



Q2 Earnings Review

July 30, 2020



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, 2019, as updated by subsequent Quarterly Reports on Form 10-Q and Current Reports on Form 8-K.

GAAP And Non-GAAP Financial Measures

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

Additional Information

Calculated results may not sum due to rounding. N / M denotes “Not Meaningful.” All variances are year-over-year unless otherwise noted.



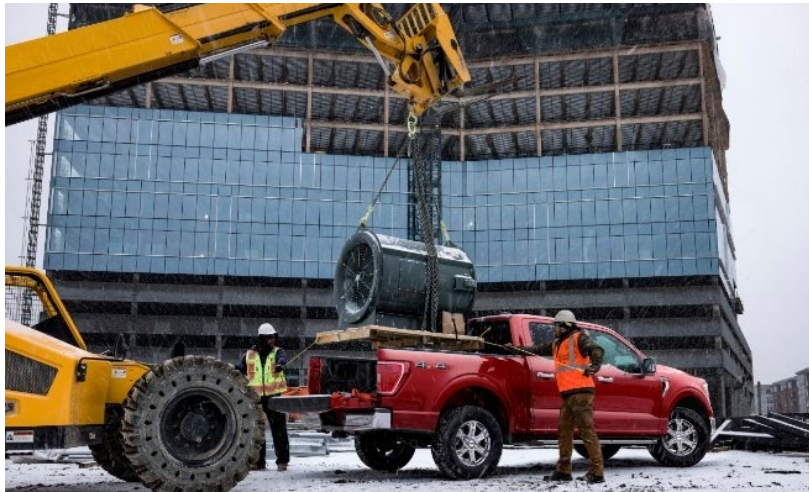
Highlights

- **Effectively restarted production with robust safety protocols, aggressively mitigated production losses and navigated a tenuous supply base**
- **Keenly focused on cost and cash**
- **Disciplined management of balance sheet and strong liquidity position, ensuring financial flexibility, particularly in these uncertain times**
- **Global Redesign and portfolio refresh actions yield measurable results**
- **Continued investment in AV, connectivity and electrification**
- **Ready for the production ramp-up of F-150, Mustang Mach-E and Bronco Sport in Q4, and Bronco in 2021 – with high quality**



Second Quarter Company Financial Results

ADJ. FCF	REVENUE	ADJ. EBIT	ADJ. EBIT MARGIN	ADJ. EPS
\$(5.3)B	\$19B	\$(1.9)B	(10.0)%	\$(0.35)
DOWN \$5.5B	DOWN \$19B	DOWN \$3.6B	DOWN 14.3 pts	DOWN \$0.63



First Half

\$(7.6)B	\$54B	\$(2.6)B	(4.8)%	\$(0.59)
DOWN \$9.6B	DOWN \$26B	DOWN \$6.7B	DOWN 10 pts	DOWN \$1.31



Influential New Products

F-150



**America's Best-Selling
Vehicle For The Last 38 Years**

MUSTANG MACH-E



**Power, Style And Freedom
For A New Generation**

BRONCO FAMILY



Return Of An Icon

**Growing Our Winning Portfolio With Exciting
New Products Leveraging Our Iconic Nameplates**



Commitment To Electric Vehicles

**Battery Electric F-150
And Transit**



BEV versions of the #1 full-size pickup and cargo van globally arriving in the next 24 months

Mustang Mach-E



Dynamic performance with targeted EPA-estimated range of at least 300 miles¹; available late 2020

**Escape / Kuga
Plug-In Hybrid**



NA Escape plug-in hybrid available late 2020 with best-in-class EPA-estimated fuel economy of 100 MPGe combined and range of over 490 miles²; EU Kuga plug-in hybrid available now, with half of Kuga customers choosing a plug-in version

**Halfway Through >\$11.5B Of Investment In Electrification By 2022 –
15 Electrified Nameplates Available For Customers At The End Of This Year**



Note: See slide 23 for related endnotes

Strategic Developments With VW

Commercial And Electric Vehicles



Ford and VW expect to produce a combined 8M commercial vehicles during the product lifecycle

Ford to build European electric vehicle based on VW's Module Electric Drive (MEB)

Ford to engineer and build medium size pickup, to be sold by VW as the Amarok

VW Investment In Argo AI



Ford and VW own equal stakes, a substantial majority; remainder held by Argo AI founders and employees

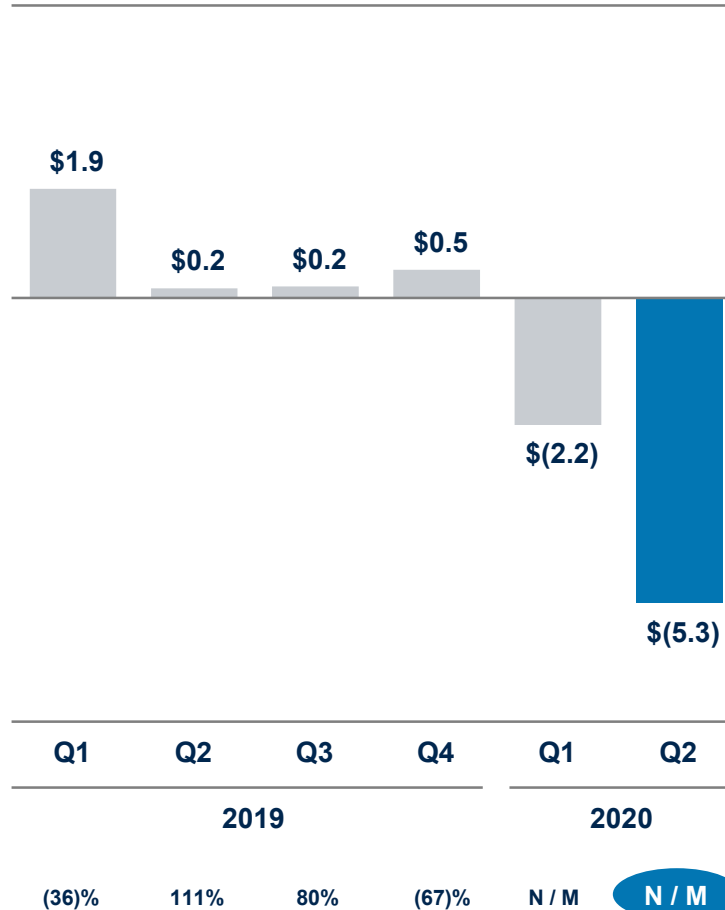
Argo AI deconsolidated from Ford, effective June 1

Ford recorded \$3.5B special gain on Argo AI transaction with VW in Q2

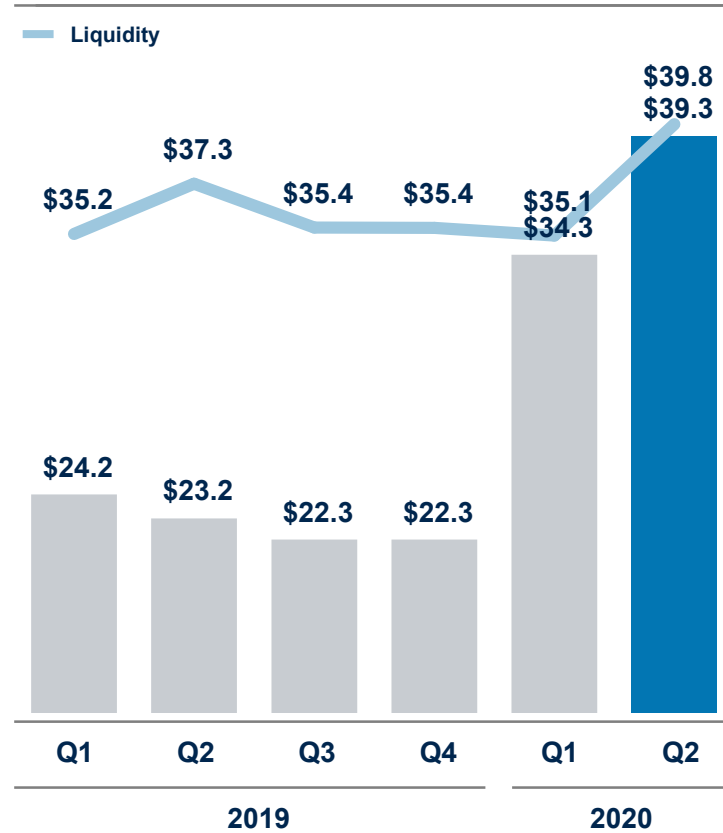
Signed Agreements With VW In June For Joint Projects On Commercial And Electric Vehicles And VW's Investment In Argo AI

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

Adjusted FCF



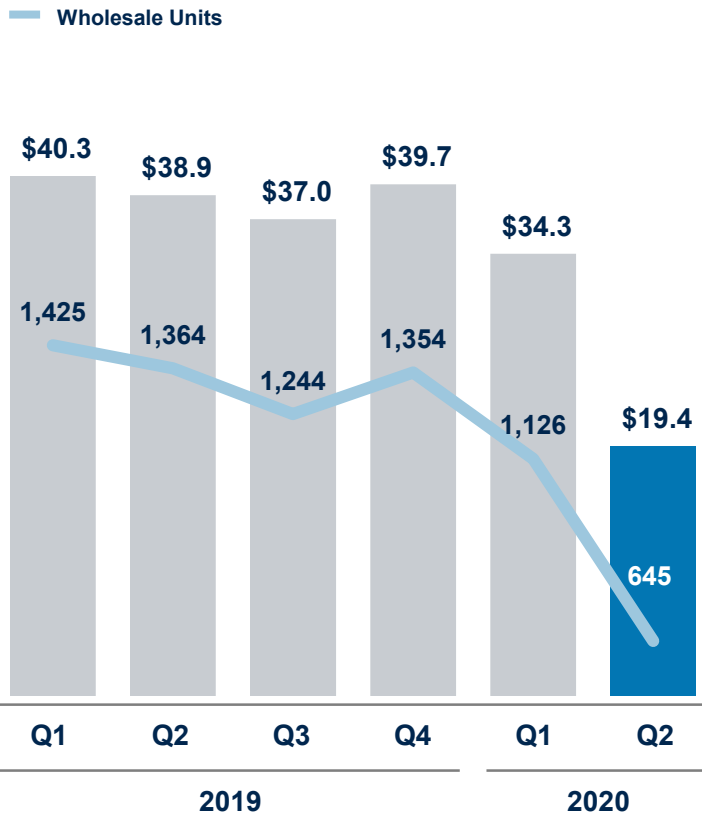
Cash Balance And Liquidity



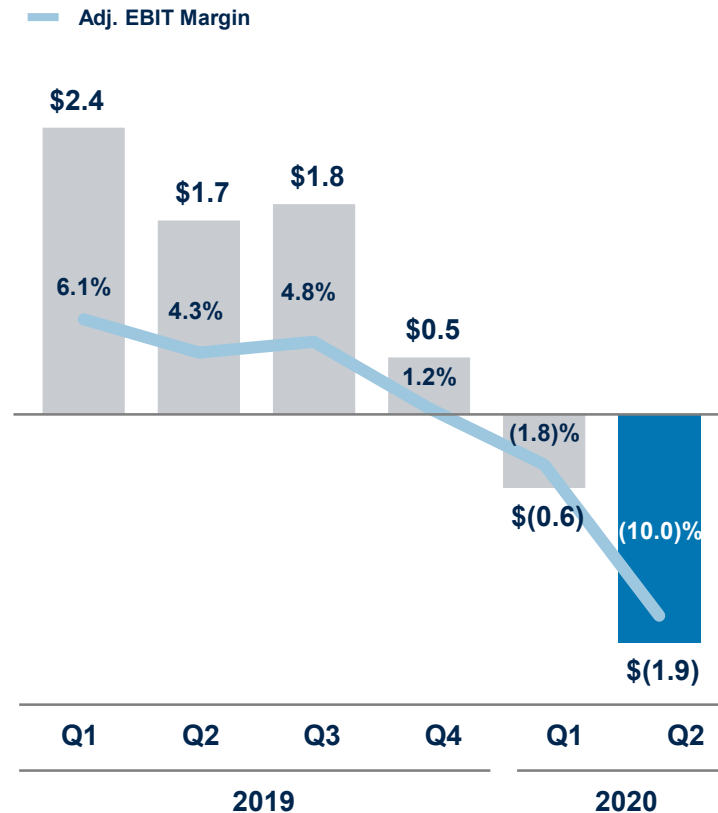
- Q2 Adjusted FCF of \$(5.3)B, down \$5.5B, driven by an Adj. EBIT loss, unfavorable timing differences and negative working capital
- Quarter-end cash balance of \$39.3B; repaid \$7.7B of corporate revolvers in July
- Liquidity of \$39.8B; in July, also extended \$4.8B of our 3-year corporate revolvers from April 2022 to July 2023

Revenue And EBIT Metrics

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



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



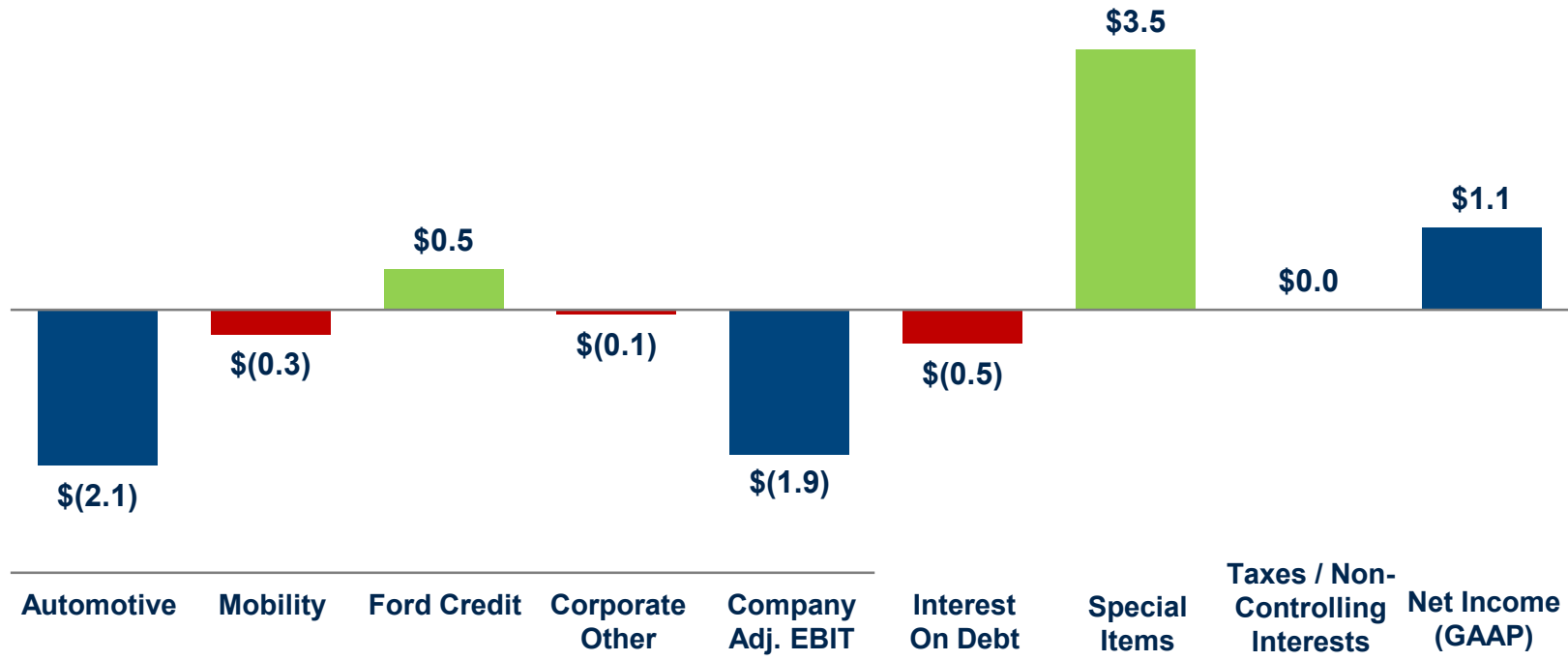
- Q2 revenue of \$19B, down 50%, driven by lower volume
- Wholesale units of 645K, down 53%, driven by lower industry volumes and suspended production at most assembly plants due to COVID
- Adjusted EBIT of \$(1.9)B, down \$3.6B
- Adjusted EBIT margin of (10.0)%, down 14.3 pts

YoY:

Revenue	(4)%	(0)%	(2)%	(5)%	(15)%	(50)%	Adj. EBIT	12%	(2)%	8%	(67)%	(126)%	N / M
Wholesale Units	(14)%	(9)%	(8)%	(8)%	(21)%	(53)%	Adj. Margin	0.9 ppts	0.0 ppts	0.4 ppts	(2.3) ppts	(7.9) ppts	(14.3) ppts



Q2 2020 Results (\$B)



- Company Adjusted EBIT of \$(1.9)B, down \$3.6B, driven by the COVID impact on Automotive
- Pre-tax Special Items reflect primarily gain on Argo AI transaction with VW

B / (W)	Automotive	Mobility	Ford Credit	Corporate Other	Company Adj. EBIT	Interest On Debt	Special Items	Taxes / Non-Controlling Interests	Net Income (GAAP)
Q2 2019	\$(3.5)	\$(0.1)	\$(0.3)	\$0.2	\$(3.6)	\$(0.2)	\$4.7	\$0.1	\$1.0
Q1 2020	(1.9)	0.0	0.5	0.1	(1.3)	(0.2)	3.8	0.9	3.1

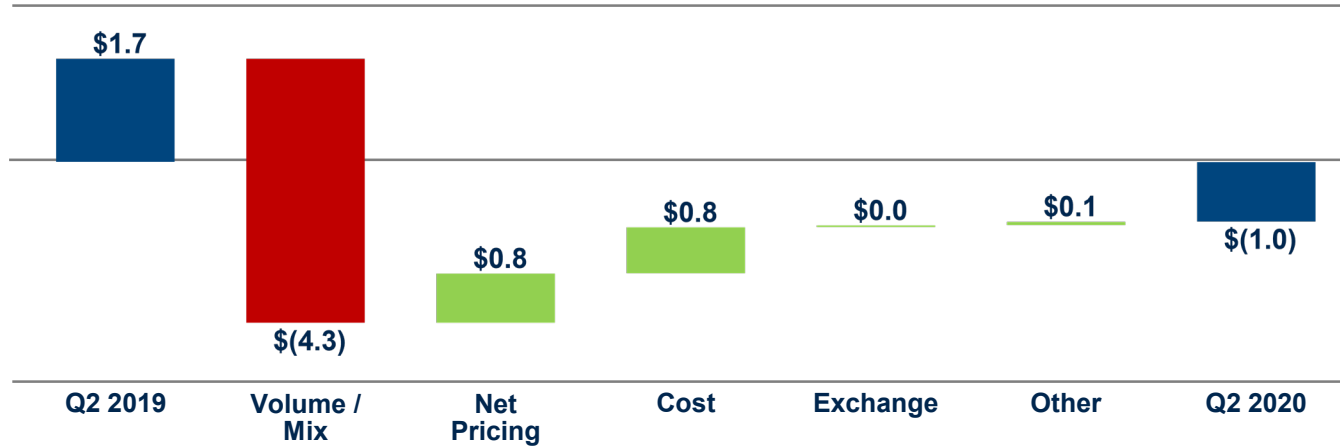


Q2 2020 Adjusted EBIT (\$B)

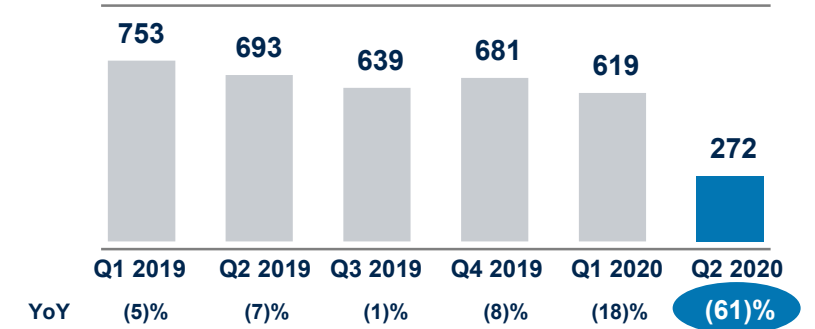
	North America	South America	Europe	China	IMG	Total Auto	Total Company	
Q2 2019	\$ 1.7	\$ (0.2)	\$ 0.1	\$ (0.2)	\$ (0.1)	\$ 1.4	\$ 1.7	
YoY Change:								
Volume / Mix	\$ (4.3)	\$ (0.1)	\$ (1.0)	\$ (0.0)	\$ (0.3)	\$ (5.7)	\$ (5.7)	Industry Stocks / Other \$(4.0) (1.7)
Net Pricing	0.8	0.1	0.4	(0.0)	0.0	1.3	1.3	Material / Freight \$(0.7) Warranty (0.5)
Cost	0.8	0.1	0.0	0.1	0.2	1.1	1.1	Commodities 0.2 Structural 1.8 Pension / OPEB 0.2
Exchange	0.0	(0.0)	(0.1)	(0.0)	(0.0)	(0.1)	(0.1)	
Other / JVs	0.1	(0.0)	(0.1)	0.0	(0.0)	(0.1)	(0.1)	JVs \$(0.1) Other (0.0)
Total Automotive	\$ (2.7)	\$ 0.0	\$ (0.8)	\$ 0.0	\$ (0.1)	\$ (3.5)	\$ (3.5)	
Mobility							(0.1)	
Ford Credit							(0.3)	
Corporate Other							0.2	
Total Company							\$ (3.6)	
Q2 2020	\$ (1.0)	\$ (0.2)	\$ (0.7)	\$ (0.1)	\$ (0.1)	\$ (2.1)	\$ (1.9)	

North America

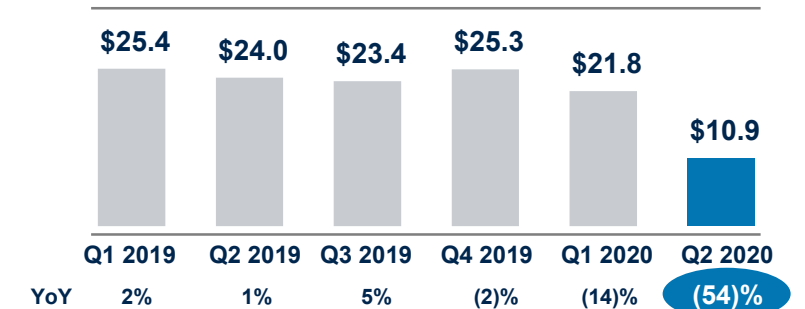
EBIT YoY Bridge (\$B)



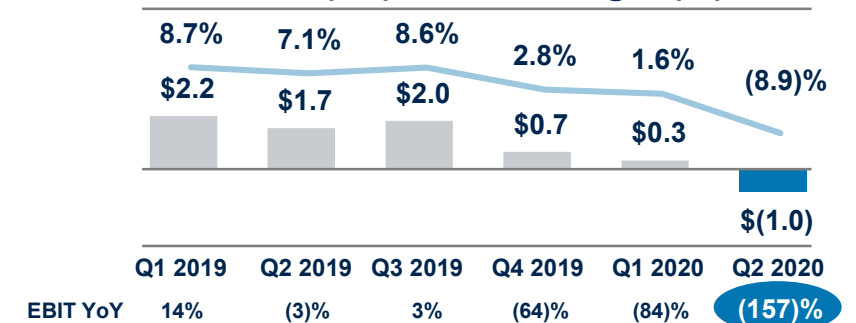
Wholesale Units (000)



Revenue (\$B)



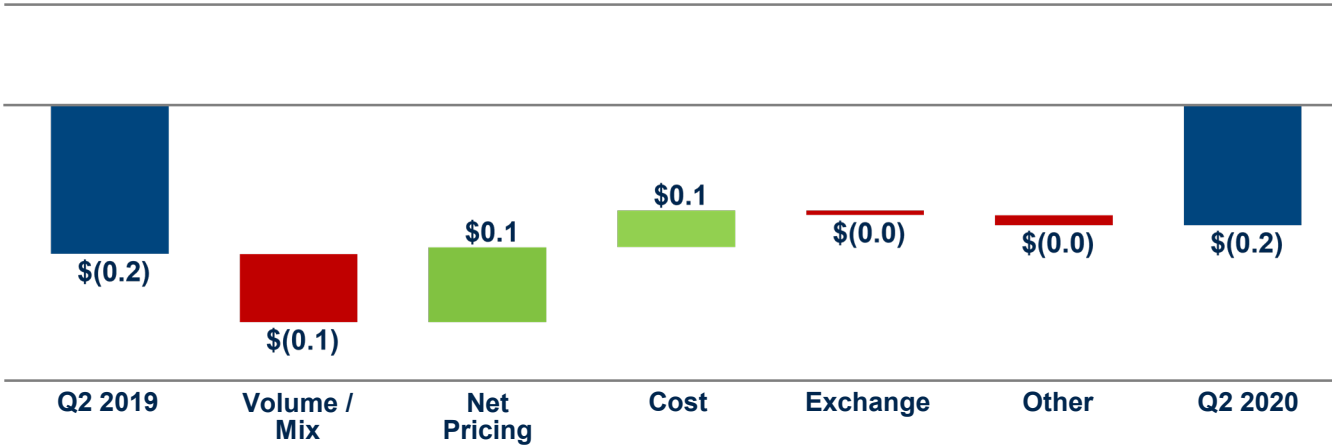
EBIT (\$B) & EBIT Margin (%)



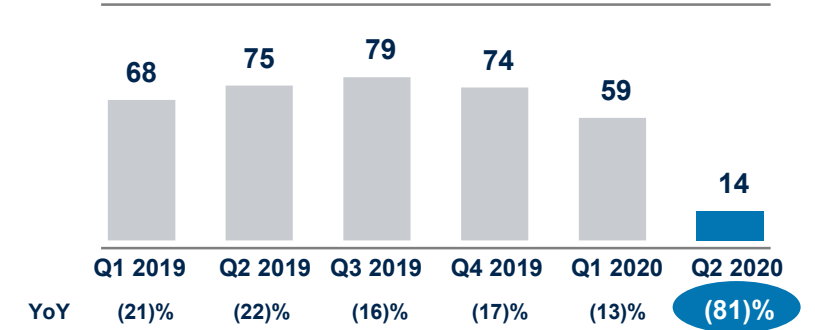
- Q2 wholesale units down 61%, reflecting primarily COVID-related lower industry volume and suspended production through May 17
- Revenue down 54%, driven by lower volume, offset partially by higher net pricing on new products
- EBIT down \$2.7B, driven by lower volume, new-model material cost and warranty, offset partially by higher net pricing, and lower structural cost arising from suspended production, reduced marketing activity and other one-time cost actions

South America

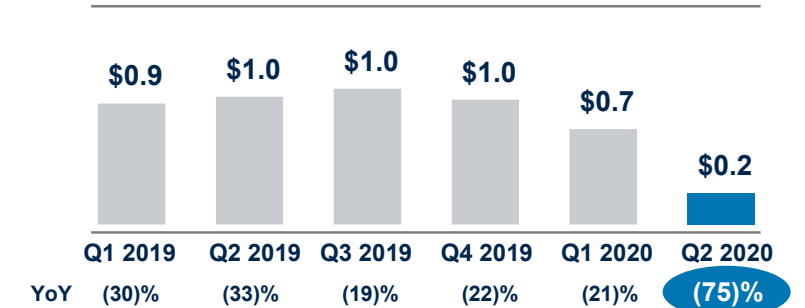
EBIT YoY Bridge (\$B)



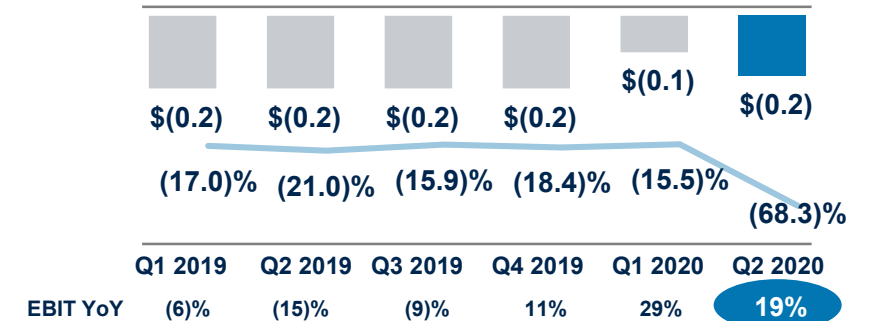
Wholesale Units (000)



Revenue (\$B)



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

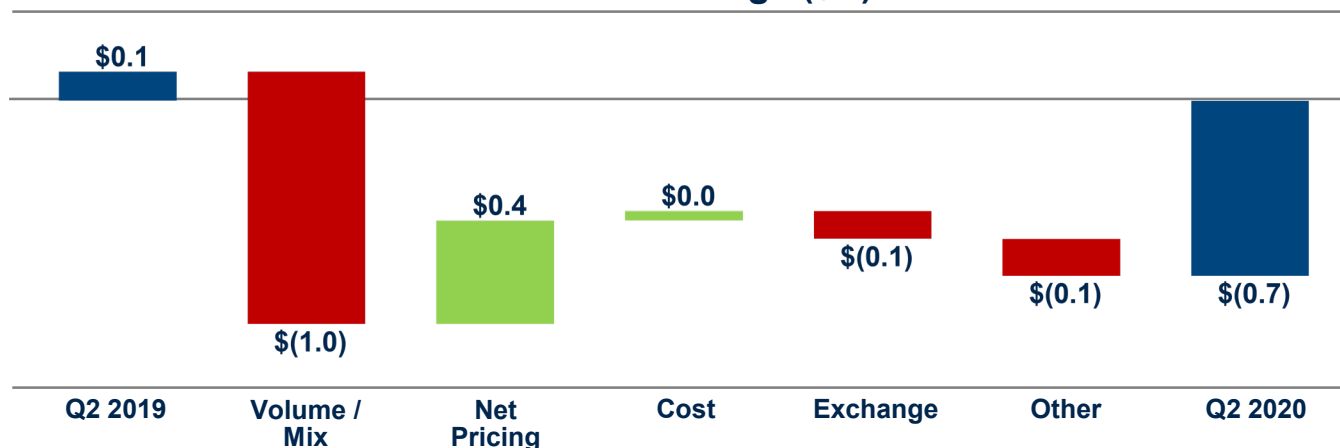


- Q2 wholesale units down 81%, reflecting primarily COVID-related lower industry volume and suspended production for most of the quarter
- Revenue down 75%, driven by lower volume and weaker currencies, offset partially by higher net pricing
- EBIT loss improved 19%, despite a significant wholesale reduction; higher net pricing, cost performance and favorable vehicle mix more than offset inflationary cost increases

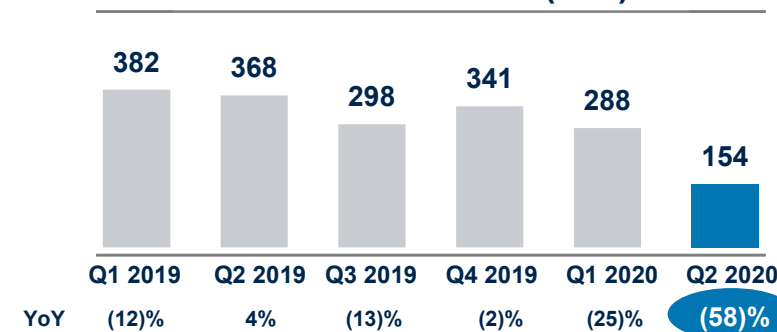


Europe

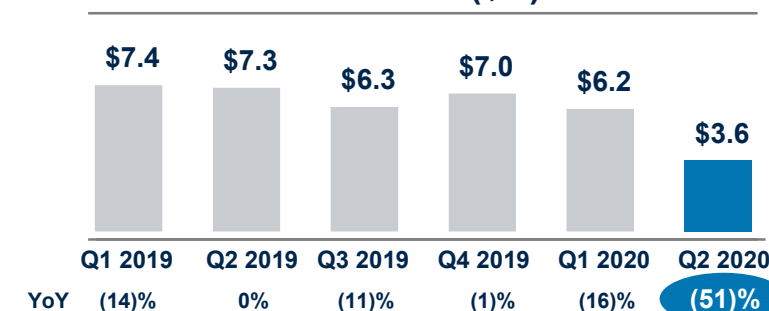
EBIT YoY Bridge (\$B)



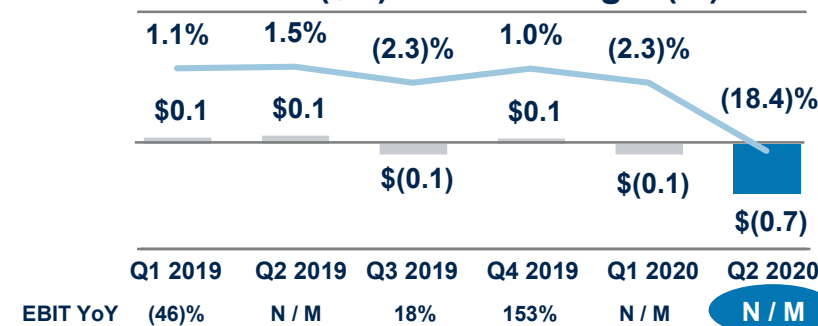
Wholesale Units* (000)



Revenue (\$B)



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



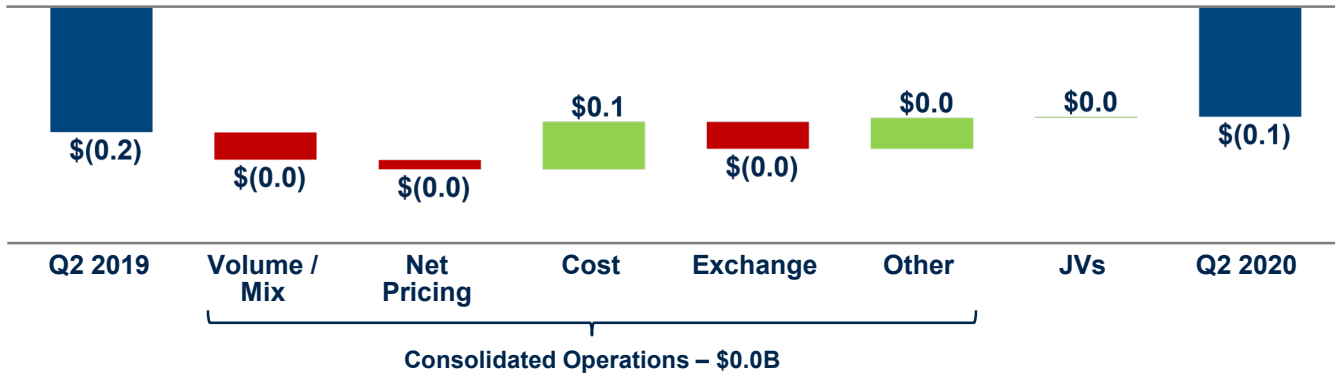
- Q2 wholesale units down 58%, reflecting primarily COVID-related lower industry volume and suspended production
- Revenue down 51%, driven by lower volume and weaker currencies, offset partially by higher net pricing and favorable series / option mix
- EBIT down \$0.8B, more than explained by lower volume; higher net pricing and cost improvement from personnel reduction actions were offset partially by regulatory (CO₂) product actions and warranty expense

* Includes Ford brand vehicles produced and sold by our unconsolidated affiliate in Turkey (about 7K units in Q2 2019 and 9K units in Q2 2020). Revenue does not include these sales

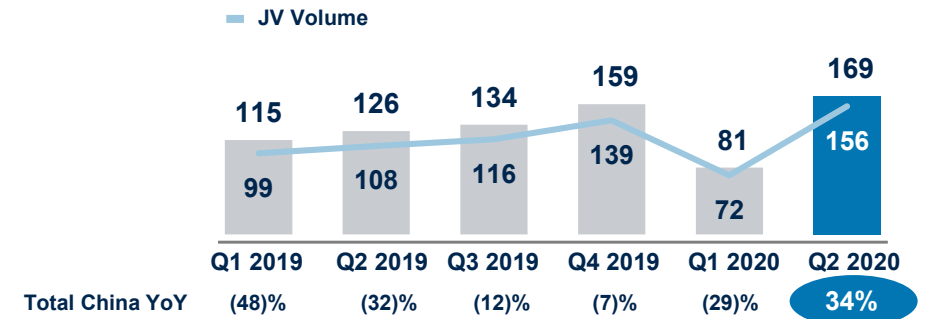


China

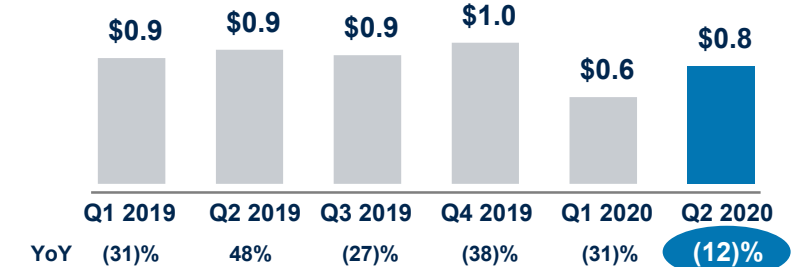
EBIT YoY Bridge (\$B)



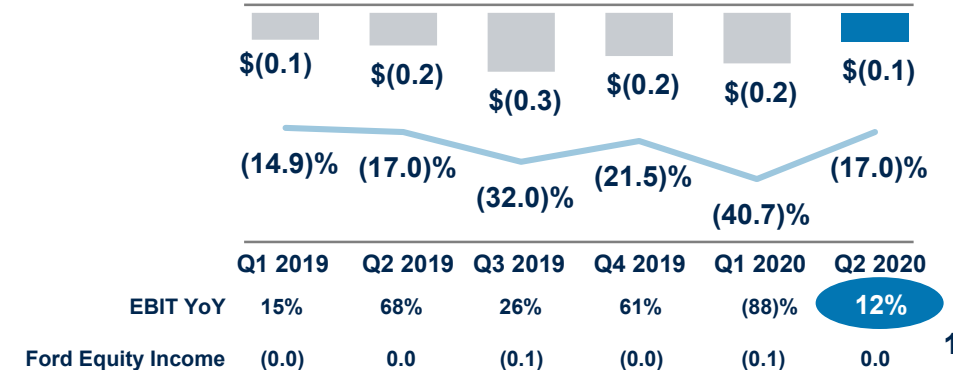
Wholesale Units* (000)



Consolidated Revenue (\$B)



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

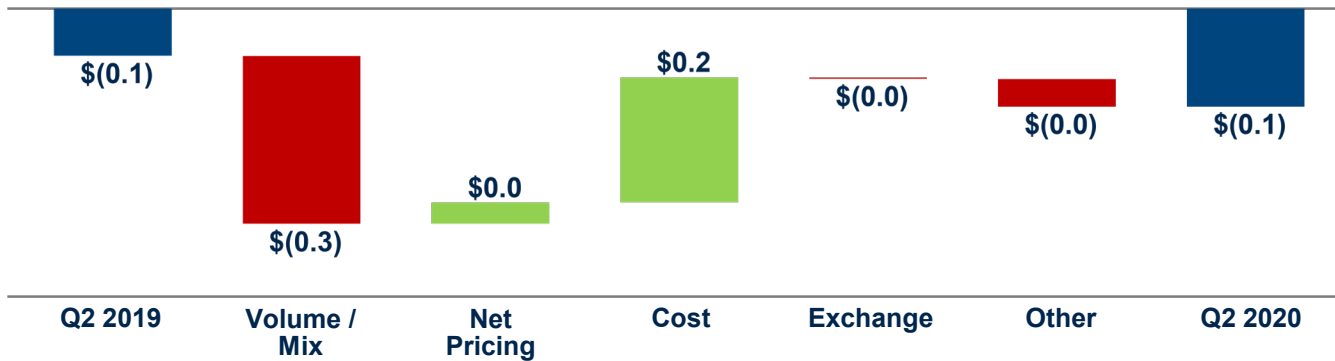


- Q2 wholesale units up 34%, reflecting newly launched Corsair and Escape and strong commercial vehicle sales; highest quarterly wholesale in six quarters
- Consolidated operations revenue down 12%, reflecting planned transition of Lincoln to local production at Changan Ford JV
- EBIT loss improved 12%, driven by volume growth in JVs and structural cost improvements

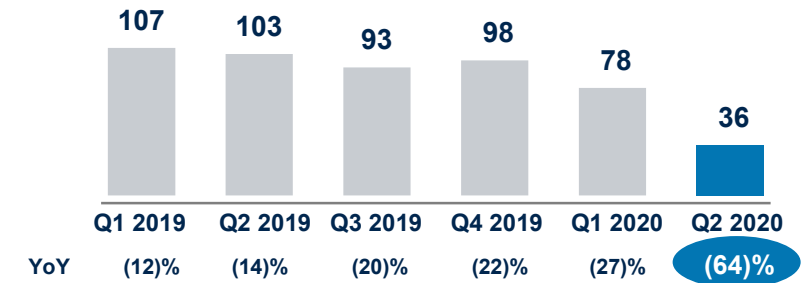
* Wholesale units include Ford brand and Jiangling Motors Corporation (JMC) brand vehicles produced and sold in China by our unconsolidated affiliates. Revenue does not include these sales

International Markets Group

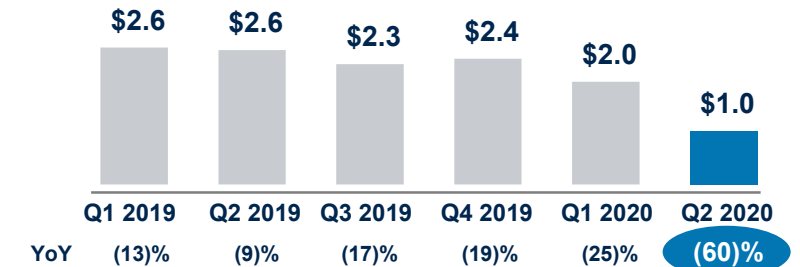
EBIT YoY Bridge (\$B)



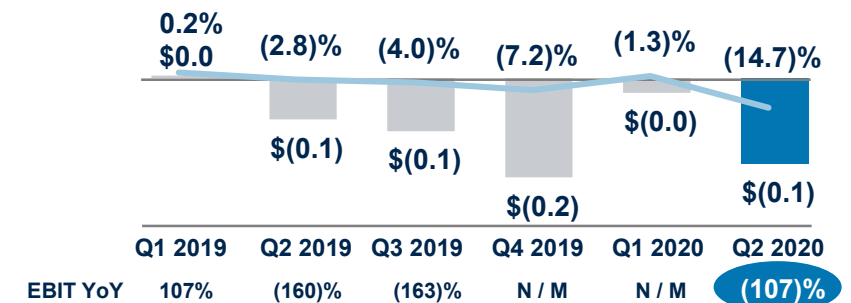
Wholesale Units* (000)



Revenue (\$B)



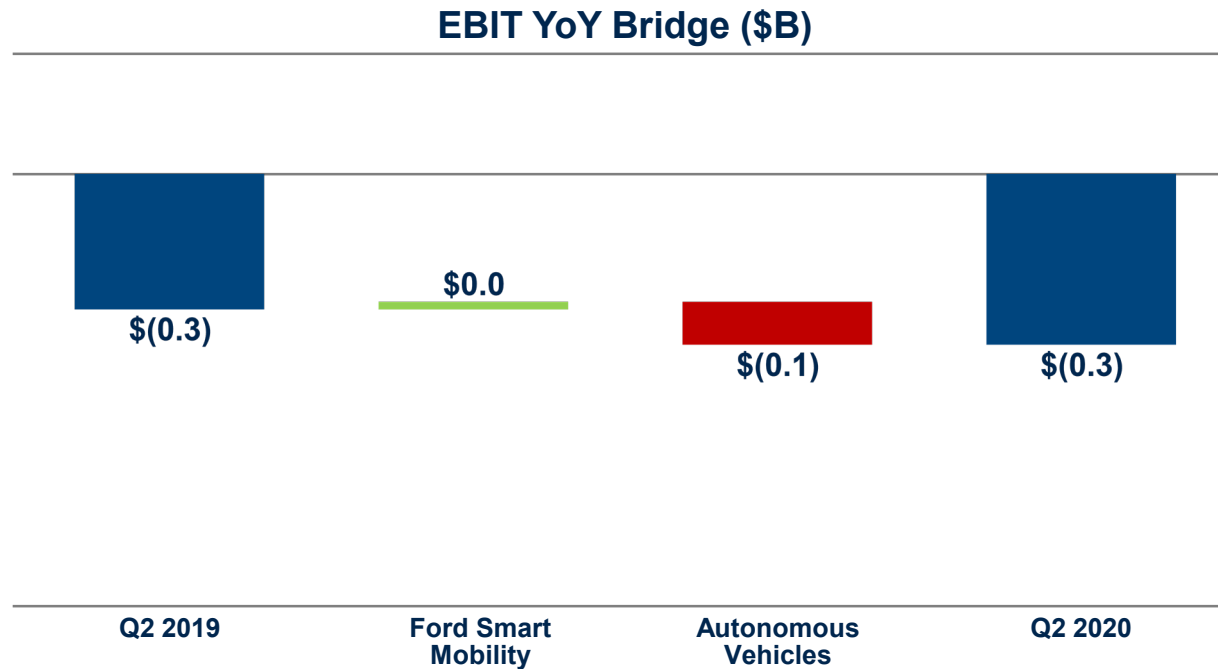
EBIT (\$B) & EBIT Margin (%)



- Q2 wholesale units down 64%, reflecting primarily COVID-related lower industry volume, suspended production and a revised commercial vehicle offering strategy with our Russia joint venture
- Revenue down 60%, driven by lower volume and weaker currencies
- EBIT down \$0.1B, driven by lower volume, offset partially by lower structural costs

* Includes Ford brand vehicles produced and sold by our unconsolidated affiliate in Russia (about 11K units in Q2 2019 and 2K units in Q2 2020). Revenue after Q2 2019 does not include these sales

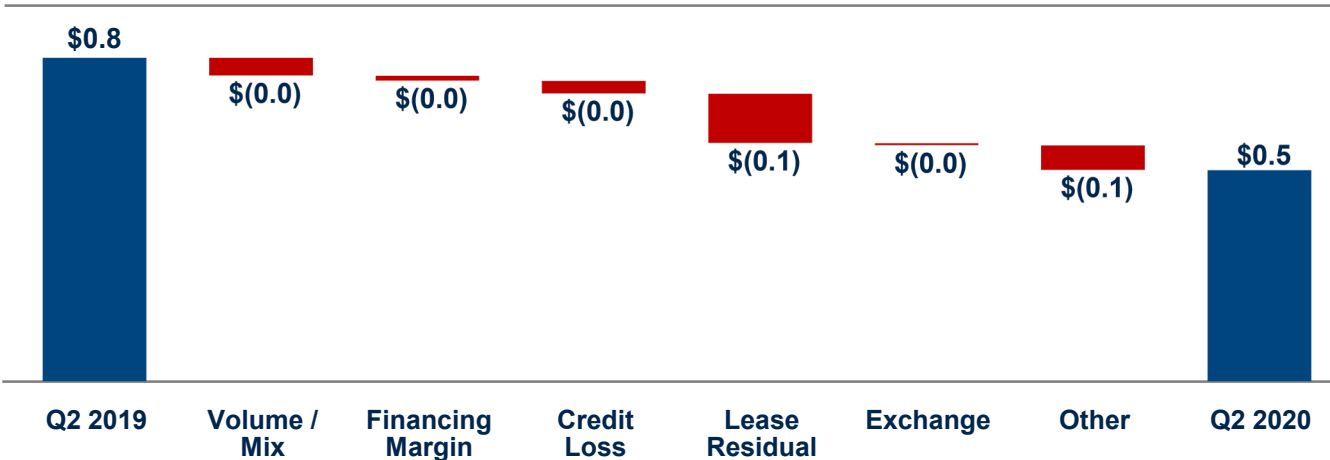
Mobility



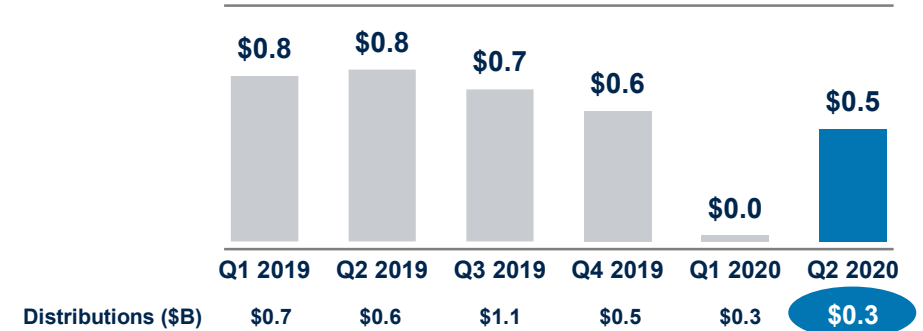
- VW investment in Argo AI completed
- Transaction resulted in a gain of \$3.5B, reported as a Special Item
- Argo AI deconsolidated, effective June 1
- Expect investments in Autonomous Vehicles to continue at similar levels

Ford Credit

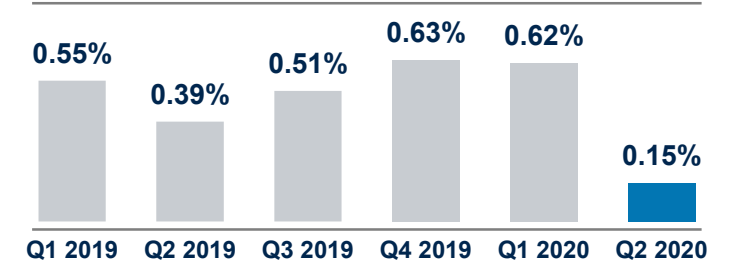
EBT YoY Bridge (\$B)



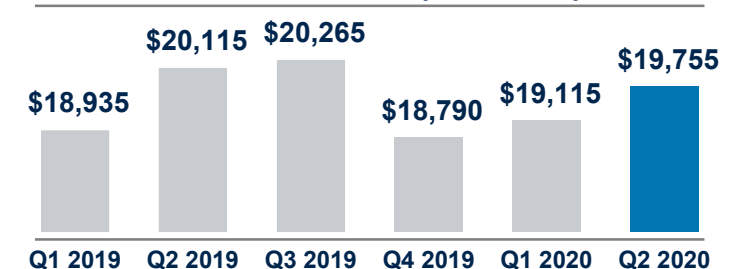
EBT (\$B)



U.S. Retail LTR Ratios (%)



Auction Values (Per Unit)*



- Strong Q2 EBT of \$0.5B is down \$0.3B, reflecting higher supplemental depreciation on operating leases and lower derivative market valuation gains
- Portfolio performing well – loss-to-receivables (LTR) remains low; auction values improved from the first quarter. FY auction values forecast to be down about 5%, consistent with third party estimates
- Balance sheet and liquidity remain strong

* U.S. 36-month off-lease auction values at Q2 2020 mix



Cash Flow And Balance Sheet (\$B)

	SECOND QUARTER		FIRST HALF	
	2019	2020	2019	2020
Company Adj. EBIT excl. Ford Credit	\$ 0.8	\$ (2.5)	\$ 2.5	\$ (3.2)
Capital Spending	\$ (1.9)	\$ (1.2)	\$ (3.5)	\$ (2.9)
Depreciation and Tooling Amortization	1.4	1.3	2.7	2.7
Net Spending	\$ (0.5)	\$ 0.2	\$ (0.8)	\$ (0.2)
Receivables	\$ 0.2	\$ 0.1	\$ 0.1	\$ 0.6
Inventory	(0.1)	1.2	(1.2)	0.1
Trade Payables	(0.2)	(2.2)	1.5	(2.7)
Changes in Working Capital	\$ (0.1)	\$ (0.9)	\$ 0.3	\$ (2.1)
Ford Credit Distributions	0.7	0.3	1.3	0.6
All Other and Timing Differences*	(0.6)	(2.4)	(1.3)	(2.6)
Company Adjusted FCF	\$ 0.2	\$ (5.3)	\$ 2.1	\$ (7.6)
Global Redesign (incl. Separations)	(0.2)	(0.1)	(0.4)	(0.3)
Changes in Debt	0.3	9.6	0.3	24.7
Funded Pension Contributions	(0.1)	(0.1)	(0.4)	(0.3)
Shareholder Distributions	(0.6)	(0.0)	(1.2)	(0.6)
All Other (incl. Acquisitions & Divestitures)	(0.5)	0.9	(0.3)	1.0
Change in Cash	\$ (1.0)	\$ 5.0	\$ 0.2	\$ 17.0

	BALANCE SHEET	
	2019 Dec 31	2020 Jun 30
Company Excluding Ford Credit		
Company Cash Balance	\$ 22.3	\$ 39.3
Liquidity	35.4	39.8
Debt	(15.3)	(40.0)
Cash Net of Debt	7.0	(0.7)
Pension Funded Status		
Funded Plans	\$ (0.4)	\$ 0.4
Unfunded Plans	(6.4)	(6.2)
Total Global Pension	\$ (6.8)	\$ (5.8)
Total Funded Status OPEB	\$ (6.1)	\$ (6.0)

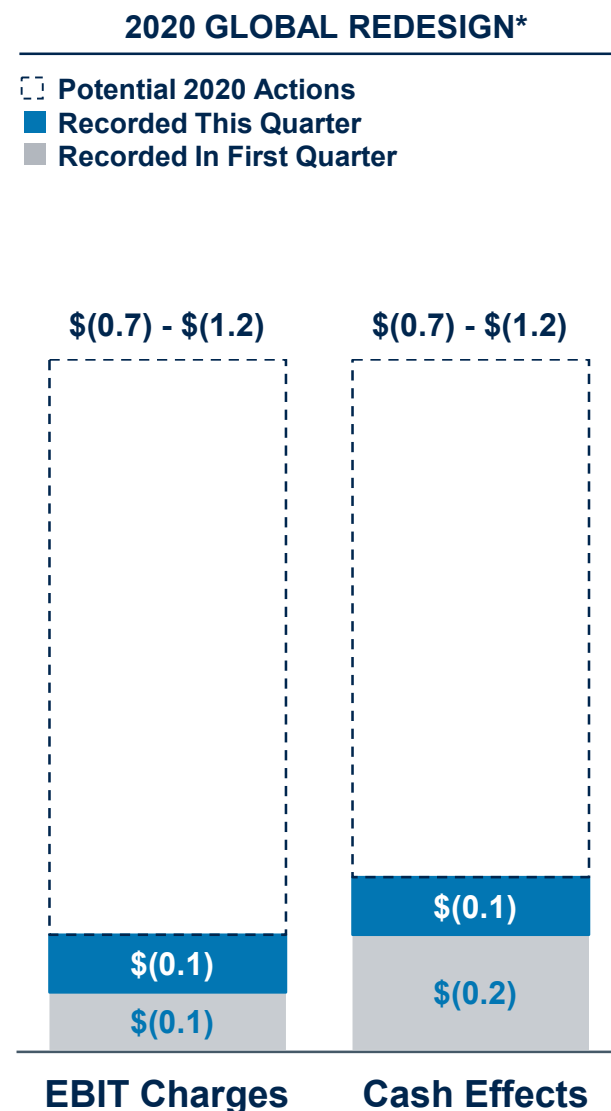
**Adj. FCF Of \$(5.3)B, Driven By An Adj. EBIT Loss,
Unfavorable Timing Differences And Negative Working Capital**



* Includes timing differences between accrual-based EBIT and associated cash flows (e.g., marketing incentive and warranty payments to dealers), interest payments on Automotive and Other debt and cash taxes

Special Items (\$B)

	SECOND QUARTER		FIRST HALF	
	2019	2020	2019	2020
Global Redesign				
Europe excl. Russia	\$ (0.7)	\$ (0.1)	\$ (0.8)	\$ (0.2)
India	-	(0.0)	-	(0.0)
South America	(0.2)	(0.0)	(0.4)	(0.0)
Russia	(0.2)	(0.0)	(0.4)	0.0
China	(0.0)	(0.0)	(0.0)	(0.0)
Separations and Other (Not Included Above)	(0.1)	(0.0)	(0.1)	(0.0)
Subtotal Global Redesign	\$ (1.2)	\$ (0.1)	\$ (1.7)	\$ (0.2)
Other Items				
Gain on Transaction with Argo AI and VW	\$ -	\$ 3.5	\$ -	\$ 3.5
Other, incl. Focus Cancellation, Transit Connect Customs Ruling**, UAW Retirement Buyout and Chariot	(0.0)	(0.0)	(0.1)	(0.2)
Subtotal Other Items	\$ (0.0)	\$ 3.5	\$ (0.1)	\$ 3.2
Pension and OPEB Gain / (Loss)				
Pension and OPEB Remeasurement	\$ 0.0	\$ 0.1	\$ 0.0	\$ 0.2
Pension Curtailment	-	-	-	(0.0)
Subtotal Pension and OPEB Gain / (Loss)	\$ 0.0	\$ 0.1	\$ 0.0	\$ 0.2
Total EBIT Special Items	\$ (1.2)	\$ 3.5	\$ (1.8)	\$ 3.2
Cash Effects of Global Redesign (Incl. Separations)	\$ (0.2)	\$ (0.1)	\$ (0.4)	\$ (0.3)



* The potential total Global Redesign impact may be up to \$(11)B of EBIT charges and up to \$(7)B cash effects, including \$(3.7)B of EBIT and \$(1.1)B of cash in prior years

** Transit Connect \$(0.2)B impact accrued in Q3 2019

Outlook

Adjusted EBIT

- Q3
- Q4
- Full Year

Capital Spending

Pension Contributions

Global Redesign EBIT Charges

Global Redesign Cash Effects

2019

\$1.8B

\$0.5B

\$6.4B

\$7.6B

\$0.7B

\$3.2B

\$0.9B

2020*

\$0.5B - \$1.5B

Loss

Loss

\$6.1B - \$6.6B

\$0.5B - \$0.7B

\$0.7B - \$1.2B

\$0.7B - \$1.2B



* Our guidance assumes no material change to the current economic environment, continued steady improvement in the stability of the global automotive supply base, and no further significant COVID-related disruptions to production or distribution. Our actual results could differ materially from our guidance due to risks, uncertainties, and other factors, including those detailed in our Cautionary Note on Forward-Looking Statements



Q & A



Cautionary Note On Forward-Looking Statements And Disclaimers

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’s long-term competitiveness depends on the successful execution of global redesign and fitness actions;
- Ford’s vehicles could be affected by defects that result in delays in new model launches, recall campaigns, or increased warranty costs;
- Ford may not realize the anticipated benefits of existing or pending strategic alliances, joint ventures, acquisitions, divestitures, or new business strategies;
- Operational systems, security systems, and vehicles could be affected by cyber incidents;
- Ford’s production, as well as Ford’s suppliers’ production, could be disrupted by labor issues, natural or man-made disasters, financial distress, production difficulties, or other factors;
- Ford’s ability to maintain a competitive cost structure could be affected by labor or other constraints;
- Ford’s ability to attract and retain talented, diverse, and highly skilled employees is critical to its success and competitiveness;
- Ford’s new and existing products and mobility services are subject to market acceptance;
- Ford’s results are dependent on sales of larger, more profitable vehicles, particularly in the United States;
- With a global footprint, Ford’s results could be adversely affected by economic, geopolitical, protectionist trade policies, or other events, including tariffs and Brexit;
- Industry sales volume in any of our key markets can be volatile and could decline if there is a financial crisis, recession, or significant geopolitical event;
- Ford may face increased price competition or a reduction in demand for its products resulting from industry excess capacity, currency fluctuations, competitive actions, or other factors;
- Fluctuations in commodity prices, foreign currency exchange rates, interest rates, and market value of our investments can have a significant effect on results;
- Ford and Ford Credit’s access to debt, securitization, or derivative markets around the world at competitive rates or in sufficient amounts could be affected by credit rating downgrades, market volatility, market disruption, regulatory requirements, or other factors;
- Ford’s receipt of government incentives could be subject to reduction, termination, or clawback;
- Ford Credit could experience higher-than-expected credit losses, lower-than-anticipated residual values, or higher-than-expected return volumes for leased vehicles;
- Economic and demographic experience for pension and other postretirement benefit plans (e.g., discount rates or investment returns) could be worse than Ford has assumed;
- Pension and other postretirement liabilities could adversely affect Ford’s liquidity and financial condition;
- Ford could experience unusual or significant litigation, governmental investigations, or adverse publicity arising out of alleged defects in products, perceived environmental impacts, or otherwise;
- Ford may need to substantially modify its product plans to comply with safety, emissions, fuel economy, autonomous vehicle, and other regulations that may change in the future;
- 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 consumer expectations for the safeguarding of 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, 2019, as updated by subsequent Quarterly Reports on Form 10-Q and Current Reports on Form 8-K.

DISCLAIMERS:

¹ Based on full charge when configured with optional extended range battery and RWD. Actual range varies with conditions such as external elements, driving behaviors, vehicle maintenance, and lithium-ion battery age. Final EPA-estimated ratings available in the 2020 calendar year. Mustang Mach-E GT with extended range battery AWD GT shown with targeted EPA-estimated range of 250 miles, available late summer 2021.

² MPGe is the EPA equivalent measure of gasoline fuel efficiency for electric mode operation. 2.5L Plug-in Hybrid. Actual mileage and range will vary. Range calculation based on 11.2-gallon tank, EPA estimated electric range of 37 miles and combined label rating of 41MPG; class is non-premium Compact Utility.





Appendix

Key Metrics

WHOLESALE UNITS (000)					
Q1 2019	Q2 2019	Q3 2019	Q4 2019	Q1 2020	Q2 2020

MARKET SHARE (%)					
Q1 2019	Q2 2019	Q3 2019	Q4 2019	Q1 2020	Q2 2020

North America	753	693	639	681	619	272	13.6 %	13.8 %	12.6 %	12.8 %	13.6 %	14.2 %
South America	68	75	79	74	59	14	7.7	7.4	7.1	6.9	6.9	6.5
Europe	382	368	298	341	288	154	7.6	7.0	7.3	7.4	6.9	7.1
China	115	126	134	159	81	169	2.1	2.3	2.3	2.0	2.2	2.5
International Markets Group	107	103	93	98	78	36	1.9	2.1	1.8	1.9	1.5	1.7
Total Automotive	1,425	1,364	1,244	1,354	1,126	645	6.0 %	6.2 %	6.0 %	5.7 %	6.0 %	5.9%

REVENUE (\$B)					
Q1 2019	Q2 2019	Q3 2019	Q4 2019	Q1 2020	Q2 2020

REVENUE CHANGE (%)					
Q1 2019	Q2 2019	Q3 2019	Q4 2019	Q1 2020	Q2 2020

North America	\$ 25.4	\$ 24.0	\$ 23.4	\$ 25.3	\$ 21.8	\$ 10.9	2 %	1 %	5 %	(2) %	(14) %	(54) %
South America	0.9	1.0	1.0	1.0	0.7	0.2	(30)	(33)	(19)	(22)	(21)	(75)
Europe	7.4	7.3	6.3	7.0	6.2	3.6	(14)	0	(11)	(1)	(16)	(51)
China	0.9	0.9	0.9	1.0	0.6	0.8	(31)	48	(27)	(38)	(31)	(12)
International Markets Group	2.6	2.6	2.3	2.4	2.0	1.0	(13)	(9)	(17)	(19)	(25)	(60)
Total Automotive	\$ 37.2	\$ 35.8	\$ 33.9	\$ 36.7	\$ 31.3	\$ 16.6	(5) %	(0) %	(2) %	(5) %	(16) %	(54)%



Key Metrics

EBIT (\$B)

	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Q1 2020	Q2 2020
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EBIT CHANGE (%)

	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Q1 2020	Q2 2020
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North America	\$ 2.2	\$ 1.7	\$ 2.0	\$ 0.7	\$ 0.3	\$ (1.0)	14 %	(3) %	3 %	(64) %	(84) %	(157) %
South America	(0.2)	(0.2)	(0.2)	(0.2)	(0.1)	(0.2)	(6)	(15)	(9)	11	29	19
Europe	0.1	0.1	(0.1)	0.1	(0.1)	(0.7)	(46)	N / M	18	153	N / M	N / M
China	(0.1)	(0.2)	(0.3)	(0.2)	(0.2)	(0.1)	15	68	26	61	(88)	12
International Markets Group	0.0	(0.1)	(0.1)	(0.2)	(0.0)	(0.1)	107	(160)	(163)	N / M	N / M	(107)
Total Automotive	\$ 2.0	\$ 1.4	\$ 1.3	\$ 0.2	\$ (0.2)	\$ (2.1)	16 %	19 %	(5) %	(81) %	(109) %	N / M%

EBIT MARGIN (%)

	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Q1 2020	Q2 2020
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EBIT MARGIN CHANGE (ppts)

	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Q1 2020	Q2 2020
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North America	8.7 %	7.1 %	8.6 %	2.8 %	1.6 %	(8.9) %	0.9 ppts	(0.3) ppts	(0.2) ppts	(4.8) ppts	(7.1) ppts	(16.0) ppts
South America	(17.0)	(21.0)	(15.9)	(18.4)	(15.5)	(68.3)	(5.8)	(8.7)	(4.1)	(2.1)	1.6	(47.3)
Europe	1.1	1.5	(2.3)	1.0	(2.3)	(18.4)	(0.7)	2.3	(0.4)	2.9	(3.4)	(19.9)
China	(14.9)	(17.0)	(32.0)	(21.5)	(40.7)	(17.0)	(2.8)	61.0	(0.6)	12.9	(25.7)	0.0
International Markets Group	0.2	(2.8)	(4.0)	(7.2)	(1.3)	(14.7)	2.2	(7.1)	(5.4)	(8.6)	(1.5)	(11.8)
Total Automotive	5.4 %	3.8 %	3.9 %	0.6 %	(0.6) %	(12.6) %	1.0 ppts	0.6 ppts	(0.1) ppts	(2.3) ppts	(6.0) ppts	(16.4) ppts



Key Metrics

WHOLESALE UNITS (000)

	Q2 2019	Q2 2020	2020 B / (W) 2019	2019 1H	2020 1H	2020 B / (W) 2019
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MARKET SHARE (%)

	Q2 2019	Q2 2020	2020 B / (W) 2019	2019 1H	2020 1H	2020 B / (W) 2019
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North America	693	272	(421)	1,446	890	(556)	13.8 %	14.2 %	0.4 pts	13.7 %	13.8 %	0.1 pts
South America	75	14	(61)	143	73	(70)	7.4	6.5	(0.9)	7.5	6.8	(0.7)
Europe	368	154	(214)	750	442	(308)	7.0	7.1	0.1	7.3	7.0	(0.3)
China	126	169	43	241	251	10	2.3	2.5	0.2	2.2	2.4	0.2
International Markets Group	103	36	(66)	210	114	(96)	2.1	1.7	(0.4)	2.0	1.6	(0.4)
Total Automotive	1,364	645	(719)	2,789	1,771	(1,018)	6.2 %	5.9 %	(0.3) pts	6.1 %	5.9 %	(0.2) pts

REVENUE (\$B)

	Q2 2019	Q2 2020	2020 B / (W) 2019	2019 1H	2020 1H	2020 B / (W) 2019
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EBIT MARGIN (%)

	Q2 2019	Q2 2020	2020 B / (W) 2019	2019 1H	2020 1H	2020 B / (W) 2019
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North America	\$ 24.0	\$ 10.9	\$ (13.0)	\$ 49.4	\$ 32.8	\$ (16.6)	7.1 %	(8.9) %	(16.0) pts	7.9 %	(1.9) %	(9.8) pts
South America	1.0	0.2	(0.7)	1.9	1.0	(0.9)	(21.0)	(68.3)	(47.3)	(19.1)	(28.6)	(9.6)
Europe	7.3	3.6	(3.7)	14.8	9.9	(4.9)	1.5	(18.4)	(19.9)	1.3	(8.2)	(9.5)
China	0.9	0.8	(0.1)	1.8	1.4	(0.4)	(17.0)	(17.0)	0.0	(16.0)	(27.0)	(11.0)
International Markets Group	2.6	1.0	(1.5)	5.2	3.0	(2.2)	(2.8)	(14.7)	(11.8)	(1.3)	(5.9)	(4.6)
Total Automotive	\$ 35.8	\$ 16.6	\$ (19.1)	\$ 73.0	\$ 48.0	\$ (25.0)	3.8 %	(12.6) %	(16.4) pts	4.6 %	(4.7) %	(9.4) pts



Q2 Results (\$M)

	Q2			First Half		
	2019	2020	2020 B / (W) 2019	2019	2020	2020 B / (W) 2019
North America	\$ 1,696	\$ (974)	\$ (2,670)	\$ 3,900	\$ (628)	\$ (4,528)
South America	(205)	(165)	39	(362)	(278)	84
Europe	110	(664)	(774)	195	(807)	(1,002)
China	(155)	(136)	19	(283)	(377)	(94)
International Markets Group*	(72)	(150)	(78)	(68)	(175)	(108)
Automotive	\$ 1,373	\$ (2,089)	\$ (3,463)	\$ 3,382	\$ (2,266)	\$ (5,648)
Mobility	(264)	(332)	(68)	(552)	(666)	(114)
Ford Credit	831	543	(288)	1,632	573	(1,059)
Corporate Other	(286)	(68)	219	(361)	(219)	142
Adjusted EBIT	\$ 1,654	\$ (1,946)	\$ (3,600)	\$ 4,101	\$ (2,578)	\$ (6,679)
Interest on Debt	(244)	(450)	(206)	(489)	(677)	(188)
Special Items (excl. tax)	(1,205)	3,480	4,686	(1,797)	3,193	4,990
Taxes	(55)	34	89	(482)	(813)	(331)
Less: Non-Controlling Interests	2	1	(1)	39	1	(38)
Net Income Attributable to Ford	\$ 148	\$ 1,117	\$ 970	\$ 1,294	\$ (876)	\$ (2,170)
Company Adjusted Free Cash Flow (\$B)	\$ 0.2	\$ (5.3)	\$ (5.5)	\$ 2.1	\$ (7.5)	\$ (9.6)
Revenue (\$B)	38.9	19.4	(19.5)	79.2	53.7	(25.5)
Company Adjusted EBIT Margin (%)	4.3 %	(10.0) %	(1,430) bps	5.2 %	(4.8) %	(998) bps
Net Income Margin (%)	0.4	5.8	5.4	1.6	(1.6)	(3.3)
Adjusted ROIC (Trailing Four Quarters)	8.5	(3.1)	(11.6) ppts	N / A	N / A	N / A ppts
Adjusted EPS	\$ 0.28	\$ (0.35)	\$ (0.63)	\$ 0.72	\$ (0.59)	\$ (1.31)
EPS (GAAP)	0.04	0.28	0.24	0.32	(0.22)	(0.54)



* Contains Asia Pacific Ops, Middle East & Africa, and Russia

First Half 2020 Adjusted EBIT (\$B)

	North America	South America	Europe	China	IMG	Total Auto	Total Company	
First Half 2019	\$ 3.9	\$ (0.4)	\$ 0.2	\$ (0.3)	\$ (0.1)	\$ 3.4	\$ 4.1	
YoY Change:								
Volume / Mix	\$ (5.4)	\$ (0.1)	\$ (1.3)	\$ (0.1)	\$ (0.3)	\$ (7.2)	\$ (7.2)	Industry Stocks / Other \$(5.4) (1.8)
Net Pricing	0.6	0.2	0.6	(0.0)	0.0	1.3	1.3	
Cost	0.1	0.1	(0.0)	0.1	0.3	0.5	0.5	Material / Freight \$(1.3) Warranty (0.9) Commodities 0.3 Structural 2.1 Pension / OPEB 0.3
Exchange	(0.0)	(0.1)	(0.1)	(0.1)	(0.0)	(0.3)	(0.3)	
Other / JVs	0.2	(0.0)	(0.2)	(0.0)	(0.0)	(0.1)	(0.1)	JVs Other \$(0.1) 0.1
Total Automotive	\$ (4.5)	\$ 0.1	\$ (1.0)	\$ (0.1)	\$ (0.1)	\$ (5.6)	\$ (5.6)	
Mobility							(0.1)	
Ford Credit							(1.1)	
Corporate Other							0.1	
Total Company							\$ (6.7)	
First Half 2020	\$ (0.6)	\$ (0.3)	\$ (0.8)	\$ (0.4)	\$ (0.2)	\$ (2.3)	\$ (2.6)	



Quarterly Results (\$M)

	2019					2020	
	Q1	Q2	Q3	Q4	Full Year	Q1	Q2
North America	\$ 2,205	\$ 1,696	\$ 2,012	\$ 700	\$ 6,612	\$ 346	\$ (974)
South America	(158)	(205)	(165)	(176)	(704)	(113)	(165)
Europe (excl. Russia)	85	110	(144)	72	123	(143)	(664)
China	(128)	(155)	(281)	(207)	(771)	(241)	(136)
International Markets Group*	5	(72)	(93)	(174)	(334)	(26)	(150)
Automotive	\$ 2,009	\$ 1,373	\$ 1,329	\$ 215	\$ 4,926	\$ (177)	\$ (2,089)
Mobility	(288)	(264)	(290)	(344)	(1,186)	(334)	(332)
Ford Credit	801	831	736	630	2,998	30	543
Corporate Other	(75)	(286)	18	(16)	(359)	(151)	(68)
Adjusted EBIT	\$ 2,447	\$ 1,654	\$ 1,793	\$ 485	\$ 6,379	\$ (632)	\$ (1,946)
Interest on Debt	(245)	(244)	(276)	(255)	(1,020)	(227)	(450)
Special Items (excl. tax)	(592)	(1,205)	(1,536)	(2,666)	(5,999)	(287)	3,480
Taxes	(427)	(55)	442	764	724	(847)	34
Less: Non-Controlling Interests	37	2	(2)	-	37	-	1
Net Income Attributable to Ford	\$ 1,146	\$ 148	\$ 425	\$ (1,672)	\$ 47	\$ (1,993)	\$ 1,117
Company Adjusted Free Cash Flow (\$B)	\$ 1.9	\$ 0.2	\$ 0.2	\$ 0.5	\$ 2.8	\$ (2.2)	\$ (5.3)
Revenue (\$B)	40.3	38.9	37.0	39.7	155.9	34.3	19.4
Company Adjusted EBIT Margin (%)	6.1 %	4.3 %	4.8 %	1.2 %	4.1 %	(1.8) %	(10.0) %
Net Income Margin (%)	2.8	0.4	1.1	(4.2)	0.0	(5.8)	5.8
Adjusted ROIC (Trailing Four Quarters)	8.0	8.5	9.0	7.8	7.8	2.5	(3.1)
Adjusted EPS	\$ 0.44	\$ 0.28	\$ 0.34	\$ 0.12	\$ 1.19	\$ (0.23)	\$ (0.35)
EPS (GAAP)	0.29	0.04	0.11	(0.42)	0.01	(0.50)	0.28

* Contains Asia Pacific Ops, Middle East & Africa, and Russia

Net Income Reconciliation To Adjusted EBIT (\$M)

	Q2		First Half		Memo:
	2019	2020	2019	2020	FY 2019
Net income / (Loss) attributable to Ford (GAAP)	\$ 148	\$ 1,117	\$ 1,294	\$ (876)	\$ 47
Income / (Loss) attributable to non-controlling interests	2	1	39	1	37
Net income / (Loss)	\$ 150	\$ 1,118	\$ 1,333	\$ (875)	\$ 84
Less: (Provision for) / Benefit from income taxes	(55)	34	(482)	(813)	724
Income / (Loss) before income taxes	\$ 205	\$ 1,084	\$ 1,815	\$ (62)	\$ (640)
Less: Special items pre-tax	(1,205)	3,480	(1,797)	3,193	(5,999)
Income / (Loss) before special items pre-tax	\$ 1,410	\$ (2,396)	\$ 3,612	\$ (3,255)	\$ 5,359
Less: Interest on debt	(244)	(450)	(489)	(677)	(1,020)
Adjusted EBIT (Non-GAAP)	<u>\$ 1,654</u>	<u>\$ (1,946)</u>	<u>\$ 4,101</u>	<u>\$ (2,578)</u>	<u>\$ 6,379</u>
Memo:					
Revenue (\$B)	\$ 38.9	\$ 19.4	\$ 79.2	\$ 53.7	\$ 155.9
Net income margin (GAAP) (%)	0.4 %	5.8 %	1.6 %	(1.6) %	0.0 %
Adjusted EBIT margin (%)	4.3 %	(10.0) %	5.2 %	(4.8) %	4.1 %



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

	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Q1 2020	Q2 2020	First Half	
							2019	2020
Net cash provided by / (Used in) operating activities (GAAP)	\$ 3,544	\$ 6,463	\$ 4,732	\$ 2,900	\$ (473)	\$ 9,115	\$ 10,007	\$ 8,642
Less: <u>Items Not Included in Company Adjusted Free Cash Flows</u>								
Ford Credit operating cash flows	1,118	5,267	4,523	623	133	13,413	6,385	13,546
Funded pension contributions	(294)	(106)	(211)	(119)	(175)	(107)	(400)	(282)
Global Redesign (including separations)	(136)	(222)	(334)	(219)	(172)	(99)	(358)	(271)
Ford Credit tax payments / (refunds) under tax sharing agreement	98	-	-	293	475	569	98	1,044
Other, net	(120)	175	(124)	68	(15)	(178)	55	(193)
Add: <u>Items Included in Company Adjusted Free Cash Flows</u>								
Automotive and Mobility capital spending	(1,620)	(1,911)	(1,787)	(2,262)	(1,770)	(1,165)	(3,531)	(2,935)
Ford Credit distributions	675	650	1,100	475	275	275	1,325	550
Settlement of derivatives	(26)	86	16	31	(28)	64	60	36
Company adjusted free cash flow (Non-GAAP)	\$ 1,907	\$ 174	\$ 207	\$ 498	(2,242)	(5,309)	\$ 2,081	\$ (7,551)



Earnings Per Share Reconciliation To Adjusted Earnings Per Share

	Q2		First Half	
	2019	2020	2019	2020
<u>Diluted After-Tax Results (\$M)</u>				
Diluted after-tax results (GAAP)	\$ 148	\$ 1,117	\$ 1,294	\$ (876)
Less: Impact of pre-tax and tax special items	(989)	2,525	(1,574)	1,451
Less: Non-controlling interests impact of Russia restructuring	-	-	(35)	-
Adjusted net income – diluted (Non-GAAP)	<u>\$ 1,137</u>	<u>\$ (1,408)</u>	<u>\$ 2,903</u>	<u>\$ (2,327)</u>
 <u>Basic and Diluted Shares (M)</u>				
Basic shares (average shares outstanding)	3,984	3,975	3,979	3,969
Net dilutive options, unvested restricted stock units and restricted stock	29	17	26	-
Diluted shares	<u>4,013</u>	<u>3,992</u>	<u>4,005</u>	<u>3,969</u>
Earnings per share – diluted (GAAP)	\$ 0.04	\$ 0.28	\$ 0.32	\$ (0.22)
Less: Net impact of adjustments	(0.24)	0.63	(0.40)	0.37
Adjusted earnings per share – diluted (Non-GAAP)	<u>\$ 0.28</u>	<u>\$ (0.35)</u>	<u>\$ 0.72</u>	<u>\$ (0.59)</u>



Effective Tax Rate Reconciliation To Adjusted Effective Tax Rate

	2020		Memo:
	Q2	First Half	FY 2019
<u>Pre-Tax Results (\$M)</u>			
Income / (Loss) before income taxes (GAAP)	\$ 1,084	\$ (62)	\$ (640)
Less: Impact of special items	3,480	3,193	(5,999)
Adjusted earnings before taxes (Non-GAAP)	<u>\$ (2,396)</u>	<u>\$ (3,255)</u>	<u>\$ 5,359</u>
<u>Taxes (\$M)</u>			
(Provision for) / Benefit from income taxes (GAAP)	\$ 34	\$ (813)	\$ 724
Less: Impact of special items*	(955)	(1,742)	1,323
Adjusted (provision for) / benefit from income taxes (Non-GAAP)	<u>\$ 989</u>	<u>\$ 929</u>	<u>\$ (599)</u>
<u>Tax Rate (%)</u>			
Effective tax rate (GAAP)	(3.1) %	(1,311) %	113.1 %
Adjusted effective tax rate (Non-GAAP)	41.3 %	28.5 %	11.2 %



* Includes \$(228) and \$(1,084) in Q2 and First Half 2020, respectively, for the establishment of a valuation allowance

Adjusted ROIC (\$B)

	<u>Four Quarters</u> <u>Ending Q2 2019</u>	<u>Four Quarters</u> <u>Ending Q2 2020</u>
<u>Adjusted Net Operating Profit After Cash Tax</u>		
Net income attributable to Ford	\$ 2.2	\$ (2.1)
Add: Non-controlling interest	0.0	(0.0)
Less: Income tax	(0.7)	0.4
Add: Cash tax	(0.8)	(0.4)
Less: Interest on debt	(1.1)	(1.2)
Less: Total pension / OPEB income / (cost)	(0.8)	(2.0)
Add: Pension / OPEB service costs	(1.1)	(1.1)
Net operating profit after cash tax	<u>\$ 3.0</u>	<u>\$ (0.7)</u>
Less: Special items (excl. pension / OPEB) pre-tax	(2.3)	1.4
Adj. net operating profit after cash tax	<u><u>\$ 5.3</u></u>	<u><u>\$ (2.1)</u></u>
<u>Invested Capital</u>		
Equity	\$ 36.1	\$ 30.9
Redeemable non-controlling interest	-	-
Debt (excl. Ford Credit)	14.6	40.0
Net pension and OPEB liability	11.2	11.8
Invested capital (end of period)	<u>\$ 62.0</u>	<u>\$ 82.6</u>
Average invested capital	<u><u>\$ 62.7</u></u>	<u><u>\$ 67.9</u></u>
ROIC*	4.8 %	(1.1) %
Adjusted ROIC (Non-GAAP)**	8.5 %	(3.1) %

* Calculated as the sum of net operating profit after cash tax from the last four quarters, divided by the average invested capital over the last four quarters

** Calculated as the sum of adjusted net operating profit 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 business results and trends, and a means to assess our period-over-period results. These non-GAAP measures should not be considered as a substitute for, or superior to, measures of financial performance prepared in accordance with GAAP. These non-GAAP measures may not be the same as similarly titled measures used by other companies due to possible differences in method and in items or events being adjusted.

- **Company Adjusted EBIT (Most Comparable GAAP Measure: Net income attributable to Ford) – Earnings Before Interest and Taxes (EBIT)** excludes interest on debt (excl. Ford Credit Debt), taxes and pre-tax special items. This non-GAAP measure is useful to management and investors because it allows users to evaluate our operating results aligned with industry reporting. Pre-tax special items consist of (i) pension and OPEB remeasurement gains and losses, (ii) significant personnel expenses, dealer-related costs, and facility-related charges stemming from our efforts to match production capacity and cost structure to market demand and changing model mix, and (iii) other items that we do not necessarily consider to be indicative of earnings from ongoing operating activities. When we provide guidance for adjusted EBIT, we do not provide guidance on a net income basis because the GAAP measure will include potentially significant special items that have not yet occurred and are difficult to predict with reasonable certainty prior to year-end, including pension and OPEB remeasurement gains and losses.
- **Company Adjusted EBIT Margin (Most Comparable GAAP Measure: Company Net Income 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 Per Share (Most Comparable GAAP Measure: Earnings Per Share) – Measure of Company’s diluted net earnings per share** adjusted for impact of pre-tax special items (described above), tax special items and restructuring impacts in noncontrolling interests. The measure provides investors with useful information to evaluate performance of our business excluding items not indicative of the underlying run rate of our business. When we provide guidance for adjusted earnings per share, we do not provide guidance on an earnings per share basis because the GAAP measure will include potentially significant special items that have not yet occurred and are difficult to predict with reasonable certainty prior to year-end, including pension and OPEB remeasurement gains and losses.
- **Adjusted Effective Tax Rate (Most Comparable GAAP Measure: Effective Tax Rate) – Measure of Company’s tax rate** excluding pre-tax special items (described above) and tax special items. The measure provides an ongoing effective rate which investors find useful for historical comparisons and for forecasting. When we provide guidance for adjusted effective tax rate, we do not provide guidance on an effective tax rate basis because the GAAP measure will include potentially significant special items that have not yet occurred and are difficult to predict with reasonable certainty prior to year-end, including pension and OPEB remeasurement gains and losses.



Non-GAAP Financial Measures That Supplement GAAP Measures

- **Company Adjusted Free Cash Flow (FCF) (Most Comparable GAAP Measure: Net Cash Provided By / (Used In) Operating Activities)** – Measure of Company’s operating cash flow excluding Ford Credit’s operating cash flows. The measure contains elements management considers operating activities, including Automotive and Mobility capital spending, Ford Credit distributions to its parent, and settlement of derivatives. The measure excludes cash outflows for funded pension contributions, global redesign (including separations), and other items that are considered operating cash flows under GAAP. This measure is useful to management and investors because it is consistent with management’s assessment of the Company’s operating cash flow performance. When we provide guidance for Company Adjusted FCF, we do not provide guidance for net cash provided by / (used in) operating activities because the GAAP measure will include items that are difficult to quantify or predict with reasonable certainty, including cash flows related to the Company’s exposures to foreign currency exchange rates and certain commodity prices (separate from any related hedges), Ford Credit’s operating cash flows, and cash flows related to special items, including separation payments, each of which individually or in the aggregate could have a significant impact to our net cash provided by / (used in) our operating activities.
- **Adjusted ROIC** – Calculated as the sum of adjusted net operating profit 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 after-cash tax measures operating results less special items, interest on debt (excl. Ford Credit Debt), and certain pension / OPEB costs. Average invested capital is the sum of average balance sheet equity, debt (excl. Ford Credit Debt), and net pension / OPEB liability.
- **Ford Credit Managed Receivables** – (Most Comparable GAAP Measure: Net Finance Receivables plus Net Investment in Operating Leases) – Measure of Ford Credit’s total net receivables and held-for-sale receivables, excluding unearned interest supplements and residual support, allowance for credit losses, and other (primarily accumulated supplemental depreciation). The measure is useful to management and investors as it closely approximates the customer’s outstanding balance on the receivables, which is the basis for earning revenue.
- **Ford Credit Managed Leverage (Most Comparable GAAP Measure: Financial Statement Leverage)** – Ford Credit’s debt-to-equity ratio adjusted (i) to exclude cash, cash equivalents, and marketable securities (other than amounts related to insurance activities), and (ii) for derivative accounting. The measure is useful to investors because it reflects the way Ford Credit manages its business. Cash, cash equivalents, and marketable securities are deducted because they generally correspond to excess debt beyond the amount required to support operations and on-balance sheet securitization transactions. Derivative accounting adjustments are made to asset, debt, and equity positions to reflect the impact of interest rate instruments used with Ford Credit’s term-debt issuances and securitization transactions. Ford Credit generally repays its debt obligations as they mature, so the interim effects of changes in market interest rates are excluded in the calculation of managed leverage.

Definitions And Calculations

Automotive Records

- References to Automotive records for EBIT margin and business units are since at least 2009

Wholesale Units and Revenue

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

Industry Volume and Market Share

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

SAAR

- SAAR means seasonally adjusted annual rate

Company Cash

- Company cash includes cash, cash equivalents, marketable securities and restricted cash; excludes Ford Credit’s cash, cash equivalents, marketable securities and restricted cash

Market Factors

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

Earnings Before Taxes (EBT)

- Reflects Income before income taxes

Pension Funded Status

- Current period balances reflect net underfunded status at December 31, 2019, updated for service and interest cost, expected return on assets, curtailment and settlement gains and associated interim remeasurement (where applicable), separation expense, actual benefit payments, and cash contributions. For plans without interim remeasurement, the discount rate and rate of expected return assumptions are unchanged from year-end 2019



FORD CREDIT

Q2 Earnings Review

July 30, 2020

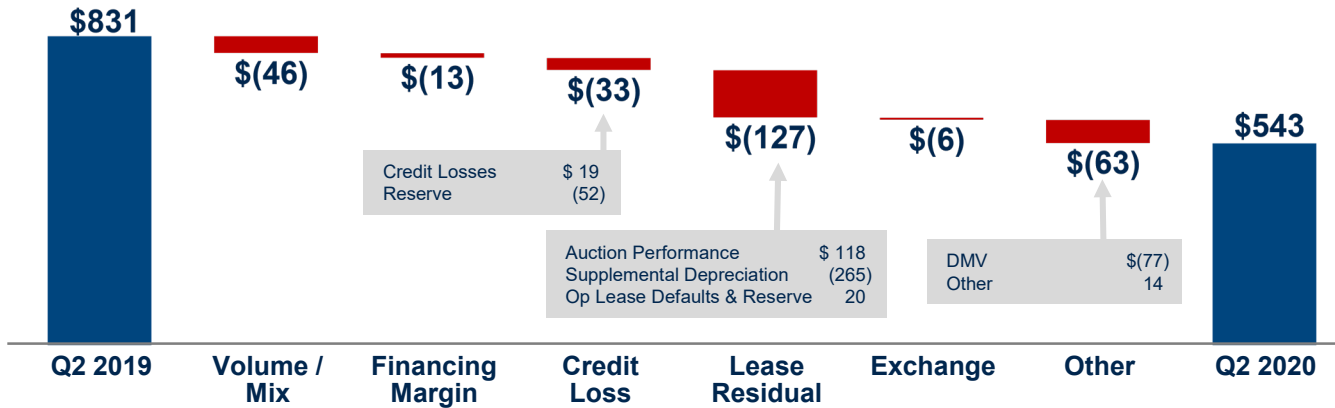


Key Takeaways

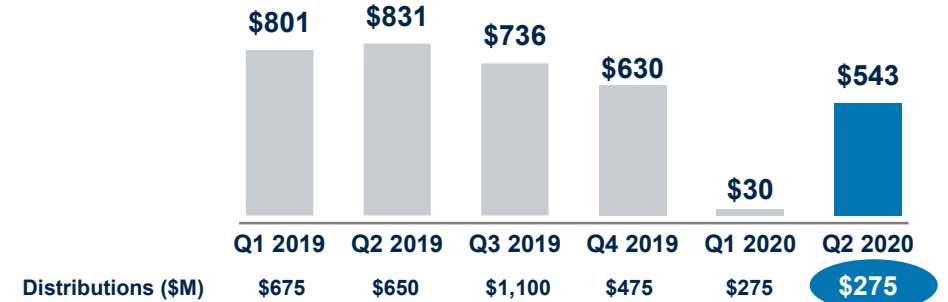
- **Strong Q2 EBT of \$543M**
- **Balance sheet is inherently liquid; smaller size reflects lower production**
- **Liquidity is strong at \$32B; we continue to access diverse funding sources**
- **Portfolio is performing well – delinquencies, charge-offs and loss-to-receivables (LTR) ratio remained low in Q2. Our credit loss reserve reflects lifetime losses at about the same level as Q1**
- **Off-lease auction values experienced sharp recovery and performed better than expected in Q2 and lease share remained below industry average**

Key Metrics

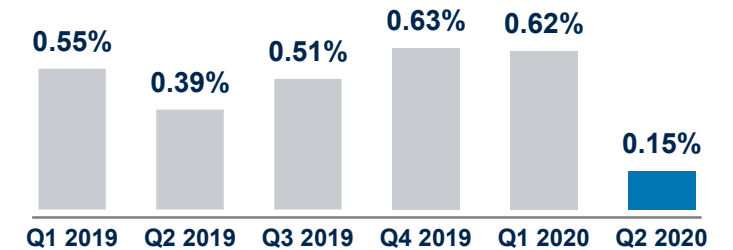
EBT YoY Bridge (\$M)



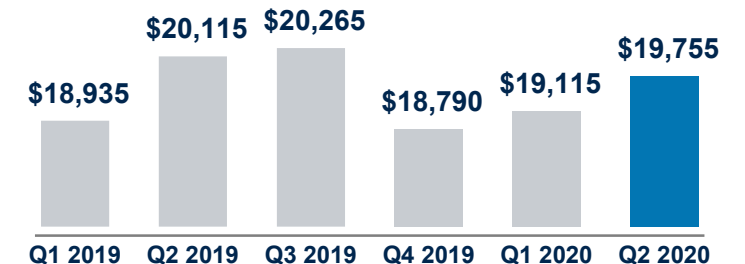
EBT (\$M)



U.S. Retail LTR Ratios (%)



Auction Values (Per Unit)*



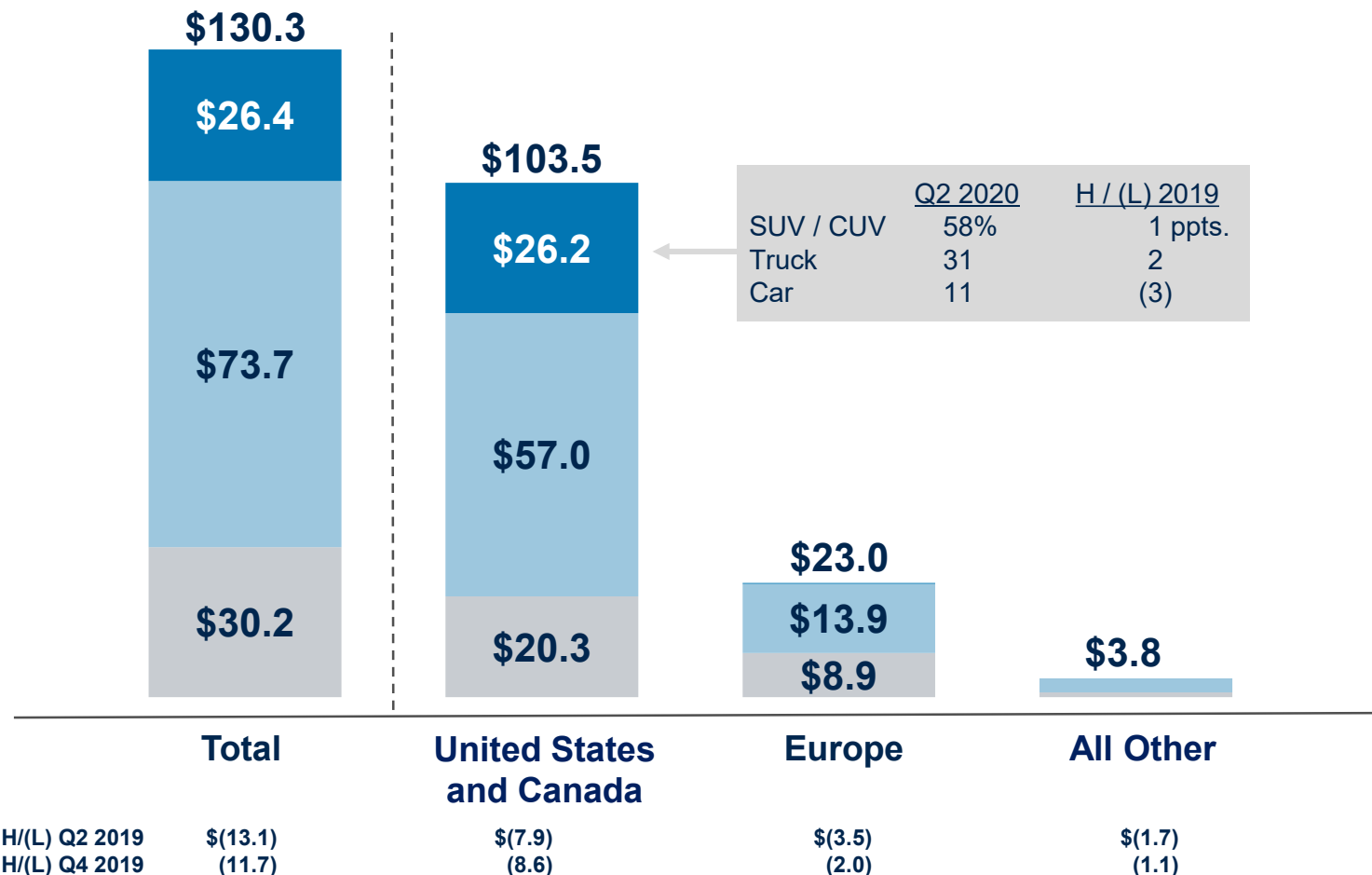
- Strong Q2 EBT of \$543M is down \$288M, reflecting higher supplemental depreciation on operating leases and lower derivative market valuation gains
- Portfolio performing well – loss-to-receivables (LTR) remains low; auction values improved from the first quarter. FY auction values forecast to be down about 5%, consistent with third party estimates
- Balance sheet and liquidity remain strong

* U.S. 36-month off-lease auction values at Q2 2020 mix



Q2 2020 Net Receivables Mix (\$B)

- Net Investment in Operating Leases
- Consumer Financing
- Non-Consumer Financing

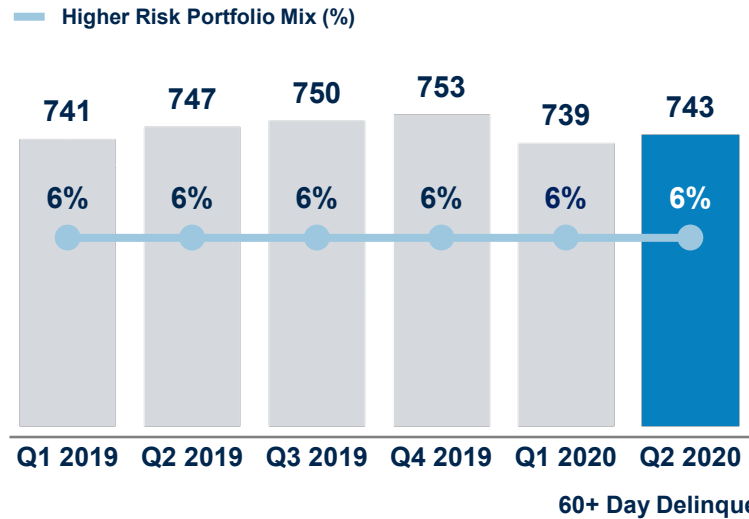


- Receivables declined \$13B YoY and \$12B from YE 2019 (\$7.5B in Q2) primarily reflecting lower wholesale receivables
- Operating lease portfolio was 20% of total net receivables

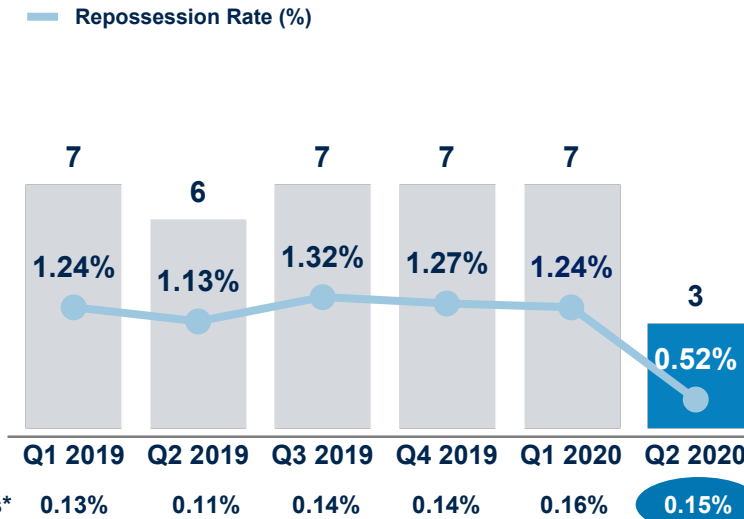


U.S. Origination Metrics And Credit Loss Drivers

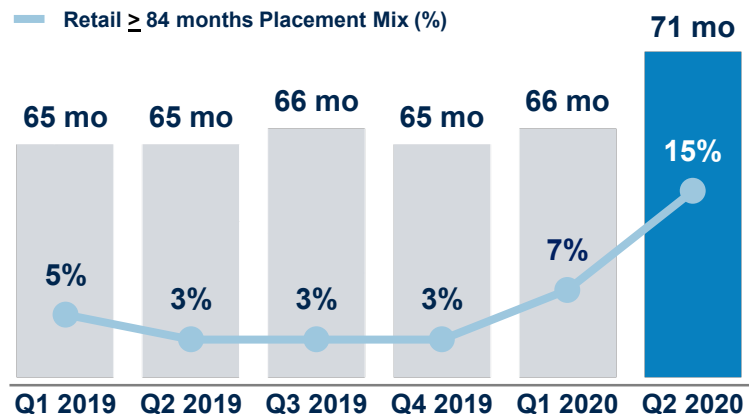
Retail & Lease FICO and Higher Risk Mix (%)



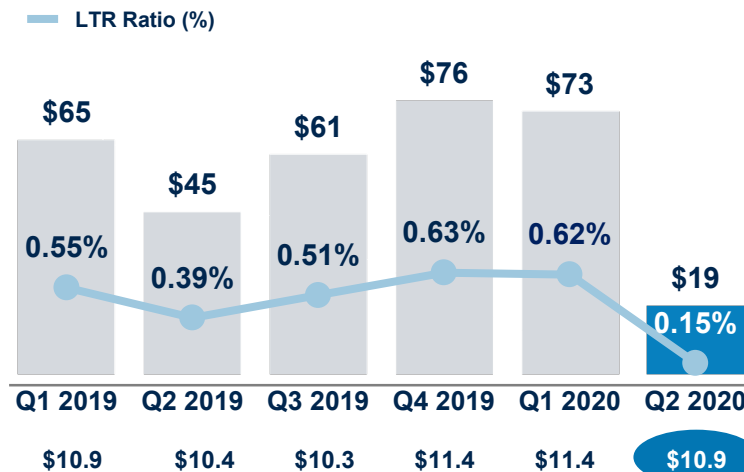
Retail Repossessions (000) and Repossession Rate (%)



Retail Contract Terms



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



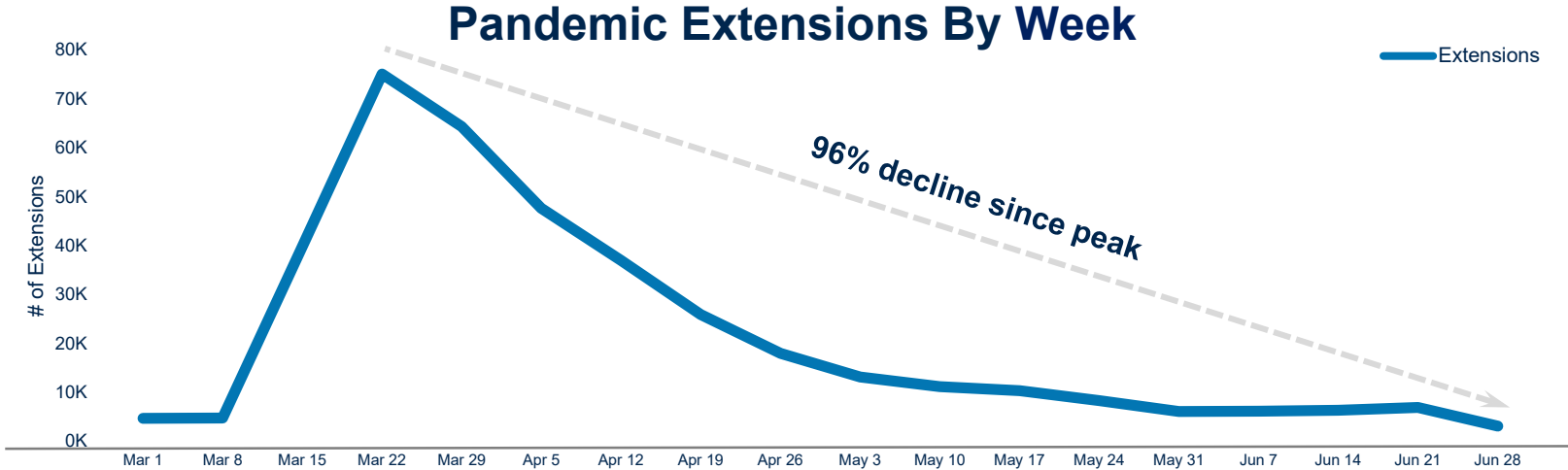
- Disciplined and consistent underwriting practices
- Portfolio quality evidenced by FICO scores and consistent risk mix
- Repossessions, charge-offs and LTR lower than Q1 reflecting government stimulus, retail financing and lease extension programs offered and decision to temporarily suspend involuntary repossessions due to COVID
- Longer-term contracts increased as a result of 84-month “Built to Lend a Hand” campaign



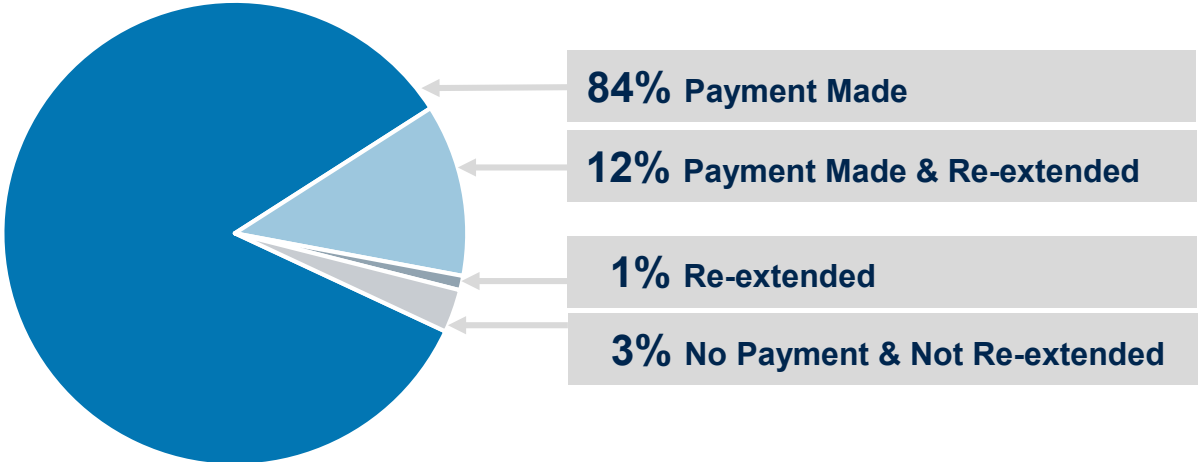
* Excluding bankruptcies

Severity (000)

U.S. Consumer Pandemic Extensions



Extensions That Came Due Prior To July 28

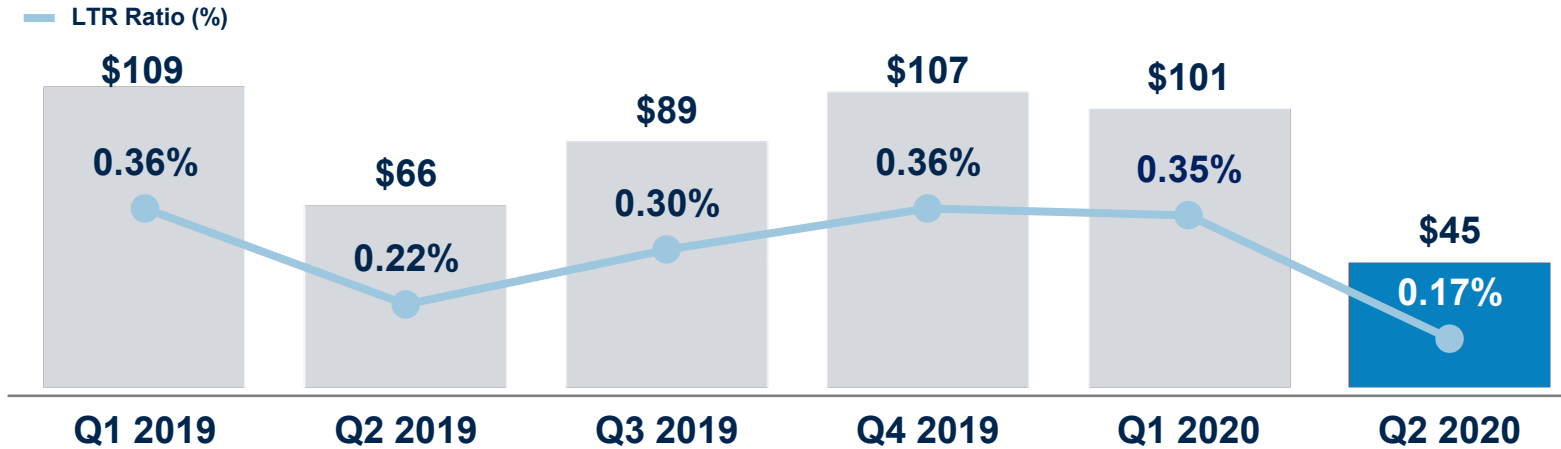


- 361K pandemic extensions (11% of outstanding contracts) processed March – May
- 96% of extensions have made payments post extension
- Extensions returning to pre-pandemic levels

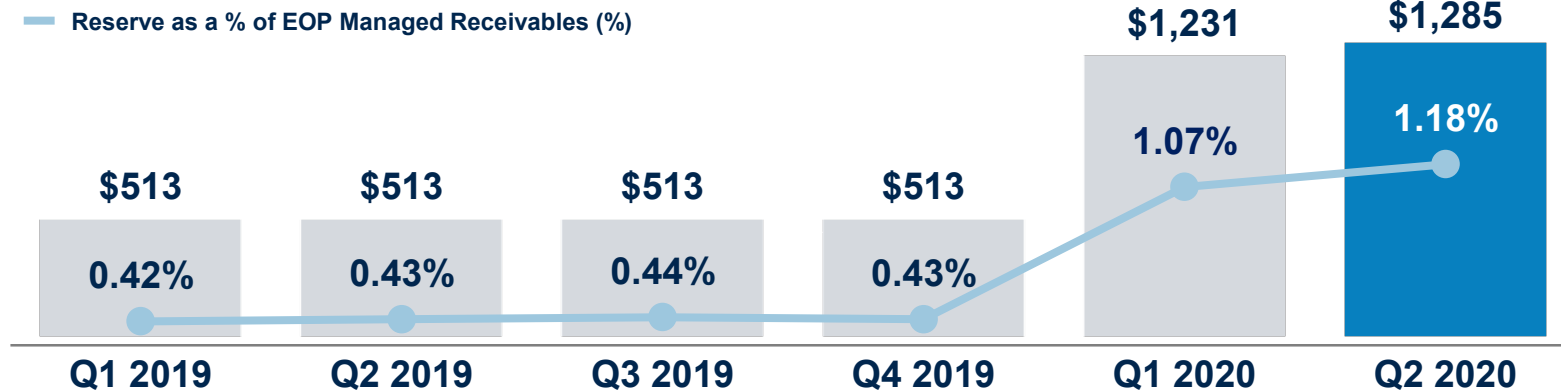


Worldwide Credit Loss Metrics

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



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

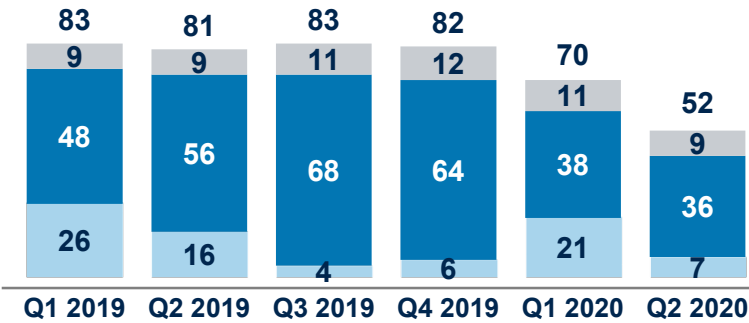


- Worldwide credit loss metrics improvement reflects government stimulus and retail financing and lease extension programs offered
- Our credit loss reserve reflects lifetime losses at about the same level as Q1

U.S. Lease Metrics

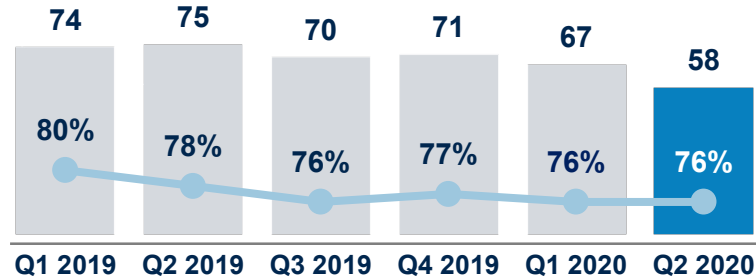
Lease Placement Volume (000)

■ 24-Month
■ 36-Month
■ 39-Month / Other



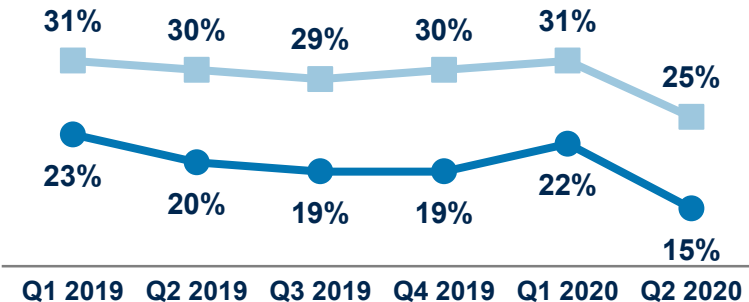
Lease Return Volume (000) and Return Rates (%)

— Return Rate (%)

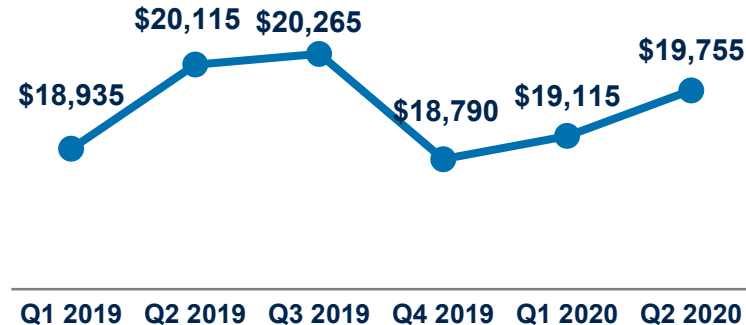


Lease Share of Retail Sales (%)

■ Industry*
● Ford Credit



Off-Lease Auction Values (36-month, at Q2 2020 Mix)

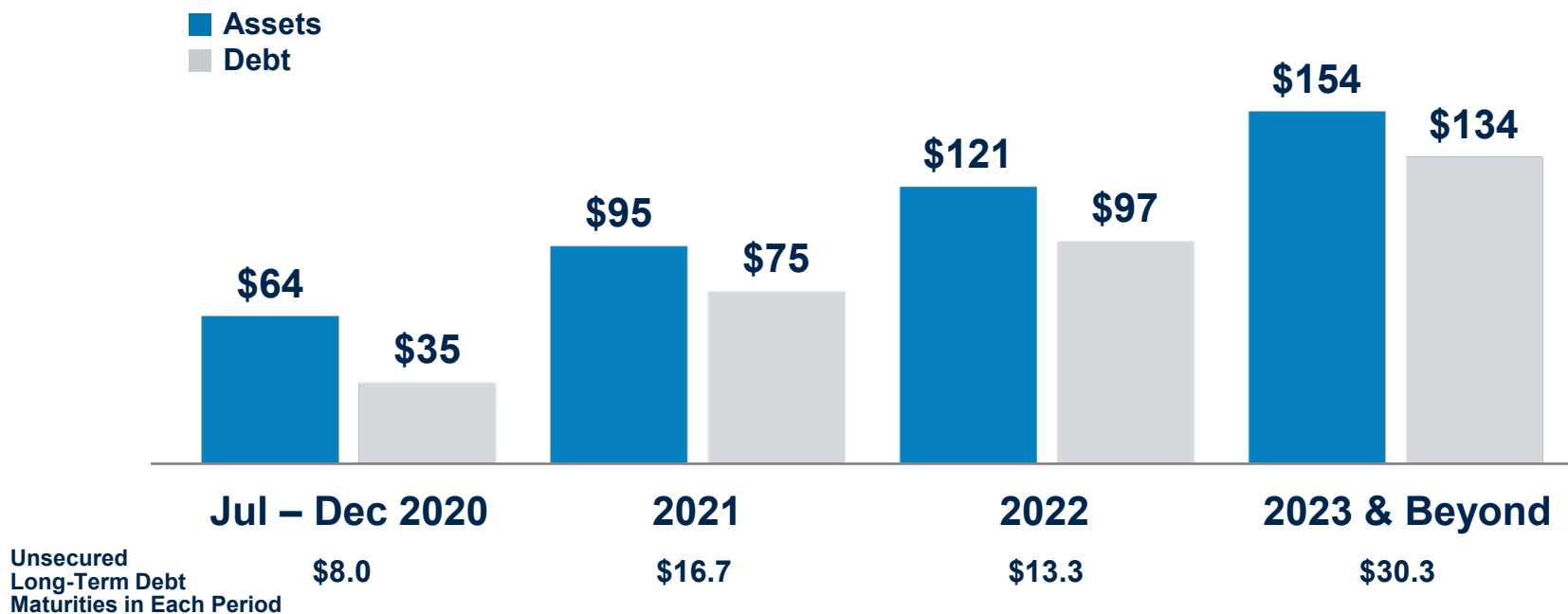


- Lower lease return volumes reflect impact of lease extension programs
- FY auction values forecast to be down about 5%, consistent with third party estimates



* Source: J.D. Power PIN

Cumulative Maturities At June 30, 2020* (\$B)



- Strong balance sheet is inherently liquid with cumulative debt maturities having a longer tenor than asset maturities
- As of June 30, \$76B of \$154B assets are unencumbered



* See Appendix for assets and debt definitions

Funding Structure – Managed Receivables* (\$B)

	2019 Dec 31	2020 Jun 30
Term Debt (incl. Bank Borrowings)	\$ 73	\$ 73
Term Asset-Backed Securities	57	55
Commercial Paper	4	2
Ford Interest Advantage / Deposits	7	6
Other	9	6
Equity	14	14
Adjustments for Cash	(12)	(17)
Total Managed Receivables	\$ 152	\$ 139
Securitized Funding as Pct of Managed Receivables	38%	39%

- Well capitalized with a strong balance sheet
- Funding is diversified across platforms and markets
- Expect higher mix of ABS going forward



* See Appendix for definitions and reconciliation to GAAP

Public Term Funding Plan* (\$B)

	<u>2018 Actual</u>	<u>2019 Actual</u>	<u>2020 Forecast</u>	<u>Through Jul 29</u>
Unsecured	\$ 13	\$ 17	\$ 7 - 10	\$ 5
Securitized ^{**}	14	14	11 - 14	7
Total	<u><u>\$ 27</u></u>	<u><u>\$ 31</u></u>	<u><u>\$ 18 - 24</u></u>	<u><u>\$ 12</u></u>

- Completed \$12B of public issuance year-to-date including \$2B of unsecured in June
- Strong balance sheet and substantial liquidity provide funding flexibility



* See Appendix for definitions
 ** Includes Rule 144A offerings

Cautionary Note On Forward-Looking Statements

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

- Ford and Ford Credit’s financial condition and results of operations have been and may continue to be adversely affected by public health issues, including epidemics or pandemics such as COVID-19;
- Ford’s long-term competitiveness depends on the successful execution of global redesign and fitness actions;
- Ford’s vehicles could be affected by defects that result in delays in new model launches, recall campaigns, or increased warranty costs;
- Ford may not realize the anticipated benefits of existing or pending strategic alliances, joint ventures, acquisitions, divestitures, or new business strategies;
- Operational systems, security systems, and vehicles could be affected by cyber incidents;
- Ford’s production, as well as Ford’s suppliers’ production, could be disrupted by labor issues, natural or man-made disasters, financial distress, production difficulties, or other factors;
- Ford’s ability to maintain a competitive cost structure could be affected by labor or other constraints;
- Ford’s ability to attract and retain talented, diverse, and highly skilled employees is critical to its success and competitiveness;
- Ford’s new and existing products and mobility services are subject to market acceptance;
- Ford’s results are dependent on sales of larger, more profitable vehicles, particularly in the United States;
- With a global footprint, Ford’s results could be adversely affected by economic, geopolitical, protectionist trade policies, or other events, including tariffs and Brexit;
- Industry sales volume in any of our key markets can be volatile and could decline if there is a financial crisis, recession, or significant geopolitical event;
- Ford may face increased price competition or a reduction in demand for its products resulting from industry excess capacity, currency fluctuations, competitive actions, or other factors;
- Fluctuations in commodity prices, foreign currency exchange rates, interest rates, and market value of our investments can have a significant effect on results;
- Ford and Ford Credit’s access to debt, securitization, or derivative markets around the world at competitive rates or in sufficient amounts could be affected by credit rating downgrades, market volatility, market disruption, regulatory requirements, or other factors;
- Ford’s receipt of government incentives could be subject to reduction, termination, or clawback;
- Ford Credit could experience higher-than-expected credit losses, lower-than-anticipated residual values, or higher-than-expected return volumes for leased vehicles;
- Economic and demographic experience for pension and other postretirement benefit plans (e.g., discount rates or investment returns) could be worse than Ford has assumed;
- Pension and other postretirement liabilities could adversely affect Ford’s liquidity and financial condition;
- Ford could experience unusual or significant litigation, governmental investigations, or adverse publicity arising out of alleged defects in products, perceived environmental impacts, or otherwise;
- Ford may need to substantially modify its product plans to comply with safety, emissions, fuel economy, autonomous vehicle, and other regulations that may change in the future;
- 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 consumer expectations for the safeguarding of 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, 2019, as updated by subsequent Quarterly Reports on Form 10-Q and Current Reports on Form 8-K.



FORD CREDIT

APPENDIX

EBT By Segment	A1
Financing Shares And Contract Placement Volume	A2
Total Net Receivables Reconciliation To Managed Receivables	A3
Financial Statement Leverage Reconciliation To Managed Leverage	A4
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EBT By Segment* (\$M)

	Q2		YTD	
	2020	H / (L) 2019	2020	H / (L) 2019
Results				
United States and Canada segment	\$ 445	\$ (144)	\$ 467	\$ (744)
Europe segment	65	(48)	82	(145)
All Other segment	17	(20)	24	(71)
Total segments	\$ 527	\$ (212)	\$ 573	\$ (960)
Unallocated other	16	(76)	-	(99)
Earnings before taxes	\$ 543	\$ (288)	\$ 573	\$ (1,059)
Taxes	(136)	82	(145)	271
Net income	\$ 407	\$ (206)	\$ 428	\$ (788)
Distributions	\$ 275	\$ (375)	\$ 550	\$ (775)



* See Appendix for definitions

Financing Shares And Contract Placement Volume

	Q2		YTD	
	2019	2020	2019	2020
<u>Share of Ford Sales*</u>				
United States	49 %	77 %	49 %	67 %
Canada	65	63	66	63
U.K.	36	44	38	44
Germany	49	34	49	39
China	32	37	34	36
<u>Wholesale Share</u>				
United States	75 %	73 %	76 %	74 %
Canada	57	42	57	45
U.K.	100	100	100	100
Germany	93	93	93	93
China	64	61	62	58
<u>Contract Placement Volume - New and Used (000)</u>				
United States	220	297	420	502
Canada	40	25	70	48
U.K.	34	13	75	43
Germany	45	19	87	48
China	28	28	54	44



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

Total Net Receivables Reconciliation To Managed Receivables (\$B)

	2019 Jun 30	2019 Dec 31	2020 Jun 30
Finance receivables, net (GAAP)	\$ 115.7	\$ 114.3	\$ 103.9
Net investment in operating leases (GAAP)	27.7	27.7	26.4
Total net receivables*	\$ 143.4	\$ 142.0	\$ 130.3
Held-for-sale receivables (GAAP)	\$ -	\$ 1.5	\$ -
Unearned interest supplements and residual support	6.9	6.7	6.5
Allowance for credit losses	0.5	0.5	1.3
Other, primarily accumulated supplemental depreciation	1.1	1.0	1.3
Total managed receivables (Non-GAAP)	\$ 151.9	\$ 151.7	\$ 139.4



* See Appendix for definitions; numbers may not sum due to rounding

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

	2019 Jun 30	2019 Dec 31	2020 Jun 30
<u>Leverage Calculation</u>			
Debt	\$ 141.5	\$ 140.0	\$ 135.3
Adjustments for cash	(14.1)	(11.7)	(17.1)
Adjustments for derivative accounting	(0.6)	(0.5)	(1.8)
Total adjusted debt	<u>\$ 126.8</u>	<u>\$ 127.8</u>	<u>\$ 116.4</u>
Equity	\$ 14.9	\$ 14.3	\$ 13.8
Adjustments for derivative accounting	(0.1)	(0.0)	(0.0)
Total adjusted equity	<u>\$ 14.8</u>	<u>\$ 14.3</u>	<u>\$ 13.8</u>
Financial statement leverage (to 1) (GAAP)	9.5	9.8	9.8
Managed leverage (to 1) (Non-GAAP)	8.6	8.9	8.5



* See Appendix for definitions

Liquidity Sources* (\$B)

	2019 Jun 30	2019 Dec 31	2020 Jun 30
<u>Liquidity Sources</u>			
Cash	\$ 14.1	\$ 11.7	\$ 17.1
Committed asset-backed facilities	35.7	36.6	37.1
Other unsecured credit facilities	2.9	3.0	2.5
Ford corporate credit facility allocation	3.0	3.0	-
Total liquidity sources	\$ 55.7	\$ 54.3	\$ 56.7
<u>Utilization of Liquidity</u>			
Securitization cash	\$ (4.0)	\$ (3.5)	\$ (3.6)
Committed asset-backed facilities	(17.5)	(17.3)	(17.7)
Other unsecured credit facilities	(0.9)	(0.8)	(0.6)
Ford corporate credit facility allocation	-	-	-
Total utilization of liquidity	\$ (22.4)	\$ (21.6)	\$ (21.9)
Gross liquidity	\$ 33.3	\$ 32.7	\$ 34.8
Adjustments	0.3	0.4	(2.4)
Net liquidity available for use	\$ 33.6	\$ 33.1	\$ 32.4

- Liquidity of \$32.4B is \$0.7B lower than 2019 YE, and includes reallocation of \$3B corporate revolver in March



* Numbers may not sum due to rounding; see Appendix for definitions

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Definitions And Calculations

Adjustments (as shown on the Liquidity Sources chart)

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

Assets (as shown on the Cumulative Maturities chart)

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

Cash (as shown on the Funding Structure, Liquidity Sources and Leverage charts)

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

Debt (as shown on the Cumulative Maturities chart)

- Includes all of the wholesale ABS term maturities of \$9.2 billion in the next 12 months that otherwise contractually extend beyond Q1 2021. Retail and lease ABS are treated as amortizing to match the underlying assets

Debt (as shown on the Leverage chart)

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

Committed Asset-Backed Security (“ABS”) Facilities (as shown on the Liquidity Sources chart)

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

Earnings Before Taxes (EBT)

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

Securitization cash (as shown on the Liquidity Sources chart)

- Securitization cash is cash held for the benefit of the securitization investors (for example, a reserve fund)

Securitizations (as shown on the Public Term Funding Plan chart)

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

Term Asset-Backed Securities (as shown on the Funding Structure chart)

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

Total net receivables (as shown on the Total Net Receivables Reconciliation To Managed Receivables chart)

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

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

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

