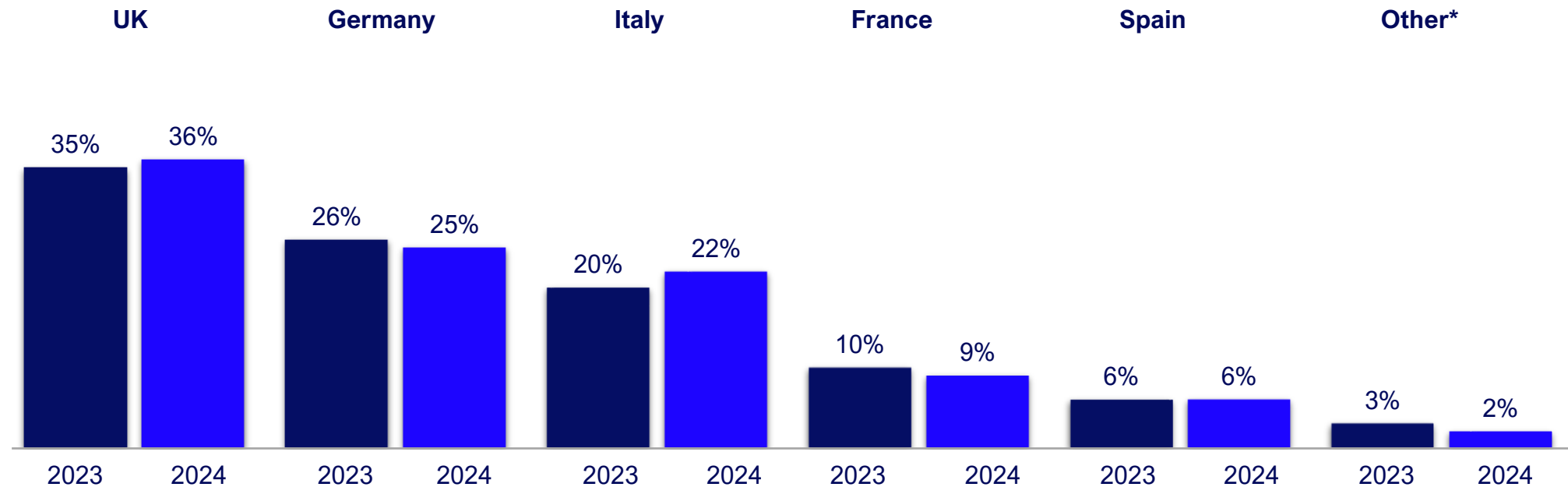
Performance Summary – H1 2024

- **FCE recorded earnings before tax of £142 million, £11 million higher than H1 2023**
- **Stable total net loans and advances (receivables) at £15.0 billion**
- **Credit losses remain at a very low level**
- **Well capitalized with headroom to requirements**
- **Liquidity strong at £3.8 billion**

<u>Key Financial Ratios</u>	<u>H1 2024</u>	<u>H1 2023</u>
Earnings before tax	£142m	£131m
Net loans and advances	£15.0b	£15.0b
Margin	3.70%	3.70%
Cost efficiency ratio	1.90%	1.70%
Credit Loss ratio	0.09%	0.06%
CET1 capital ratio	18.18%	16.98%
Total capital ratio	20.54%	19.18%
Liquidity available for use	£3.8b	£2.7b

Net Loans And Advances To Customers By Market

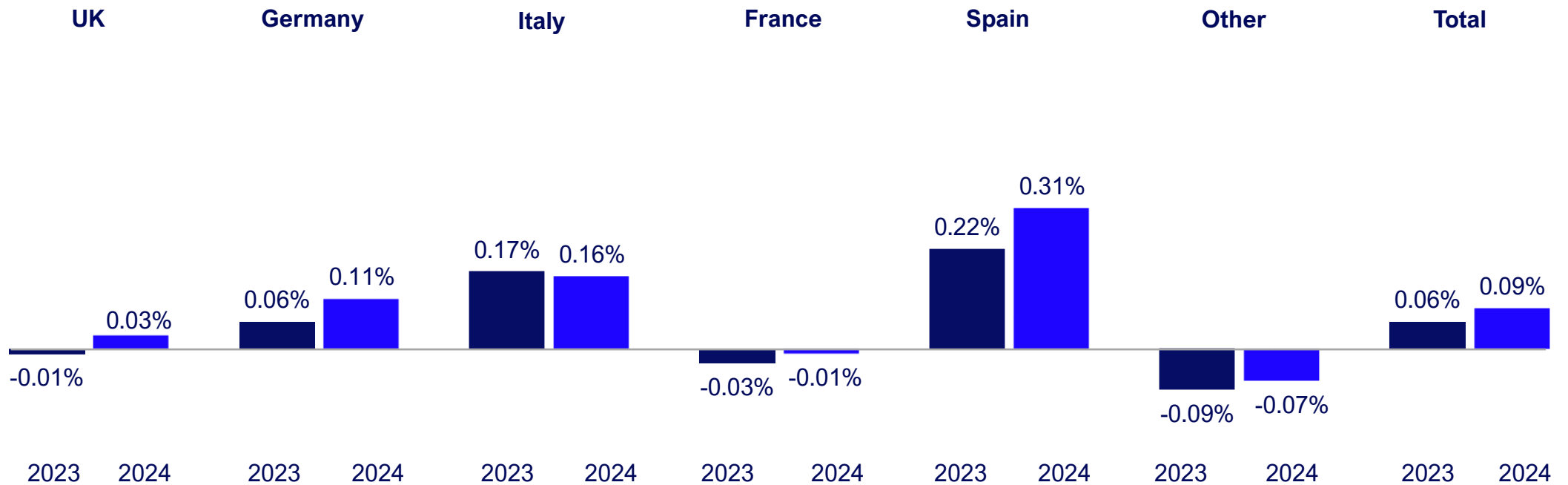
Net Loans and Advances To Customers at June 30, 2024, Compared to June 30, 2023



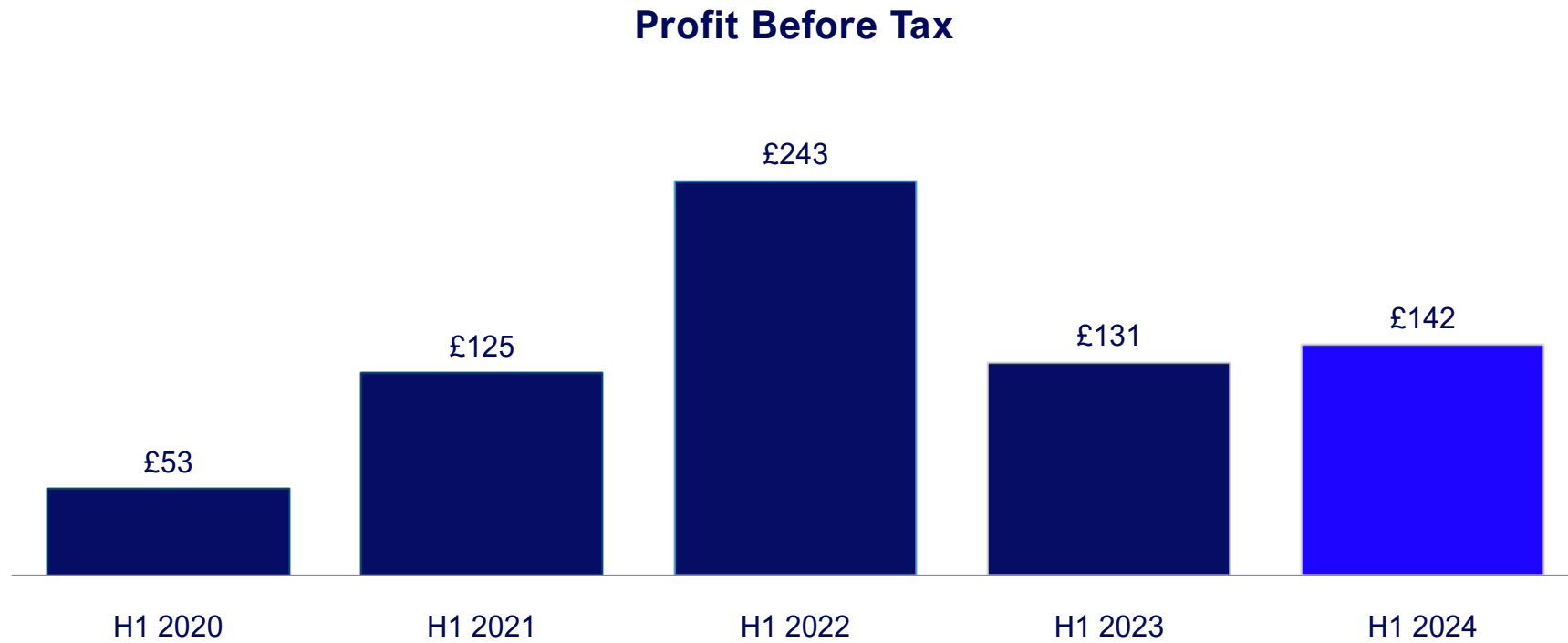
* Relates predominantly to FCE's Worldwide Trade Finance operations
 Source: FCE Bank plc Half Yearly Management Statement for the half year ended June 30, 2024.

Credit Loss Ratio

Annualised H1 Net Credit Losses As a % of Average Net Loans And Advances To Customers



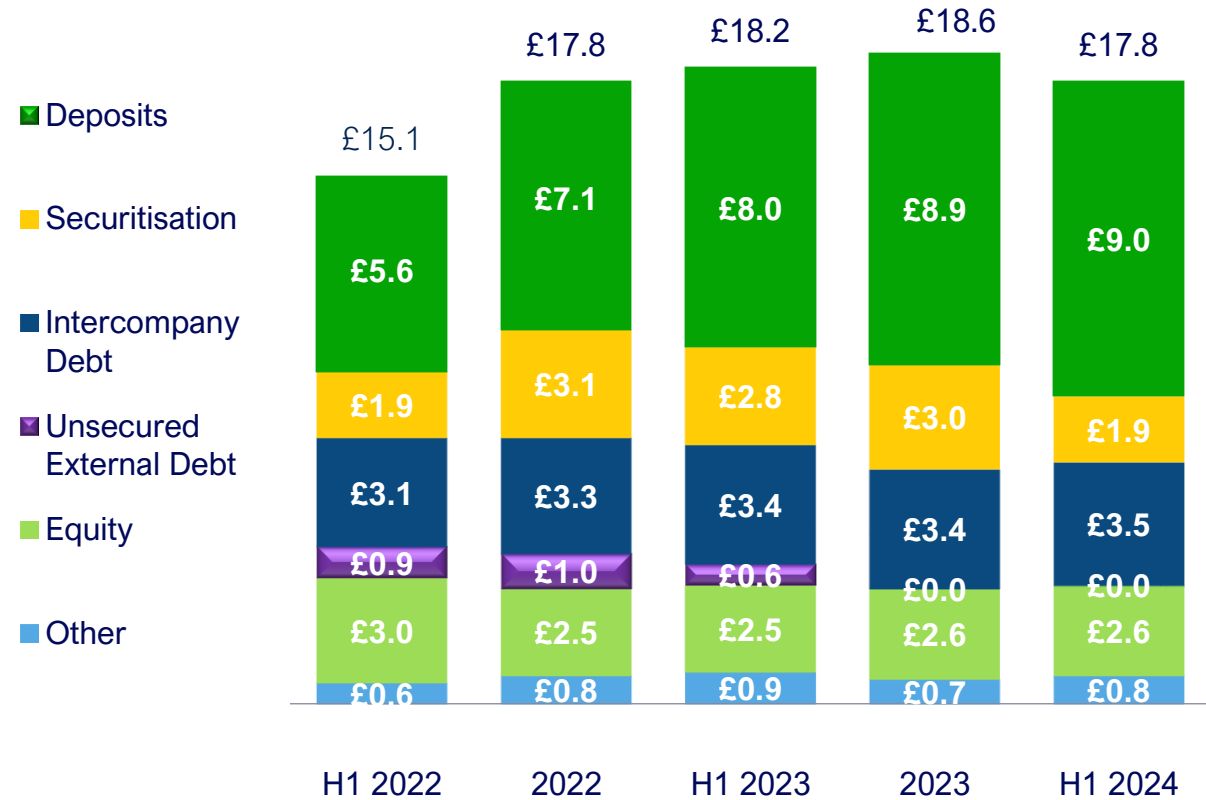
Profit Trend (£M)



Funding Structure (£B)

- FCE’s funding strategy remains focused on diversification across markets, channels and investors
- Customer deposits represented a total of £9.0 billion of funding (~60% of funding excl. Equity)

Funding Structure Of Total Assets





Appendix

Ford South Africa Celebrates Millionth Ranger
Produced at Silverton Manufacturing Plant

Key Metrics

	EBIT (\$B)						Revenue (\$B)					
	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1 2024	Q2 2024	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1 2024	Q2 2024
Ford Blue	\$ 2.6	\$ 2.3	\$ 1.7	\$ 0.8	\$ 0.9	\$ 1.2	\$ 25.1	\$ 25.0	\$ 25.6	\$ 26.2	\$ 21.8	\$ 26.7
Ford Model e	(0.7)	(1.1)	(1.3)	(1.6)	(1.3)	(1.1)	0.7	1.8	1.8	1.6	0.1	1.1
Ford Pro	1.4	2.4	1.7	1.8	3.0	2.6	13.2	15.6	13.8	15.4	18.0	17.0
Ford Next	(0.0)	(0.0)	(0.0)	(0.1)	(0.0)	(0.0)	0.0	0.0	0.0	0.0	0.0	0.0
Ford Credit*	0.3	0.4	0.4	0.3	0.3	0.3	2.4	2.5	2.6	2.7	2.9	3.0
Corporate Other	(0.1)	(0.2)	(0.2)	(0.2)	(0.1)	(0.2)	0.0	0.0	0.0	0.0	0.0	0.0
Total Company (Adjusted)	\$ 3.4	\$ 3.8	\$ 2.2	\$ 1.1	\$ 2.8	\$ 2.8	\$ 41.5	\$ 45.0	\$ 43.8	\$ 46.0	\$ 42.8	\$ 47.8

	EBIT Margin (%)						Wholesale Units (000)					
	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1 2024	Q2 2024	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1 2024	Q2 2024
Ford Blue	10.4 %	9.2 %	6.7 %	3.1 %	4.2 %	4.4 %	706	720	736	758	626	741
Model e	(102.1)	(58.9)	(75.6)	(98.2)	N/M	(99.5)	12	34	36	34	10	26
Ford Pro	10.3	15.3	12.0	11.8	16.7	15.1	337	365	314	361	409	375
Total Company	8.1 %	8.4 %	5.0 %	2.3 %	6.5 %	5.8 %	1,056	1,119	1,086	1,152	1,045	1,142

* Ford Credit EBT							Memo: EV Wholesales	21	47	48	49	16	39
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Key Metrics

	EBIT (\$B)						Revenue (\$B)					
	Q2 2023	Q2 2024	2024 B / (W) 2023	1H 2023	1H 2024	2024 B / (W) 2023	Q2 2023	Q2 2024	2024 B / (W) 2023	1H 2023	1H 2024	2024 B / (W) 2023
Ford Blue	\$ 2.3	\$ 1.2	\$ (1.1)	\$ 4.9	\$ 2.1	\$ (2.9)	\$ 25.0	\$ 26.7	\$ 1.7	\$ 50.1	\$ 48.4	\$ (1.7)
Ford Model e	(1.1)	(1.1)	(0.1)	(1.8)	(2.5)	(0.7)	1.8	1.1	(0.7)	2.5	1.3	(1.3)
Ford Pro	2.4	2.6	0.2	3.8	5.6	1.8	15.6	17.0	1.4	28.8	35.0	6.2
Ford Next	(0.0)	(0.0)	0.0	(0.1)	(0.0)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Ford Credit*	0.4	0.3	(0.0)	0.7	0.7	(0.0)	2.5	3.0	0.5	4.9	5.9	1.0
Corporate Other	(0.2)	(0.2)	0.0	(0.3)	(0.3)	0.0	0.0	0.0	0.0	0.0	0.0	(0.0)
Total Company (Adjusted)	\$ 3.8	\$ 2.8	\$ (1.0)	\$ 7.2	\$ 5.5	\$ (1.6)	\$ 45.0	\$ 47.8	\$ 2.9	\$ 86.4	\$ 90.6	\$ 4.2

	EBIT Margin (%)						Wholesale Units (000)					
	Q2 2023	Q2 2024	2024 B / (W) 2023	1H 2023	1H 2024	2024 B / (W) 2023	Q2 2023	Q2 2024	2024 B / (W) 2023	1H 2023	1H 2024	2024 B / (W) 2023
Ford Blue	9.2 %	4.4 %	(4.8) ppts	9.8 %	4.3 %	(5.6) ppts	720	741	21	1,426	1,367	(59)
Model e	(58.9)	(99.5)	(40.6)	(70.9)	(194.8)	(123.9)	34	26	(8)	47	36	(10)
Ford Pro	15.3	15.1	(0.2)	13.0	15.9	2.9	365	375	10	702	783	81
Total Company	8.4 %	5.8 %	(2.7) ppts	8.3 %	6.1 %	(2.2) ppts	1,119	1,142	23	2,174	2,187	12

* Ford Credit EBT

Memo: EV Wholesales	47	39	(9)	68	55	(14)
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Q2 Results (\$M)

	Second Quarter			First Half		
	2023	2024	2024 B / (W) 2023	2023	2024	2024 B / (W) 2023
Ford Blue	\$ 2,308	\$ 1,171	\$ (1,137)	\$ 4,931	\$ 2,076	\$ (2,855)
Model e	(1,080)	(1,143)	(63)	(1,802)	(2,463)	(661)
Ford Pro	2,391	2,564	173	3,757	5,572	1,815
Ford Next	(26)	(13)	13	(70)	(22)	48
Ford Credit	390	343	(47)	693	669	(24)
Corporate Other	(197)	(165)	32	(344)	(312)	32
Adjusted EBIT	\$ 3,786	\$ 2,757	\$ (1,029)	\$ 7,165	\$ 5,520	\$ (1,645)
Interest on Debt	(304)	(270)	34	(612)	(548)	64
Special Items (excl. tax)	(1,194)	(49)	1,145	(2,106)	(922)	1,184
Taxes	(272)	(605)	(333)	(768)	(883)	(115)
Less: Non-Controlling Interests	99	2	(97)	5	4	(1)
Net Income / (Loss) Attributable to Ford	<u>\$ 1,917</u>	<u>\$ 1,831</u>	<u>\$ (86)</u>	<u>\$ 3,674</u>	<u>\$ 3,163</u>	<u>\$ (511)</u>
Company Adjusted Free Cash Flow (\$B)	\$ 2.9	\$ 3.2	\$ 0.3	\$ 3.6	\$ 2.8	\$ (0.9)
Revenue (\$B)	45.0	47.8	2.9	86.4	90.6	4.2
Company Adjusted EBIT Margin (%)	8.4 %	5.8 %	(2.7) ppts	8.3 %	6.1 %	(2.2) ppts
Net Income / (Loss) Margin (%)	4.3	3.8	(0.4)	4.3	3.5	(0.8)
Adjusted ROIC (Trailing Four Quarters) (%)	14.2	11.1	(3.1)			
Adjusted EPS	\$ 0.72	\$ 0.47	\$ (0.25)	\$ 1.34	\$ 0.97	\$ (0.37)
EPS (GAAP)	0.47	0.46	(0.01)	0.91	0.79	(0.12)

First Half 2024 Adjusted EBIT (\$B)

	Ford Blue	Ford Model e	Ford Pro	Ford Next	Ford Credit	Corporate Other	Total Company
First Half 2023	\$ 4.9	\$ (1.8)	\$ 3.8	\$ (0.1)	\$ 0.7	\$ (0.3)	\$ 7.2
YoY Change:							
Volume / Mix	\$ (1.4)	\$ (0.2)	\$ 2.3	\$ —	\$ —	\$ —	\$ 0.7
Net Pricing	0.5	(0.8)	1.0	—	—	—	0.6
Cost	(1.6)	0.5	(1.6)	—	—	—	(2.7)
Exchange	(0.4)	(0.1)	0.3	—	—	—	(0.2)
Other	0.0	0.0	(0.1)	0.0	(0.0)	0.0	0.0
Total Change	\$ (2.9)	\$ (0.7)	\$ 1.8	\$ 0.0	\$ (0.0)	\$ 0.0	\$ (1.6)
First Half 2024	\$ 2.1	\$ (2.5)	\$ 5.6	\$ (0.0)	\$ 0.7	\$ (0.3)	\$ 5.5

Quarterly Results (\$M)

	2023					2024	
	Q1	Q2	Q3	Q4	Full Year	Q1	Q2
Ford Blue	\$ 2,623	\$ 2,308	\$ 1,718	\$ 813	\$ 7,462	\$ 905	\$ 1,171
Model e	(722)	(1,080)	(1,329)	(1,570)	(4,701)	(1,320)	(1,143)
Ford Pro	1,366	2,391	1,654	1,811	7,222	3,008	2,564
Ford Next	(44)	(26)	(17)	(51)	(138)	(9)	(13)
Ford Credit	303	390	358	280	1,331	326	343
Corporate Other	(147)	(197)	(186)	(230)	(760)	(147)	(165)
Adjusted EBIT	\$ 3,379	\$ 3,786	\$ 2,198	\$ 1,053	\$ 10,416	\$ 2,763	\$ 2,757
Interest on Debt	(308)	(304)	(324)	(366)	(1,302)	(278)	(270)
Special Items (excl. tax)	(912)	(1,194)	(487)	(2,554)	(5,147)	(873)	(49)
Taxes	(496)	(272)	(214)	1,344	362	(278)	(605)
Less: Noncontrolling Interests	(94)	99	(26)	3	(18)	2	2
Net Income / (Loss) Attributable to Ford	<u>\$ 1,757</u>	<u>\$ 1,917</u>	<u>\$ 1,199</u>	<u>\$ (526)</u>	<u>\$ 4,347</u>	<u>\$ 1,332</u>	<u>\$ 1,831</u>
Company Adjusted Free Cash Flow (\$B)	\$ 0.7	\$ 2.9	\$ 1.2	\$ 2.0	\$ 6.8	\$ (0.5)	\$ 3.2
Revenue (\$B)	41.5	45.0	43.8	46.0	176.2	42.8	47.8
Company Adjusted EBIT Margin (%)	8.1 %	8.4 %	5.0 %	2.3 %	5.9 %	6.5 %	5.8 %
Net Income / (Loss) Margin (%)	4.2	4.3	2.7	(1.1)	2.5	3.1	3.8
Adjusted ROIC (Trailing Four Quarters) (%)	13.5	14.2	15.1	13.9	13.9	12.7	11.1
Adjusted EPS	\$ 0.63	\$ 0.72	\$ 0.39	\$ 0.29	\$ 2.01	\$ 0.49	\$ 0.47
EPS (GAAP)	0.44	0.47	0.30	(0.13)	1.08	0.33	0.46

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

	Second Quarter		First Half		Memo:
	2023	2024	2023	2024	FY 2023
Net Income / (Loss) Attributable to Ford (GAAP)	\$ 1,917	\$ 1,831	\$ 3,674	\$ 3,163	\$ 4,347
Income / (Loss) Attributable to Noncontrolling Interests	99	2	5	4	(18)
Net Income / (Loss)	\$ 2,016	\$ 1,833	\$ 3,679	\$ 3,167	\$ 4,329
Less: (Provision For) / Benefit From Income Taxes	(272)	(605)	(768)	(883)	362
Income / (Loss) Before Income Taxes	\$ 2,288	\$ 2,438	\$ 4,447	\$ 4,050	\$ 3,967
Less: Special Items Pre-Tax	(1,194)	(49)	(2,106)	(922)	(5,147)
Income / (Loss) Before Special Items Pre-Tax	\$ 3,482	\$ 2,487	\$ 6,553	\$ 4,972	\$ 9,114
Less: Interest on Debt	(304)	(270)	(612)	(548)	(1,302)
Adjusted EBIT (Non-GAAP)	<u>\$ 3,786</u>	<u>\$ 2,757</u>	<u>\$ 7,165</u>	<u>\$ 5,520</u>	<u>\$ 10,416</u>
Memo:					
Revenue (\$B)	\$ 45.0	\$ 47.8	\$ 86.4	\$ 90.6	\$ 176.2
Net Income / (Loss) Margin (GAAP) (%)	4.3 %	3.8 %	4.3 %	3.5 %	2.5 %
Adjusted EBIT Margin (Non-GAAP) (%)	8.4 %	5.8 %	8.3 %	6.1 %	5.9 %

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

	2023				2024		First Half	
	Q1	Q2	Q3	Q4	Q1	Q2	2023	2024
Net Cash Provided By / (Used In) Operating Activities (GAAP)	\$ 2,800	\$ 5,035	\$ 4,591	\$ 2,492	\$ 1,385	\$ 5,508	\$ 7,835	\$ 6,893
Less: Items Not Included in Company Adjusted Free Cash Flows								
Ford Credit Operating Cash Flows	626	581	1,800	(1,827)	1,181	685	1,207	1,866
Funded Pension Contributions	(125)	(109)	(190)	(168)	(550)	(83)	(234)	(633)
Restructuring (Including Separations) (a)	(81)	(118)	(297)	(529)	(176)	(289)	(199)	(465)
Ford Credit Tax Payments / (Refunds) Under Tax Sharing Agreement	(5)	—	—	174	(33)	—	(5)	(33)
Other, Net	(140)	(73)	(151)	604 (b)	(608) (c)	4	(213)	(605)
Add: Items Included in Company Adjusted Free Cash Flows								
Company Excluding Ford Credit Capital Spending	(1,760)	(1,927)	(2,191)	(2,274)	(2,073)	(2,078)	(3,687)	(4,151)
Ford Credit Distributions	—	—	—	—	—	150	—	150
Settlement of Derivatives	(72)	92	(13)	—	23	(26)	20	(3)
Company Adjusted Free Cash Flow (Non-GAAP)	\$ 693	\$ 2,919	\$ 1,225	\$ 1,964	\$ (479)	\$ 3,237	\$ 3,612	\$ 2,758

- a. Restructuring excludes cash flows reported in investing activities
- b. Includes timing differences with a joint venture and currency impacts
- c. Includes \$(365)M settlement of Transit Connect customs matter

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

	Second Quarter		First Half	
	2023	2024	2023	2024
<u>Diluted After-Tax Results (\$M)</u>				
Diluted After-Tax Results (GAAP)	\$ 1,917	\$ 1,831	\$ 3,674	\$ 3,163
Less: Impact of Pre-Tax and Tax Special Items ^(a)	(1,012)	(79)	(1,722)	(732)
Adjusted Net Income / (Loss) – Diluted (Non-GAAP)	<u>\$ 2,929</u>	<u>\$ 1,910</u>	<u>\$ 5,396</u>	<u>\$ 3,895</u>
<u>Basic and Diluted Shares (M)</u>				
Basic Shares (Average Shares Outstanding)	4,003	3,985	3,996	3,982
Net Dilutive Options, Unvested Restricted Stock Units, Unvested Restricted Stock Shares, and Convertible Debt	38	37	39	40
Diluted Shares	<u>4,041</u>	<u>4,022</u>	<u>4,035</u>	<u>4,022</u>
Earnings / (Loss) Per Share – Diluted (GAAP)	\$ 0.47	\$ 0.46	\$ 0.91	\$ 0.79
Less: Net Impact of Adjustments	(0.25)	(0.01)	(0.43)	(0.18)
Adjusted Earnings Per Share – Diluted (Non-GAAP)	<u>\$ 0.72</u>	<u>\$ 0.47</u>	<u>\$ 1.34</u>	<u>\$ 0.97</u>

a. Includes adjustment for noncontrolling interest in the second quarter and first half of 2023

Effective Tax Rate Reconciliation To Adjusted Effective Tax Rate

	Q2 2024	First Half 2024	Full Year 2023
<u>Pre-Tax Results (\$M)</u>			
Income / (Loss) Before Income Taxes (GAAP)	\$ 2,438	\$ 4,050	\$ 3,967
Less: Impact of Special Items	(49)	(922)	(5,147)
Adjusted Earnings Before Taxes (Non-GAAP)	<u>\$ 2,487</u>	<u>\$ 4,972</u>	<u>\$ 9,114</u>
<u>Taxes (\$M)</u>			
(Provision For) / Benefit From Income Taxes (GAAP) ^(a)	\$ (605)	\$ (883)	\$ 362
Less: Impact of Special Items ^(b)	(30)	190	1,273
Adjusted (Provision For) / Benefit From Income Taxes (Non-GAAP)	<u>\$ (575)</u>	<u>\$ (1,073)</u>	<u>\$ (911)</u>
<u>Tax Rate (%)</u>			
Effective Tax Rate (GAAP)	24.8 %	21.8 %	(9.1)%
Adjusted Effective Tax Rate (Non-GAAP)	23.1 %	21.6 %	10.0 %

a. Full Year 2023 reflects benefits from U.S. research tax credits and legal entity restructuring within our leasing operations and China

b. Full Year 2023 reflects benefits from China legal entity restructuring

Adjusted ROIC (\$B)

	Four Quarters Ending Q2 2023	Four Quarters Ending Q2 2024
<u>Adjusted Net Operating Profit / (Loss) After Cash Tax</u>		
Net Income / (Loss) Attributable to Ford	\$ 4.1	\$ 3.8
Add: Noncontrolling Interest	(0.2)	(0.0)
Less: Income Tax	(0.5)	0.2
Add: Cash Tax	(1.0)	(1.2)
Less: Interest on Debt	(1.3)	(1.2)
Less: Total Pension / OPEB Income / (Cost)	(0.6)	(2.6)
Add: Pension / OPEB Service Costs	(0.7)	(0.6)
Net Operating Profit / (Loss) After Cash Tax	\$ 4.5	\$ 5.7
Less: Special Items (excl. Pension / OPEB) Pre-Tax	(5.1)	(2.0)
Adj. Net Operating Profit / (Loss) After Cash Tax	\$ 9.6	\$ 7.7
<u>Invested Capital</u>		
Equity	\$ 43.6	\$ 43.6
Debt (excl. Ford Credit)	19.6	20.4
Net Pension and OPEB Liability	4.6	6.0
Invested Capital (End of Period)	\$ 67.8	\$ 70.0
Average Invested Capital	\$ 67.6	\$ 69.1
ROIC ^(a)	6.7 %	8.2 %
Adjusted ROIC (Non-GAAP) ^(b)	14.2 %	11.1 %

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

EBT By Segment* (\$M)

	Q2 2024		YTD	
	2024	H / (L) 2023	2024	H / (L) 2023
United States and Canada	\$ 298	\$ 27	\$ 561	\$ 17
Europe	88	(25)	160	(31)
All Other	10	(17)	30	(19)
Total	\$ 396	\$ (15)	\$ 751	\$ (33)
Unallocated other	(53)	(23)	(82)	18
Earnings before taxes	\$ 343	\$ (38)	\$ 669	\$ (15)
(Provision for)/Benefit from Taxes	(88)	7	(180)	(22)
Net income	<u>\$ 255</u>	<u>\$ (31)</u>	<u>\$ 489</u>	<u>\$ (37)</u>
Distributions	\$ 150	\$ 150	\$ 150	\$ 150

* See Appendix for definition

Financing Shares And Contract Placement Volume

	Q2		YTD	
	2024	2023	2024	2023
<u>Share of Ford Sales*</u>				
United States	51 %	51 %	56 %	49 %
Canada	71	67	69	71
U.K.	29	35	31	34
Germany	44	32	40	31
China	21	39	24	41
<u>Wholesale Share</u>				
United States	71 %	71 %	71 %	71 %
U.K.	100	100	100	100
Germany	90	89	90	87
China	72	71	70	71
<u>Contract Placement Volume - New and Used (000)</u>				
United States	214	211	440	397
Canada	40	29	67	57
U.K.	16	23	37	46
Germany	18	13	35	27
China	12	25	29	47

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

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 rereasurement 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 rereasurements 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 rereasurement 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 rereasurement 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

Software and Physical Services

- Includes software, extended service contracts, parts and accessories, and other services

Definitions And Calculations

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, Marketable securities, and Restricted cash reported on Ford Credit's consolidated balance sheet, excluding amounts related to insurance activities

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 Facilities (as shown in the Liquidity Sources table)

- Committed asset-backed 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

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

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 end of period ("EOP") finance receivables, excluding unearned interest supplements and the allowance for credit losses

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