

Q1 2021 Earnings Review

April 28, 2021



Ford

Note: See slide A15 for related notes

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, 2020, 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.

REPORTING CHANGES

Effective with 2021 reporting, certain costs for the benefit of the global enterprise previously reported in Automotive are now reported in Corporate Other, and costs and benefits related to connectivity previously reported in Mobility are now reported in Automotive. Prior period results have been updated to be consistent with 2021 reporting. For details, see Slides A12 - A14 of the Ford Motor Company Q4 & Full Year 2020 Earnings Presentation.

In addition, consistent with our adoption of ASU 2019-12 as of January 1, 2021, we no longer allocate a portion of our consolidated U.S. current and deferred tax expense to certain U.S. subsidiaries. As a result, Ford Credit’s income tax expense is reduced, and since this ASU was adopted on a retrospective basis, \$875M of tax sharing payments from Ford Credit to Ford Motor Company in 2020 are now reclassified as distributions from Ford Credit and included in Adjusted Free Cash Flow.

The Plan

To Stay in the Game We Must:

- Turn around automotive operations, compete like a challenger
- Treat customers like family
- Create must-have products and services
- Simplify everything
- Modernize everywhere
- Care for each other

To Grow and Win We Will:

- Capitalize on our strengths
- Disrupt ourselves
- Partner for expertise and efficiency
- Lead the electrification revolution in areas of strength

First Quarter Highlights

Turn Around Automotive



- Adjusted EBIT of \$4.8B and a margin of 13.3% (10.8% excluding gain on Rivian), despite significant disruption of semiconductor supply chain; North America EBIT margin of 12.8%, Europe 4.8%
- Overseas operations delivered EBIT of \$0.5B, an improvement of \$1.0B year over year

Must-Have Products And Services



- All-electric Mustang Mach-E on sale in NA and Europe; China accepting preorders for locally-built vehicles
- Continue to build-out connected services, including Ford Telematics, FORDLiive and BlueCruise

Electrification Revolution



- \$1B investment in new electric vehicle manufacturing center in Cologne, Germany
- Ford European passenger vehicles completely all-electric by 2030



First Quarter Financial Results

Adj. FCF

\$(0.4)B

Up \$1.8B

Revenue

\$36.2B

Up \$1.9B

Adj. EBIT

\$4.8B

Up \$5.4B

Adj. EBIT Margin

13.3%

Up 15.1 pts

Adj. EPS

\$0.89

Up \$1.12

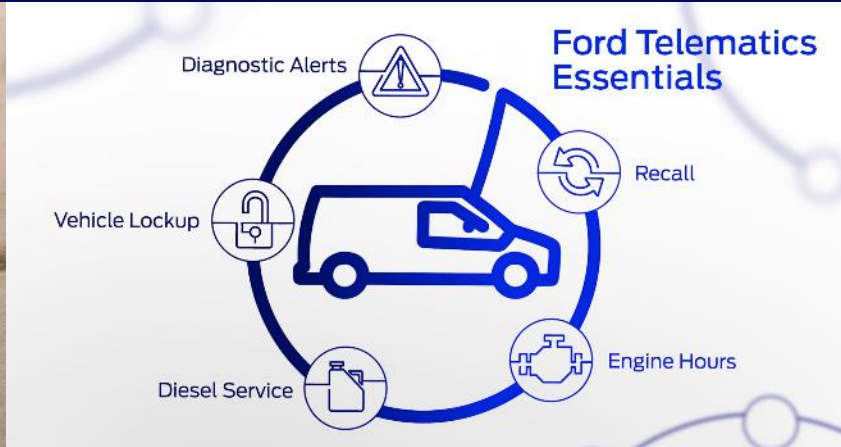


The Plan: Must-Have Products And Services



Bronco

- High reservation-to-order conversion rate with 70% new customers to Ford
- Majority of orders for higher trim series (Outer Banks, Wildtrak, Badlands and First Edition)
- Expanding capacity to meet customer demand



Ford Telematics

- Announced Ford Telematics Essentials; utilizes connected vehicle data to give customers access to vehicle health insights such as diagnostic trouble codes, oil life, engine hours and recalls
- Will allow fleets to track and plan maintenance and repair services with local dealers



Pro Power Onboard

- Available across the F-150 lineup, featuring more exportable power than any light-duty full-size pickup, allowing the vehicle to be used as a mobile generator
- Dealers in Texas loaned F-150 pickups with Pro Power Onboard to deliver power to many of those impacted by the February power outages

The Plan: Must-Have Products And Services



Mustang Mach-E



FORDLive



BlueCruise

- All-electric Mustang Mach-E on sale in North America and Europe
- Charging network continues to grow with 16,000 charging stations in NA and over 174,000 in the EU
- Accepting preorders from China customers through direct sales network; local production to begin later this year
- Announced China charging network with State Grid and NIO; first automaker to offer “plug-and-charge” convenience in China

- Launched FORDLive in Europe, a connected uptime system to help Ford commercial vehicle operators increase their productivity by maximizing vehicle uptime
- The system is available for all Ford connected commercial vehicles

- BlueCruise allows hands-free highway driving on more than 100,000 miles of prequalified sections of divided highways in North America called Hands-Free Blue Zones
- Over-the-Air software updates will enable BlueCruise capability on F-150 and Mustang Mach-E vehicles later this year
- Over 500,000 miles of development testing completed; BlueCruise will give drivers the comfort and confidence of hands-free highway driving

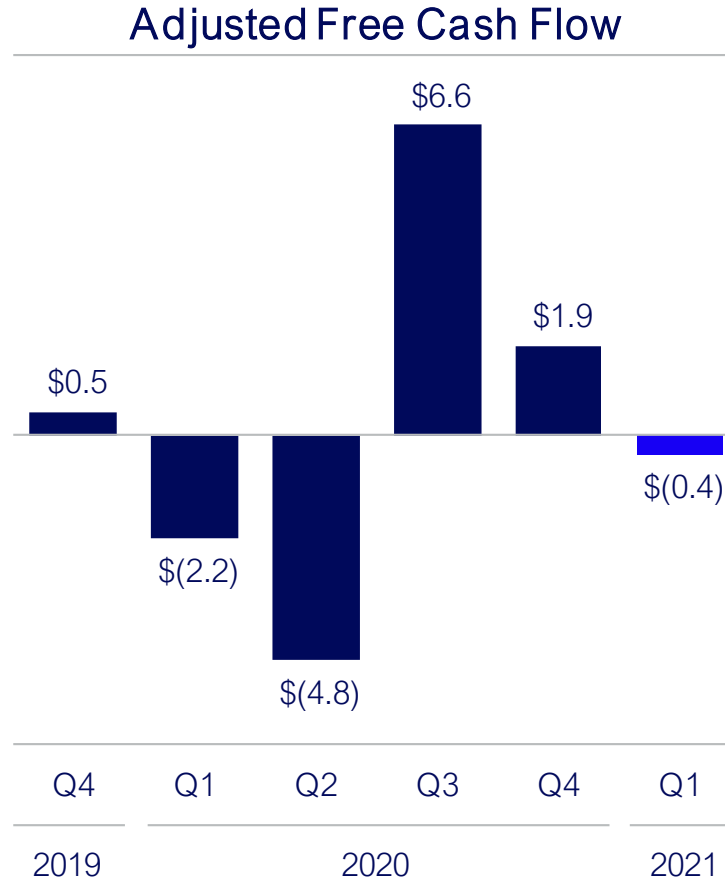
The Plan: Lead Electrification Revolution

- Investing \$1B in a new electric vehicle manufacturing center in Cologne, Germany as part of ~\$22B* electrification investment
- Ford's first European-built, volume all-electric passenger vehicle for European customers will be assembled in Cologne starting in 2023
- By mid-2026, all Ford European passenger vehicles will be plug-in hybrid or all-electric; completely all-electric by 2030
- By 2024, all Ford European commercial vehicles will be zero-emission capable. By 2030, two-thirds of commercial vehicles expected to be all-electric or plug-in hybrid



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

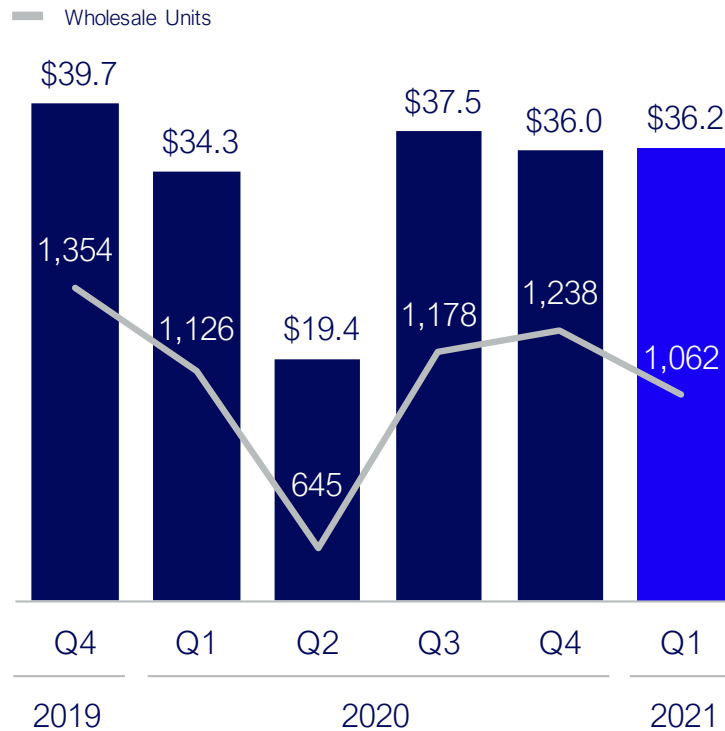
- Q1 Adjusted FCF of \$(0.4)B driven by:
 - Adverse timing differences between accrual-based EBIT and cash flows, primarily for customer allowances
 - Higher inventory as a result of the global semiconductor shortage
- Ended Q1 with a cash balance of \$31.3B and ample liquidity of \$47.2B



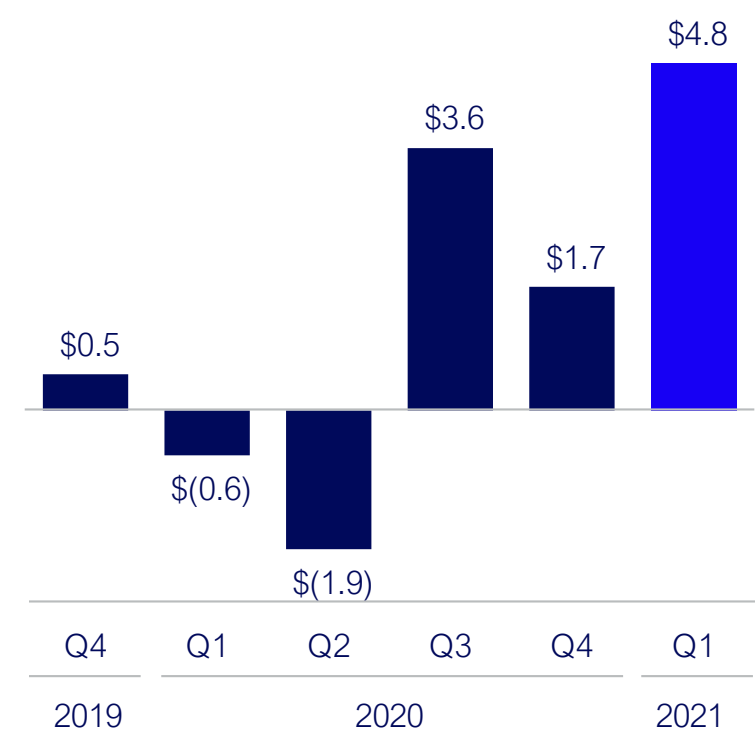
Revenue And EBIT Metrics

- Q1 wholesale units down 6%, driven by the global semiconductor shortage
- Revenue up 6%, driven by higher net pricing, favorable mix and stronger currencies, offset partially by lower volume
- Adjusted EBIT of \$4.8B, up \$5.4B, driven by:
 - Higher net pricing
 - Higher Ford Credit EBT
 - Investment gain of \$0.9B based on Rivian's January Series F funding round
 - Lower structural costs
- Adjusted EBIT Margin of 13.3%, up 15.1 pts; 10.8% excluding Rivian gain

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



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

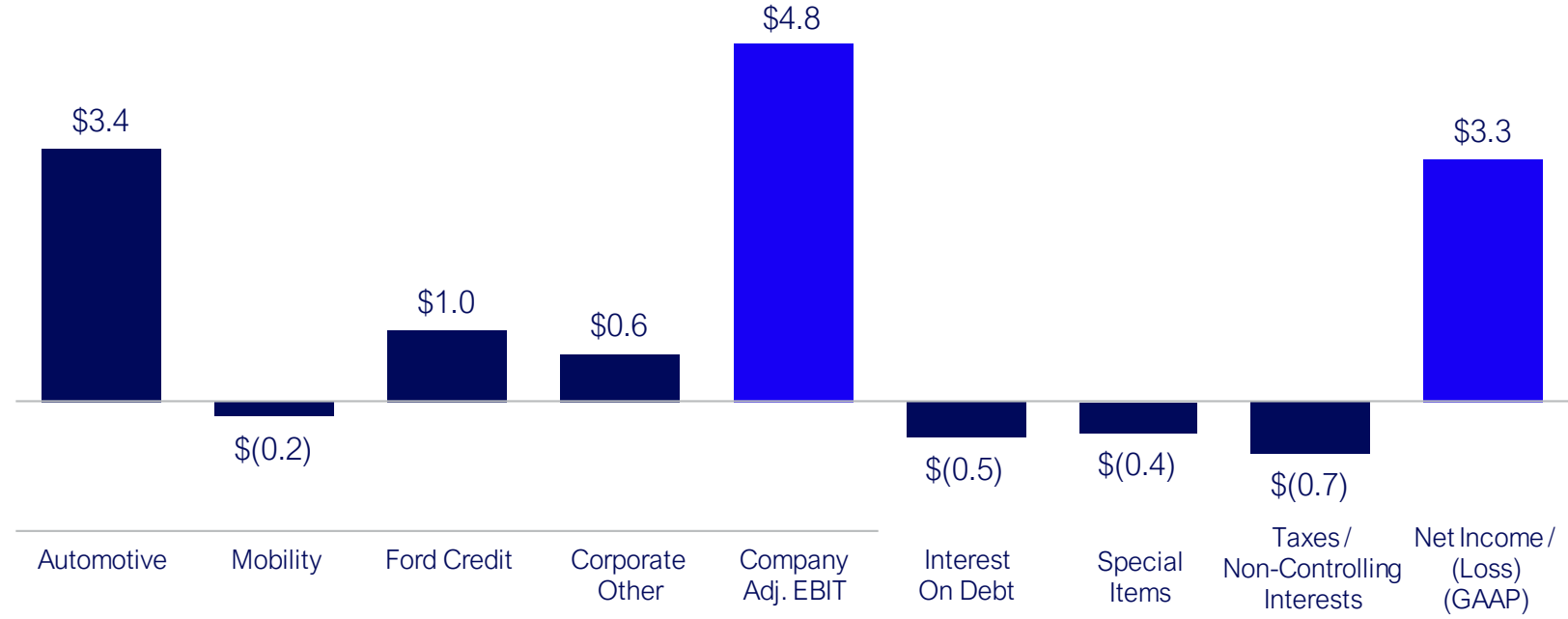


	YoY:	2019	2020	2021	YoY:	2019	2020	2021
Revenue	(5)%	(15)%	(50)%	1%	(9)%	6%	(67)%	(126)%
Wholesale Units	(8)%	(21)%	(53)%	(5)%	(9)%	(6)%	(2.3) ppts	(7.9) ppts
Adj. EBIT Margin						1.2%	(1.8)%	(10.0)%
Adj. EBIT						(67)%	(126)%	N / M
Adj. Margin						(2.3) ppts	(7.9) ppts	(14.3) ppts
						9.7%	4.9 ppts	4.8%
						4.8%	3.6 ppts	13.3%
						N / M	15.1 ppts	N / M

Q1 2021 Results

(\$B)

- Company Adjusted EBIT of \$4.8B, up \$5.4B, driven by improvement in Automotive, Ford Credit and Corporate Other
- Corporate Other includes \$0.9B gain on our investment in Rivian
- Special Items of \$(0.4)B reflects primarily global redesign actions in South America and Europe



B / (W)

	Automotive	Mobility	Ford Credit	Corporate Other	Company Adj. EBIT	Interest On Debt	Special Items	Taxes/Non-Controlling Interests	Net Income/(Loss) (GAAP)
Q1 2020	\$3.6	\$0.1	\$0.9	\$0.9	\$5.4	\$(0.2)	\$(0.1)	\$0.2	\$5.3
Q4 2020	2.1	0.1	0.1	0.8	3.1	0.0	4.6	(1.7)	6.1

Q1 2021 Adjusted EBIT (\$B)

	North America	South America	Europe	China	IMG	Total Auto	Total Company	
Q1 2020	\$ 0.4	\$ (0.1)	\$ (0.1)	\$ (0.2)	\$ (0.0)	\$ (0.2)	\$ (0.6)	
YoY Change:								
Volume / Mix	\$ (0.5)	\$ (0.1)	\$ (0.2)	\$ 0.0	\$ (0.0)	\$ (0.8)	\$ (0.8)	Industry Share / Stock / Mix \$ 1.1 (1.9)
Net Pricing	2.6	0.1	0.2	0.0	0.1	3.0	3.0	
Cost	0.4	0.0	0.3	(0.0)	0.1	0.8	0.8	Material / Freight \$(0.1) Warranty 0.4 Commodities (0.1)
Exchange	0.1	0.0	(0.0)	0.0	0.1	0.2	0.2	Structural 0.4 Pension / OPEB 0.2
JVs / Other	0.1	0.0	0.1	0.2	0.0	0.4	0.4	JVs \$ 0.2 Other 0.2
Total Automotive	\$ 2.6	\$ 0.0	\$ 0.5	\$ 0.2	\$ 0.2	\$ 3.6	\$ 3.6	
Mobility							0.1	
Ford Credit							0.9	
Corporate Other							0.9	
Total Change							\$ 5.4	
Q1 2021	\$ 2.9	\$ (0.1)	\$ 0.3	\$ (0.0)	\$ 0.2	\$ 3.4	\$ 4.8	

North America

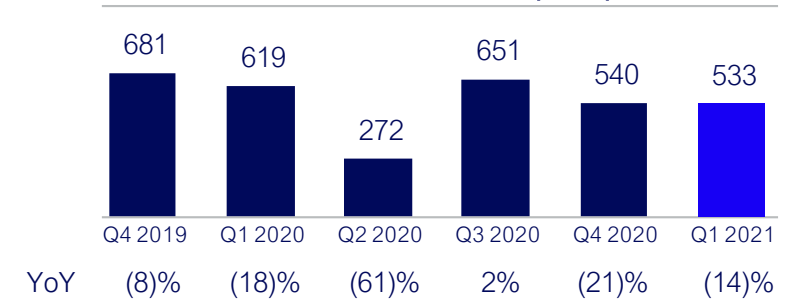
Q1 Headlines

- Wholesales declined 14% YoY, driven by semiconductor supply constraints
- Revenue up 5%, reflecting strong customer demand for new product portfolio and higher industry-wide net pricing on lower dealer inventories from semiconductor shortage
- EBIT of \$2.9B, up \$2.6B; EBIT margin 12.8%
- New product portfolio, including successful launch of F-150, Mach-E and Bronco Sport, aided profitable growth; 70% of Mustang Mach-E customers new to Ford
- Semiconductor shortage accelerating modernization of sales processes, transitioning to lean inventory sales model with higher turn rates and leveraging new customer ordering capabilities
- Improved quality processes gaining traction; warranty expense down \$0.4B

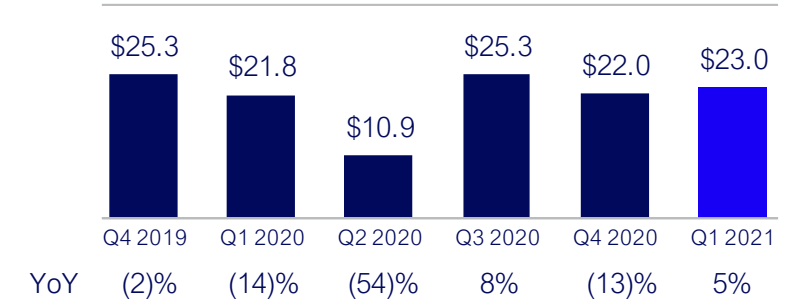
Q1 Key Performance Indicators

- U.S. market share 13.1%, 1.3 pts lower YoY. Quality of share improved, with retail up 1 ppt to 9.9% and fleet share down, driven by lower rental sales
- U.S. retail average transaction price increased by \$2,934 per unit
- YoY cost performance of \$0.4B, driven by lower warranty expense

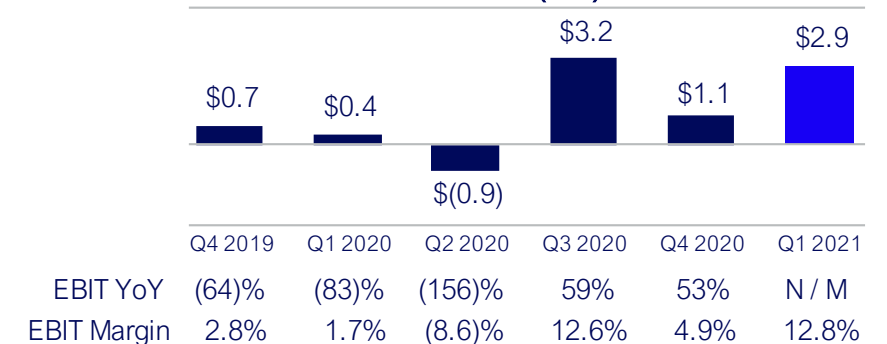
Wholesale Units (000)



Revenue (\$B)



EBIT (\$B)



South America

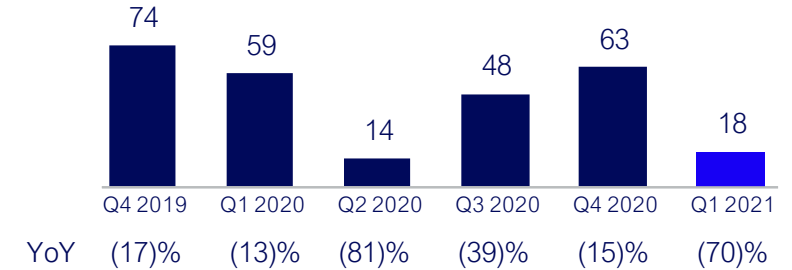
Q1 Headlines

- EBIT of \$(0.1)B, our best quarterly EBIT since Q3 2013; marks the sixth consecutive quarter of YoY EBIT improvement
- Significant restructuring of the business progressing as planned
- Accelerating transition to a lean, de-risked and asset-light business model focused on portfolio strengths with growth of Ranger pickup, Transit van and key imports

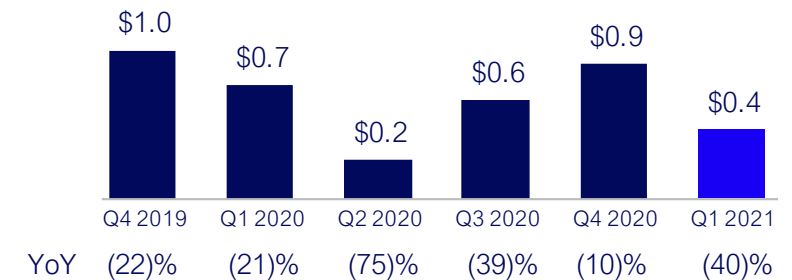
Q1 Key Performance Indicators

- Strong Ranger performance with Q1 segment share of 16.8%, up 2.3 pts
- Structural costs down 33% YoY; achieved \$0.8B annual structural cost reduction since 2018
- Headcount down 5% YoY

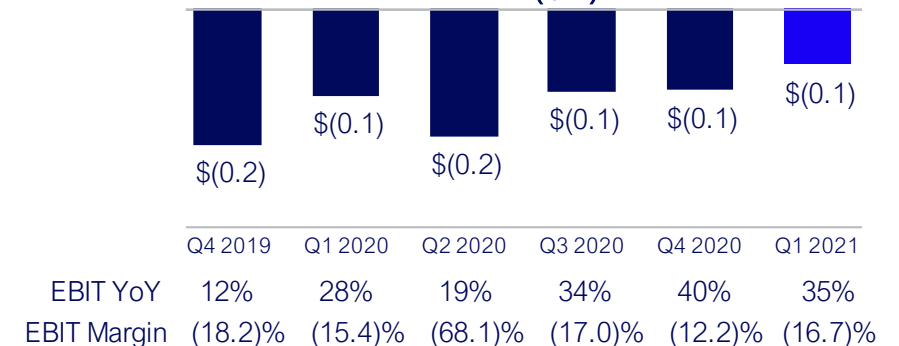
Wholesale Units (000)



Revenue (\$B)



EBIT (\$B)



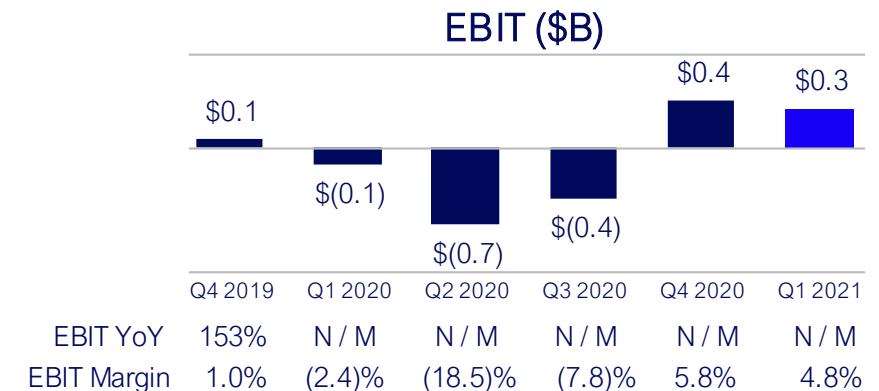
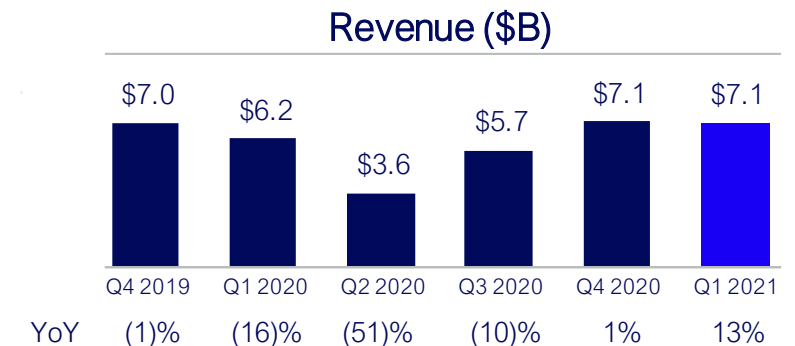
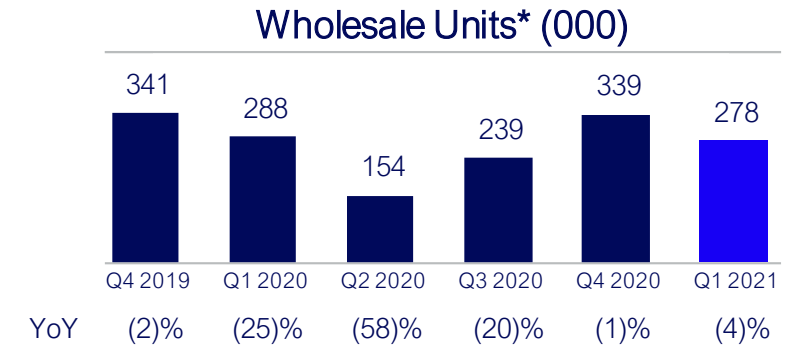
Europe

Q1 Headlines

- EBIT of \$0.3B, up \$0.5B on 4% lower wholesales; EBIT margin of 4.8%
- Commercial vehicle share reached a record high; launched new FORDLive connected uptime system in our segment-leading commercial vehicle business
- Moving to the next phase of Europe transformation with a commitment to an all-electric future
- Announced electrification plan for Cologne; next-generation 1T Transit / VW alliance product to be manufactured by our low-cost Turkey JV
- Further reduced Western European headcount; now 11K lower since the start of the transformation

Q1 Key Performance Indicators

- EU20 commercial vehicle share 15.9%, up 1.0 ppt; utility mix 30.4%, up 11.5 ppts
- Net pricing up \$0.2B
- Structural costs down \$0.2B



* Includes Ford brand vehicles produced and sold by our unconsolidated affiliate in Turkey (about 11K units in Q1 2020 and 17K units in Q1 2021). Revenue does not include these sales

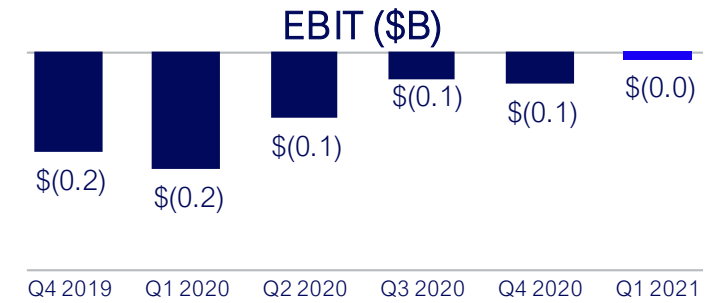
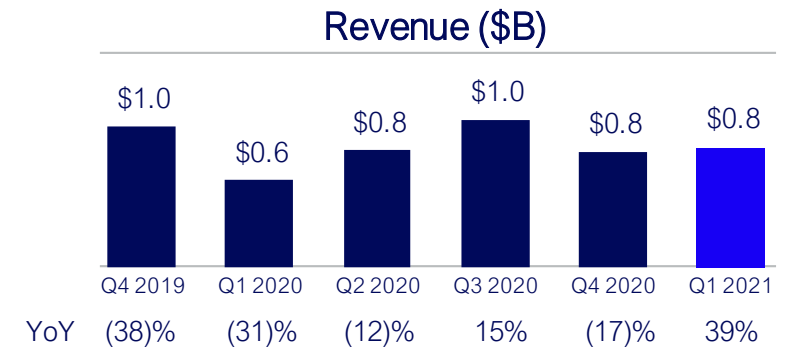
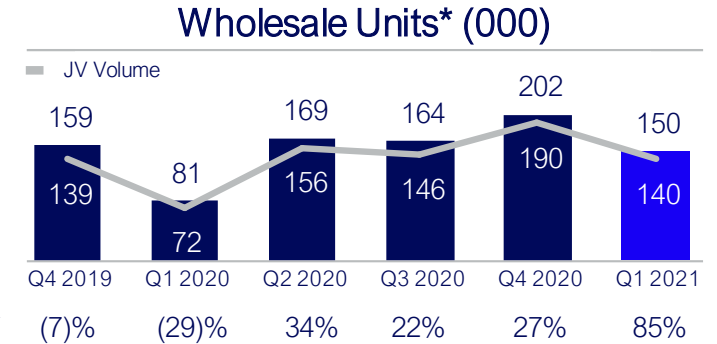
China

Q1 Headlines

- EBIT improved \$0.2B to about breakeven, marking the fourth consecutive quarter of YoY EBIT improvement, driven by strength of Lincoln, Ford near-premium utilities & commercial vehicles
- Lincoln best-ever Q1 retail sales; market share nearly doubled YoY. Completed localization of Lincoln products with launch of the Nautilus, driving a significantly lower cost base
- Commercial vehicles sales achieved best-ever Q1 retail sales; now 48% of Ford's total China sales with strength in light truck, van and bus, and pickup segments
- Further shifted Ford sales mix towards higher margin near-premium utilities

Q1 Key Performance Indicators

- Total China market share 2.3%, up 0.1 ppts; total utility mix 33%, up 9 ppts
- Dealer network return on sales remains positive
- 90% of Lincoln produced locally, up 66 ppts
- A significant improvement in JV net income to \$0.1B with net income margin of 4%



	Q4 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021
EBIT YoY	62%	(91)%	11%	79%	68%	94%
EBIT Margin	(21.2)%	(40.6)%	(16.9)%	(5.7)%	(8.2)%	(1.8)%
Ford Equity Income / (Loss)	\$(0.0)	\$(0.1)	\$0.0	\$0.1	\$0.1	\$0.0

* 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

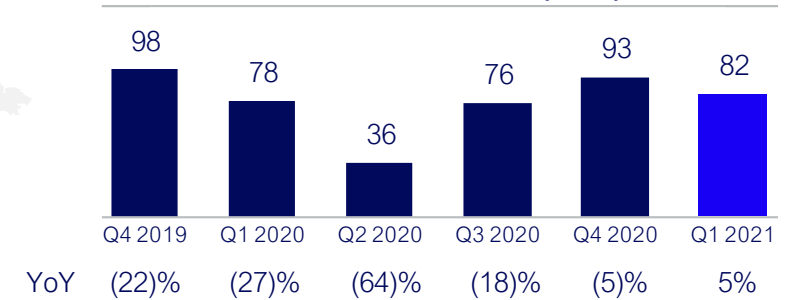
Q1 Headlines

- EBIT of \$0.2B, up \$0.2B; achieved best quarterly EBIT
- All markets are profitable, except India
- Ranger recognized as Car of the Year in Thailand and best-selling pickup in Vietnam and Cambodia
- FordPass launched in South Africa on Ranger; connected functionality enhances customer experience
- Investing \$1B to modernize our South Africa manufacturing, expanding our Ranger capacity to meet customer demand in more than 100 global markets

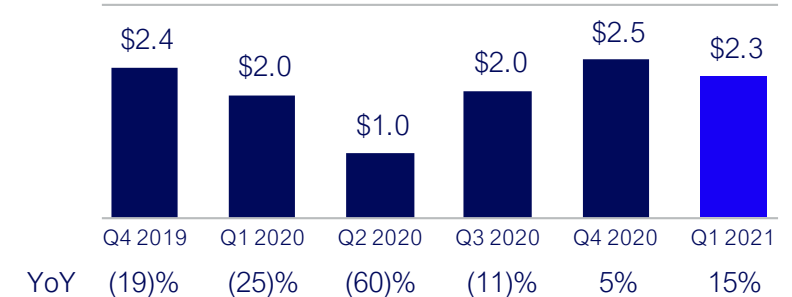
Q1 Key Performance Indicators

- Total share 1.7%, up 0.2 ppts
- Ranger total segment share 14.4%, up 1.4 ppts
- Everest total segment share 14.5%, up 0.6 ppts
- Structural costs down 18%

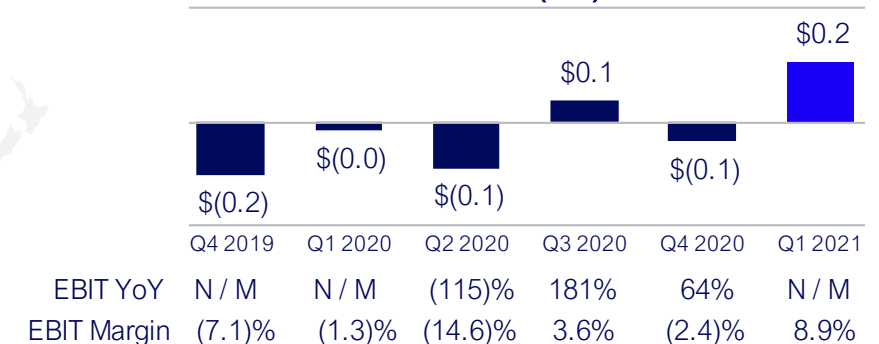
Wholesale Units* (000)



Revenue (\$B)



EBIT (\$B)



* Includes Ford brand vehicles produced and sold by our unconsolidated affiliate in Russia (about 3K units in Q1 2020 and 2021). Revenue does not include these sales

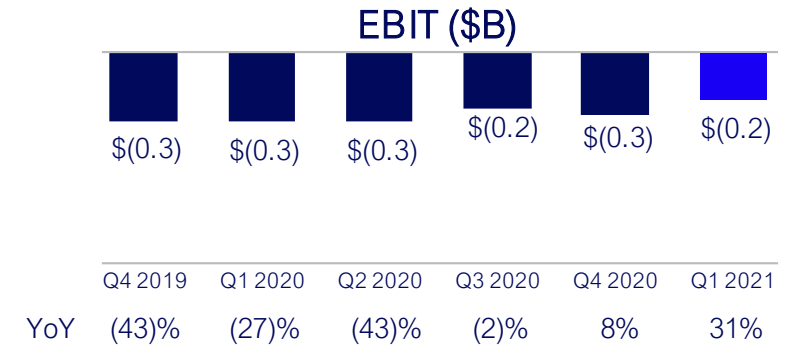
Mobility

Q1 Headlines

- Ford AV LLC celebrated its third anniversary in Miami with the addition of a new 140,000 square foot command center
- In partnership with Ford, Argo AI is now simulating ride-hail and delivery operations across six cities in advance of multiple customer pilot programs launching later this year
- Spin progress continues; unit economics improved by more than 60% compared with a year ago

Q1 EBIT YoY (\$B)

Q1 2020	\$ (0.3)
Autonomous Vehicles	\$ 0.1
Other Mobility	0.0
Total Change	\$ 0.1
Q1 2021	\$ (0.2)



Ford Credit

Q1 Headlines

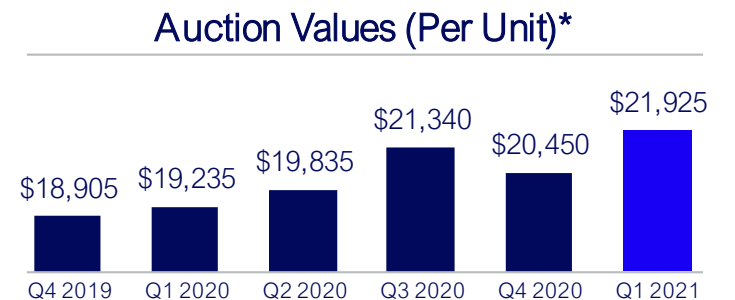
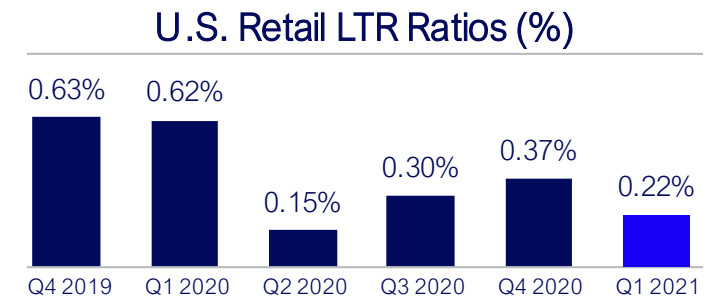
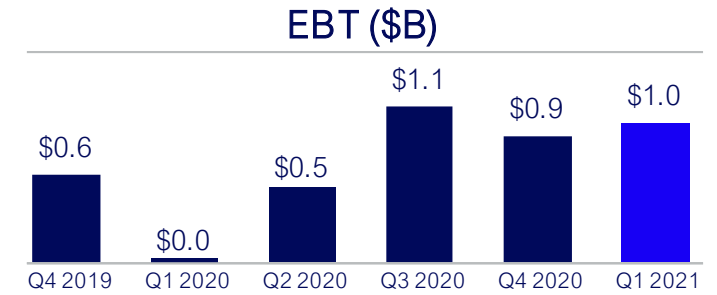
- EBT of \$1.0B, up \$0.9B, reflecting non-recurrence of increase in credit loss reserves due to COVID-19 and strong auction performance
- Portfolio performing well – loss-to-receivables (LTR) remains low, reflecting historically low losses; auction values, at record-high levels, improved significantly from a year ago
- Balance sheet and liquidity remain strong

Q1 EBT YoY (\$B)

Q1 2020	\$	0.0
Volume / Mix	\$	(0.0)
Financing Margin		0.0
Credit Loss		0.6
Lease Residual		0.4
Exchange		0.0
Other		(0.1)
Total Change	\$	0.9
Q1 2021	\$	1.0

Q1 Key Performance Indicators

- ROE 22%, up 22 ppts
- Net liquidity \$33.7B, up \$5.6B
- Managed leverage 7.3
- Distributions \$1.0B, up \$0.7B



* U.S. 36-month off-lease auction values at Q1 2021 mix

Cash Flow And Balance Sheet (\$B)

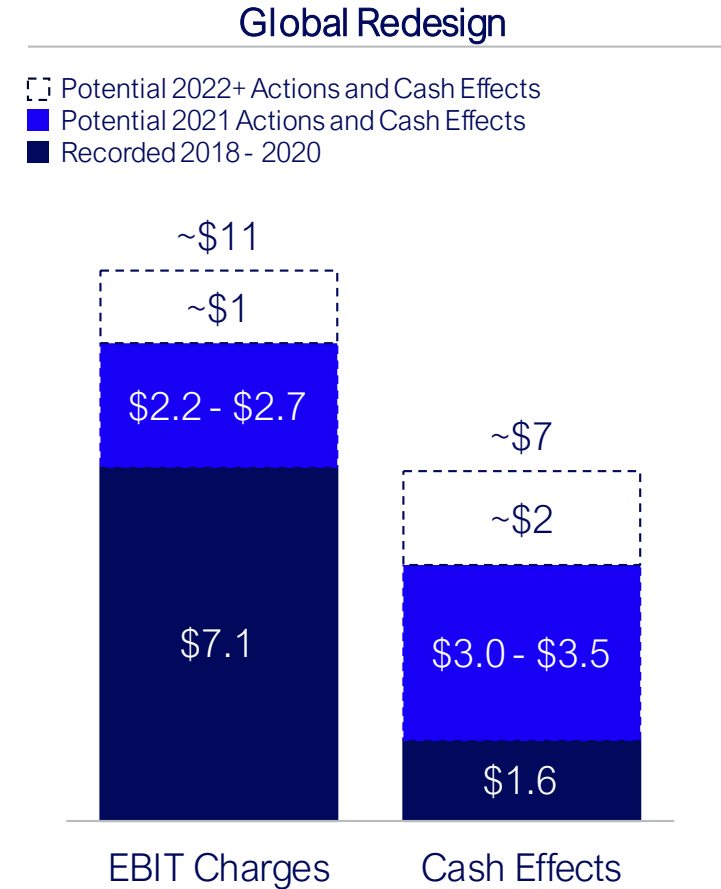
	Q1	
	2020	2021
Company Adj. EBIT excl. Ford Credit	\$ (0.7)	\$ 3.9
Capital Spending	\$ (1.8)	\$ (1.4)
Depreciation and Tooling Amortization	1.4	1.2
Net Spending	\$ (0.4)	\$ (0.1)
Receivables	\$ 0.5	\$ (0.6)
Inventory	(1.1)	(2.2)
Trade Payables	(0.5)	1.6
Changes in Working Capital	\$ (1.2)	\$ (1.2)
Ford Credit Distributions	0.3	1.0
Interest on Debt and Cash Taxes	(0.4)	(0.4)
All Other and Timing Differences*	0.2	(3.5)
Company Adjusted FCF	\$ (2.2)	\$ (0.4)
Global Redesign (incl. Separations)	(0.2)	(0.3)
Changes in Debt	15.1	1.9
Funded Pension Contributions	(0.2)	(0.2)
Shareholder Distributions	(0.6)	(0.0)
All Other (incl. Acquisitions & Divestitures)	0.1	(0.4)
Change in Cash	\$ 12.0	\$ 0.5

	Balance Sheet	
	2020 Dec. 31	2021 Mar. 31
<u>Company Excl. Ford Credit</u>		
Company Cash Balance	\$ 30.8	\$ 31.3
Liquidity	46.9	47.2
Debt	(24.0)	(25.9)
Cash Net of Debt	6.8	5.5
<u>Pension Funded Status</u>		
Funded Plans	\$ 0.3	\$ 0.9
Unfunded Plans	(7.0)	(6.6)
Total Global Pension	\$ (6.7)	\$ (5.7)
Total Funded Status OPEB	\$ (6.6)	\$ (6.5)

Q1 Adjusted FCF Of \$(0.4)B Driven By Adverse Timing Differences And Higher Inventory

Special Items (\$B)

	Q1	
	2020	2021
<u>Global Redesign</u>		
Europe excl. Russia	\$ (0.1)	\$ (0.1)
India	(0.0)	-
South America	(0.0)	(0.3)
Russia	0.0	0.0
China	(0.0)	(0.0)
Separations and Other (Not Included Above)	(0.0)	(0.0)
Subtotal Global Redesign	\$ (0.1)	\$ (0.4)
NA Hourly Buyouts / Other	(0.2)	(0.0)
<u>Pension and OPEB Gain / (Loss)</u>		
Pension and OPEB Remeasurement	\$ 0.0	\$ 0.1
Pension Settlements and Curtailments	(0.0)	(0.0)
Subtotal Pension and OPEB Gain / (Loss)	\$ 0.0	\$ 0.0
Total EBIT Special Items	\$ (0.3)	\$ (0.4)
Cash Effects of Global Redesign (Incl. Separations)	\$ (0.2)	\$ (0.3)



2021 Global Redesign Primarily South America; Total Global Redesign Of ~\$10B EBIT Charges And ~\$5B Cash Effects Through 2021

2021 Outlook (\$B)

	2021 Outlook	2020 Actual
Adjusted EBIT	\$5.5 - \$6.5	\$2.8
Adjusted FCF	\$0.5 - \$1.5	\$0.7
Capital Spending	\$6.0 - \$6.5	\$5.7
Pension Contributions	\$0.6 - \$0.8	\$0.6
Global Redesign EBIT Charges	\$2.2 - \$2.7	\$3.4
Global Redesign Cash Effects	\$3.0 - \$3.5	\$0.5



Perspectives On 2021

Tailwinds / Headwinds

Tailwinds: Non-recurrence of COVID shutdown-related volume losses net of structural cost offsets, strong must-have products, Rivian gain, warranty and material costs, strong new vehicle demand

Headwinds: Global semiconductor shortage; higher commodity costs, up about \$2.5B YoY

Global Semiconductor Shortage

- Ford lost about 200K units or 17% of planned production in Q1; outlook assumes about 50% of planned production lost in Q2 (700K units) and about 10% losses in second half (200K units), with limited opportunity to recover lost production within 2021
- Full year outlook assumes 1.1M units lost with a \$(2.5)B EBIT and \$(3.0)B FCF impact
- Global semiconductor shortage may not be fully resolved until 2022

Segment And Regional EBIT

- All Automotive Business Units improved except IMG; Mobility flat; Ford Credit EBT improved

Calendarization Of EBIT And Cash Flow

Adj. EBIT: Q1 expected to be the best quarter. Due to the Renesas fire, Q2 expected to be a loss with Q2 losses recovered in second half

Adj. FCF: Significantly negative free cash flow expected in Q2 with recovery in second half

Cautionary Note On Forward-Looking Statements

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

- Ford and Ford Credit’s financial condition and results of operations have been and may continue to be adversely affected by public health issues, including epidemics or pandemics such as COVID-19;
- Ford is highly dependent on its suppliers to deliver components in accordance with Ford’s production schedule, and a shortage of key components, such as semiconductors, can disrupt Ford’s production of vehicles;
- Ford’s long-term competitiveness depends on the successful execution of its Plan;
- 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 and other disruptions;
- Ford’s production, as well as Ford’s suppliers’ production, could be disrupted by labor issues, natural or man-made disasters, financial distress, production difficulties, 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 and face significant competition from existing and new entrants in the automotive and mobility industries;
- 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;
- Industry sales volume in any of Ford’s key markets can be volatile and could decline if there is a financial crisis, recession, or significant geopolitical event;
- Ford may face increased price competition or a reduction in demand for its products resulting from industry excess capacity, currency fluctuations, competitive actions, or other factors;
- Fluctuations in commodity prices, foreign currency exchange rates, interest rates, and market value of Ford or Ford Credit’s 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;
- Ford and Ford Credit could be affected by the continued development of more stringent privacy, data use, and data protection laws and regulations as well as consumers’ heightened expectations to safeguard their personal information; and
- Ford Credit could be subject to new or increased credit regulations, consumer protection regulations, or other regulations.

We cannot be certain that any expectation, forecast, or assumption made in preparing forward-looking statements will prove accurate, or that any projection will be realized. It is to be expected that there may be differences between projected and actual results. Our forward-looking statements speak only as of the date of their initial issuance, and we do not undertake any obligation to update or revise publicly any forward-looking statement, whether as a result of new information, future events, or otherwise. For additional discussion, see “Item 1A. Risk Factors” in our Annual Report on Form 10-K for the year ended December 31, 2020, as updated by subsequent Quarterly Reports on Form 10-Q and Current Reports on Form 8-K.

Appendix



Lincoln Zephyr Preview Vehicle

Note: See slide A15 for related notes



Key Metrics

Wholesale Units (000)					
Q4 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021

Market Share (%)					
Q4 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021

North America	681	619	272	651	540	533	12.8 %	13.6 %	14.2 %	13.6 %	12.1 %	12.5 %
South America	74	59	14	48	63	18	6.9	6.9	6.5	5.7	6.0	3.6
Europe	341	288	154	239	339	278	7.4	6.9	7.1	7.8	7.1	7.2
China	159	81	169	164	202	150	2.0	2.2	2.5	2.4	2.4	2.3
International Markets Group	98	78	36	76	93	82	1.9	1.5	1.6	1.7	2.0	1.7
Total Automotive	1,354	1,126	645	1,178	1,238	1,062	5.7 %	6.0 %	5.8 %	6.0 %	5.4 %	5.3 %

Revenue (\$B)					
Q4 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021

Revenue Change (%)					
Q4 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021

North America	\$ 25.3	\$ 21.8	\$ 10.9	\$ 25.3	\$ 22.0	\$ 23.0	(2) %	(14) %	(54) %	8 %	(13) %	5 %
South America	1.0	0.7	0.2	0.6	0.9	0.4	(22)	(21)	(75)	(39)	(10)	(40)
Europe	7.0	6.2	3.6	5.7	7.1	7.1	(1)	(16)	(51)	(10)	1	13
China	1.0	0.6	0.8	1.0	0.8	0.8	(38)	(31)	(12)	15	(17)	39
International Markets Group	2.4	2.0	1.0	2.0	2.5	2.3	(19)	(25)	(60)	(11)	5	15
Total Automotive	\$ 36.7	\$ 31.3	\$ 16.6	\$ 34.7	\$ 33.2	\$ 33.6	(5) %	(16) %	(54) %	2 %	(9) %	7 %



Key Metrics

EBIT (\$B)

Q4 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021
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EBIT Change (%)

Q4 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021
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North America	\$ 0.7	\$ 0.4	\$ (0.9)	\$ 3.2	\$ 1.1	\$ 2.9	(64) %	(83) %	(156) %	59 %	53 %	N / M %
South America	(0.2)	(0.1)	(0.2)	(0.1)	(0.1)	(0.1)	12	28	19	34	40	35
Europe	0.1	(0.1)	(0.7)	(0.4)	0.4	0.3	153	N / M	N / M	N / M	N / M	N / M
China	(0.2)	(0.2)	(0.1)	(0.1)	(0.1)	(0.0)	62	(91)	11	79	68	94
International Markets Group	(0.2)	(0.0)	(0.1)	0.1	(0.1)	0.2	N / M	N / M	(115)	181	64	N / M
Total Automotive	\$ 0.2	\$ (0.2)	\$ (2.1)	\$ 2.7	\$ 1.3	\$ 3.4	(80) %	(108) %	N / M %	98 %	N / M %	N / M %

EBIT Margin (%)

Q4 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021
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EBIT Margin Change (ppts)

Q4 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021
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North America	2.8 %	1.7 %	(8.6) %	12.6 %	4.9 %	12.8 %	(4.8) ppts	(7.0) ppts	(15.7) ppts	4.0 ppts	2.1 ppts	11.1 ppts
South America	(18.2)	(15.4)	(68.1)	(17.0)	(12.2)	(16.7)	(1.8)	1.4	(47.3)	(1.3)	6.0	(1.3)
Europe	1.0	(2.4)	(18.5)	(7.8)	5.8	4.8	2.9	(3.5)	(20.0)	(5.5)	4.8	7.2
China	(21.2)	(40.6)	(16.9)	(5.7)	(8.2)	(1.8)	13.1	(26.0)	(0.2)	26.1	13.0	38.8
International Markets Group	(7.1)	(1.3)	(14.6)	3.6	(2.4)	8.9	(8.4)	(1.6)	(11.9)	7.5	4.7	10.2
Total Automotive	0.6 %	(0.5) %	(12.4) %	7.7 %	3.8 %	10.1 %	(2.3) ppts	(5.9) ppts	(16.3) ppts	3.7 ppts	3.2 ppts	10.6 ppts

Key Metrics

	Wholesale Units (000)			Market Share (%)		
	Q1 2020	Q1 2021	2021 B / (W) 2020	Q1 2020	Q1 2021	2021 B / (W) 2020
North America	619	533	(85)	13.6 %	12.5 %	(1.1) ppts
South America	59	18	(42)	6.9	3.6	(3.3)
Europe	288	278	(10)	6.9	7.2	0.3
China	81	150	69	2.2	2.3	0.1
International Markets Group	78	82	4	1.5	1.7	0.2
Total Automotive	1,126	1,062	(64)	6.0 %	5.3 %	(0.6) ppts

	Revenue (\$B)			EBIT Margin (%)		
	Q1 2020	Q1 2021	2021 B / (W) 2020	Q1 2020	Q1 2021	2021 B / (W) 2020
North America	\$ 21.8	\$ 23.0	\$ 1.2	1.7 %	12.8 %	11.1 ppts
South America	0.7	0.4	(0.3)	(15.4)	(16.7)	(1.3)
Europe	6.2	7.1	0.8	(2.4)	4.8	7.2
China	0.6	0.8	0.2	(40.6)	(1.8)	38.8
International Markets Group	2.0	2.3	0.3	(1.3)	8.9	10.2
Total Automotive	\$ 31.3	\$ 33.6	\$ 2.2	(0.5) %	10.1 %	10.6 ppts

Q1 Results (\$M)

	Q1		
	2020	2021	2021 B / (W) 2020
North America	\$ 373	\$ 2,949	\$ 2,577
South America	(112)	(73)	39
Europe	(149)	341	489
China	(241)	(15)	226
International Markets Group	(25)	201	226
Automotive	\$ (154)	\$ 3,403	\$ 3,557
Mobility	(285)	(197)	88
Ford Credit	30	962	932
Corporate Other	(223)	648	871
Adjusted EBIT	\$ (632)	\$ 4,816	\$ 5,448
Interest on Debt	(227)	(473)	(246)
Special Items (excl. tax)	(287)	(401)	(114)
Taxes	(847)	(680)	167
Less: Non-Controlling Interests	-	-	-
Net Income / (Loss) Attributable to Ford	\$ (1,993)	\$ 3,262	\$ 5,255
Company Adjusted Free Cash Flow (\$B)	\$ (2.2)	\$ (0.4)	\$ 1.8
Revenue (\$B)	34.3	36.2	1.9
Company Adjusted EBIT Margin (%)	(1.8) %	13.3 %	15.1 pts
Net Income / (Loss) Margin (%)	(5.8)	9.0	14.8
Adjusted ROIC (Trailing Four Quarters) (%)	2.5	8.2	5.7
Adjusted EPS	\$ (0.23)	\$ 0.89	\$ 1.12
EPS (GAAP)	(0.50)	0.81	1.31

Quarterly Results (\$M)

	2019	2020					2021
	Full Year	Q1	Q2	Q3	Q4	Full Year	Q1
North America	\$ 6,639	\$ 373	\$ (947)	\$ 3,202	\$ 1,082	\$ 3,710	\$ 2,949
South America	(696)	(112)	(165)	(107)	(105)	(489)	(73)
Europe (excl. Russia)	124	(149)	(667)	(444)	409	(851)	341
China	(762)	(241)	(136)	(57)	(65)	(499)	(15)
International Markets Group	(323)	(25)	(149)	73	(62)	(163)	201
Automotive	\$ 4,982	\$ (154)	\$ (2,063)	\$ 2,665	\$ 1,259	\$ 1,708	\$ 3,403
Mobility	(929)	(285)	(286)	(230)	(259)	(1,060)	(197)
Ford Credit	2,998	30	543	1,123	912	2,608	962
Corporate Other	(672)	(223)	(139)	86	(199)	(476)	648
Adjusted EBIT	\$ 6,379	\$ (632)	\$ (1,946)	\$ 3,644	\$ 1,713	\$ 2,779	\$ 4,816
Interest on Debt	(1,020)	(227)	(450)	(498)	(474)	(1,649)	(473)
Special Items (excl. tax)	(5,999)	(287)	3,480	(390)	(5,049)	(2,246)	(401)
Taxes	724	(847)	34	(366)	1,019	(160)	(680)
Less: Non-Controlling Interests	37	-	1	5	(3)	3	-
Net Income / (Loss) Attributable to Ford	\$ 47	\$ (1,993)	\$ 1,117	\$ 2,385	\$ (2,788)	\$ (1,279)	\$ 3,262
Company Adjusted Free Cash Flow (\$B)	\$ 2.8	\$ (2.2)	\$ (4.8)	\$ 6.6	\$ 1.9	\$ 1.5	\$ (0.4)
Revenue (\$B)	155.9	34.3	19.4	37.5	36.0	127.1	36.2
Company Adjusted EBIT Margin (%)	4.1 %	(1.8) %	(10.0) %	9.7 %	4.8 %	2.2 %	13.3 %
Net Income / (Loss) Margin (%)	0.0	(5.8)	5.8	6.4	(7.8)	(1.0)	9.0
Adjusted ROIC (Trailing Four Quarters) (%)	7.8	2.5	(3.1)	(0.4)	1.0	1.0	8.2
Adjusted EPS	\$ 1.19	\$ (0.23)	\$ (0.35)	\$ 0.65	\$ 0.34	\$ 0.41	\$ 0.89
EPS (GAAP)	0.01	(0.50)	0.28	0.60	(0.70)	(0.32)	0.81

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

	Q1	
	2020	2021
Net income / (loss) attributable to Ford (GAAP)	\$ (1,993)	\$ 3,262
Income / (Loss) attributable to non-controlling interests	-	-
Net income / (loss)	\$ (1,993)	\$ 3,262
Less: (Provision for) / Benefit from income taxes	(847)	(680)
Income / (Loss) before income taxes	\$ (1,146)	\$ 3,942
Less: Special items pre-tax	(287)	(401)
Income / (Loss) before special items pre-tax	\$ (859)	\$ 4,343
Less: Interest on debt	(227)	(473)
Adjusted EBIT (Non-GAAP)	<u>\$ (632)</u>	<u>\$ 4,816</u>
Memo:		
Revenue (\$B)	\$ 34.3	\$ 36.2
Net income / (loss) margin (GAAP) (%)	(5.8) %	9.0 %
Adjusted EBIT margin (%)	(1.8) %	13.3 %

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

	Q4 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021
<u>Net cash provided by / (used in) operating activities (GAAP)</u>	\$ 2,900	\$ (473)	\$ 9,115	\$ 11,088	\$ 4,539	\$ 4,492
<u>Less: Items Not Included in Company Adjusted Free Cash Flows</u>						
Ford Credit operating cash flows	623	201	13,964	4,417	3,010	4,998
Funded pension contributions	(119)	(175)	(107)	(147)	(141)	(229)
Global Redesign (including separations)	(219)	(172)	(99)	(105)	(127)	(345)
Ford Credit tax payments / (refunds) under tax sharing agreement	293	407	18	44	8	4
Other, net	68	(15)	(178)	(431)	(214)	77
<u>Add: Items Included in Company Adjusted Free Cash Flows</u>						
Automotive and Mobility capital spending	(2,262)	(1,770)	(1,165)	(1,247)	(1,520)	(1,358)
Ford Credit distributions	475	343	826	831	1,290	1,000
Settlement of derivatives	31	(28)	64	(336)	129	(25)
Company adjusted free cash flow (Non-GAAP)	\$ 498	\$ (2,174)	\$ (4,758)	\$ 6,558	\$ 1,902	\$ (396)

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

	Q1	
	2020	2021
<u>Diluted After-Tax Results</u> (\$M)		
Diluted after-tax results (GAAP)	\$ (1,993)	\$ 3,262
Less: Impact of pre-tax and tax special items	(1,074)	(302)
Adjusted net income – diluted (Non-GAAP)	<u>\$ (919)</u>	<u>\$ 3,564</u>
<u>Basic and Diluted Shares</u> (M)		
Basic shares (average shares outstanding)	3,963	3,980
Net dilutive options, unvested restricted stock units and restricted stock*	-	36
Diluted shares	<u>3,963</u>	<u>4,016</u>
Earnings / (Loss) per share – diluted (GAAP)	\$ (0.50)	\$ 0.81
Less: Net impact of adjustments	(0.27)	(0.08)
Adjusted earnings per share – diluted (Non-GAAP)	<u>\$ (0.23)</u>	<u>\$ 0.89</u>

* In Q1 2020, there were 30 million shares excluded from the calculation of diluted earnings / (loss) per share, due to their anti-dilutive effect

Effective Tax Rate Reconciliation To Adjusted Effective Tax Rate

	2021 Q1	Memo: Full Year 2020
<u>Pre-Tax Results (\$M)</u>		
Income / (Loss) before income taxes (GAAP)	\$ 3,942	\$ (1,116)
Less: Impact of special items	(401)	(2,246)
Adjusted earnings before taxes (Non-GAAP)	<u>\$ 4,343</u>	<u>\$ 1,130</u>
<u>Taxes (\$M)</u>		
(Provision for) / Benefit from income taxes (GAAP)	\$ (680)	\$ (160)
Less: Impact of special items	99	(670) *
Adjusted (provision for) / benefit from income taxes (Non-GAAP)	<u>\$ (779)</u>	<u>\$ 510</u>
<u>Tax Rate (%)</u>		
Effective tax rate (GAAP)	17.3 %	(14.3) %
Adjusted effective tax rate (Non-GAAP)	17.9 %	(45.1) %

* Full Year includes \$(1.3)B expense related to the establishment of valuation allowances against primarily U.S. tax credits

Adjusted ROIC (\$B)

	Four Quarters Ending Q1 2020	Four Quarters Ending Q1 2021
<u>Adjusted Net Operating Profit After Cash Tax</u>		
Net income / (loss) attributable to Ford	\$ (3.1)	\$ 4.0
Add: Non-controlling interest	-	0.0
Less: Income tax	0.3	0.0
Add: Cash tax	(0.6)	(0.4)
Less: Interest on debt	(1.0)	(1.9)
Less: Total pension / OPEB income / (cost)	(2.5)	(0.9)
Add: Pension / OPEB service costs	(1.0)	(1.1)
Net operating profit after cash tax	\$ (1.6)	\$ 5.2
Less: Special items (excl. pension / OPEB) pre-tax	(3.2)	(0.7)
Adj. net operating profit after cash tax	<u>\$ 1.6</u>	<u>\$ 6.0</u>
<u>Invested Capital</u>		
Equity	\$ 29.7	\$ 34.0
Redeemable non-controlling interest	-	-
Debt (excl. Ford Credit)	30.5	25.9
Net pension and OPEB liability	12.2	12.2
Invested capital (end of period)	\$ 72.4	\$ 72.1
Average invested capital	<u>\$ 63.7</u>	<u>\$ 72.9</u>
ROIC*	(2.5) %	7.2 %
Adjusted ROIC (Non-GAAP)**	2.5 %	8.2 %

* 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 / (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 allows users to evaluate our operating results aligned with industry reporting. Our management ordinarily excludes special items from its review of the results of the operating segments for purposes of measuring segment profitability and allocating resources. Pre-tax special items consist of (i) pension and OPEB remeasurement gains and losses, (ii) 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 / (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 the underlying run rate of our business. When we provide guidance for adjusted earnings / (loss) per share, we do not provide guidance on an earnings / (loss) per share basis because the GAAP measure will include potentially significant special items that have not yet occurred and are difficult to predict with reasonable certainty prior to year-end, including pension and OPEB remeasurement gains and losses.
- Adjusted Effective Tax Rate (Most Comparable GAAP Measure: Effective Tax Rate) – Measure of Company's tax rate excluding pre-tax special items (described above) and tax special items. The measure provides an ongoing effective rate which investors find useful for historical comparisons and for forecasting. When we provide guidance for adjusted effective tax rate, we do not provide guidance on an effective tax rate basis because the GAAP measure will include potentially significant special items that have not yet occurred and are difficult to predict with reasonable certainty prior to year-end, including pension and OPEB remeasurement gains and losses.

Non-GAAP Financial Measures That Supplement GAAP Measures

- Company Adjusted Free Cash Flow (FCF) (Most Comparable GAAP Measure: Net Cash Provided By / (Used In) Operating Activities) – Measure of Company’s operating cash flow excluding Ford Credit’s operating cash flows. The measure contains elements management considers operating activities, including 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

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, 2020, 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 2020

Records

- References to Company, Automotive segment and business unit records are since at least 2009

Product Notes

Cover Slide

- Left: 2020 Mustang Shelby GT350
- Right: 2021 Mach-E Mustang GT Performance Edition. Pre-production model shown. Available late Summer 2021

2021 Bronco (shown on Slide 6)

- Pre-production computer-generated image shown with optional equipment and aftermarket accessories. Always consult the owner's manual before off-road driving, know your terrain and trail difficulties and use appropriate safety gear. Available beginning Summer 2021

Ford Telematics Essentials (shown on Slide 6)

- Available on Ford vehicles with embedded modem. Requires modem activation and agreement to digital terms and conditions. Complimentary access will exist for the life of the vehicle or the life of the product. Connected service and features, and access to vehicle data depend on subscription and compatible AT&T network availability. Evolving technology / cellular networks / vehicle capability may limit functionality and prevent operation of connected features

2022 E-Transit (shown on Slide 7)

- Pre-production vehicle shown. Available late 2021

BlueCruise (shown on Slide 7)

- Software updates will enable BlueCruise capability on F-150 and Mustang Mach-E vehicles equipped with available Ford Co-Pilot360™ Technology
- Driver-assist features are supplemental and do not replace the driver's attention, judgment and need to control the vehicle. BlueCruise is a hands-free highway driving feature. Only remove hands from the steering wheel when in a Hands-Free Blue Zone. Always watch the road and be prepared to resume control of the vehicle. It does not replace safe driving. See Owner's Manual for detail and limitations. The BlueCruise Prep Kit contains the hardware required for this feature. Software for the feature will be available for purchase at a later date. BlueCruise functionality expected third quarter of 2021. Separate payment for feature software required to activate full functionality at that time

Lincoln Zephyr Reflection Preview Vehicle (shown on Slide 25)

- Concept of production vehicle to debut towards the end of 2021

Q1 2021 Earnings Review

April 28, 2021



FORD CREDIT

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, 2020, 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.

Effective January 1, 2021, we adopted Accounting Standards Update (“ASU”) 2019-12, which allows for the simplification of accounting for income taxes. As a result, return on equity, net income, distributions, leverage, and equity have been updated in the prior comparator periods to reflect the update.

Key Takeaways

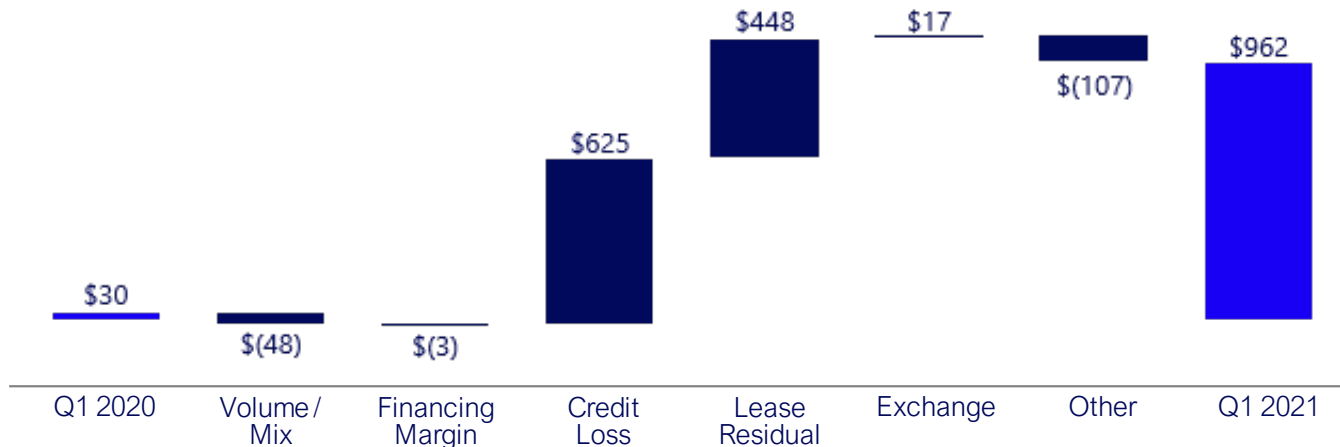
- Strong Q1 EBT of \$962M
- Balance sheet remains strong with liquidity at \$34B; continue to access diverse funding sources
- Portfolio performing well – charge-offs and loss-to-receivables (“LTR”) ratio remain significantly below year-ago levels, reflecting historically low losses. Credit loss reserve reduced reflecting expectation of lower lifetime COVID-related losses
- Off-lease auction values remain at record-high levels; lease share below industry average through Q1
- Effective January 1, 2021, we adopted ASU 2019-12, which reduces our U.S. tax allocation, increasing net income, ROE, and reducing leverage in Q1 and will support additional distributions to Ford; plan to manage leverage in line with target range

Key Metrics

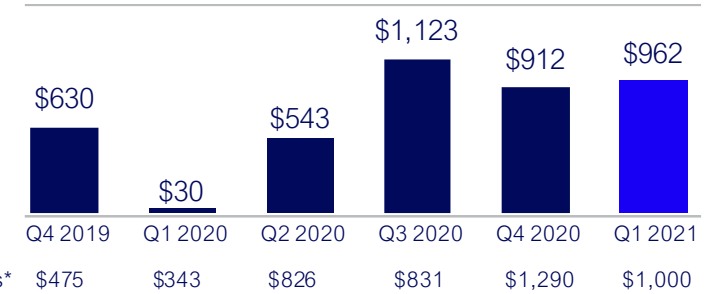
Q1 Headlines

- EBT of \$962M, up \$932M, reflecting non-recurrence of increase in credit loss reserves due to COVID-19 and strong auction performance
- Portfolio performing well – loss-to-receivables (“LTR”) remains low, reflecting historically low losses; auction values, at record-high levels, improved significantly from a year ago
- Balance sheet and liquidity remain strong

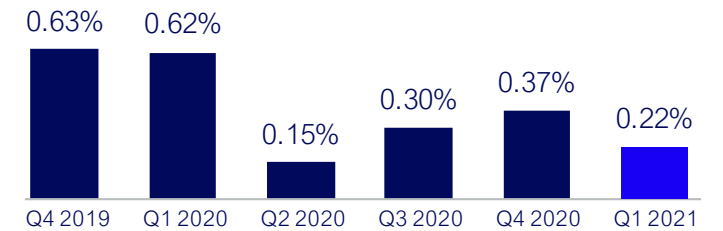
Q1 EBT YoY (\$M)



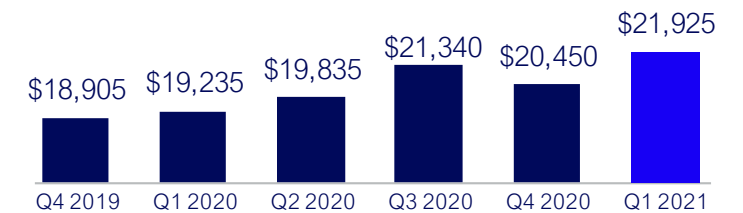
EBT (\$M)



U.S. Retail LTR Ratios (%)



Auction Values (Per Unit)**

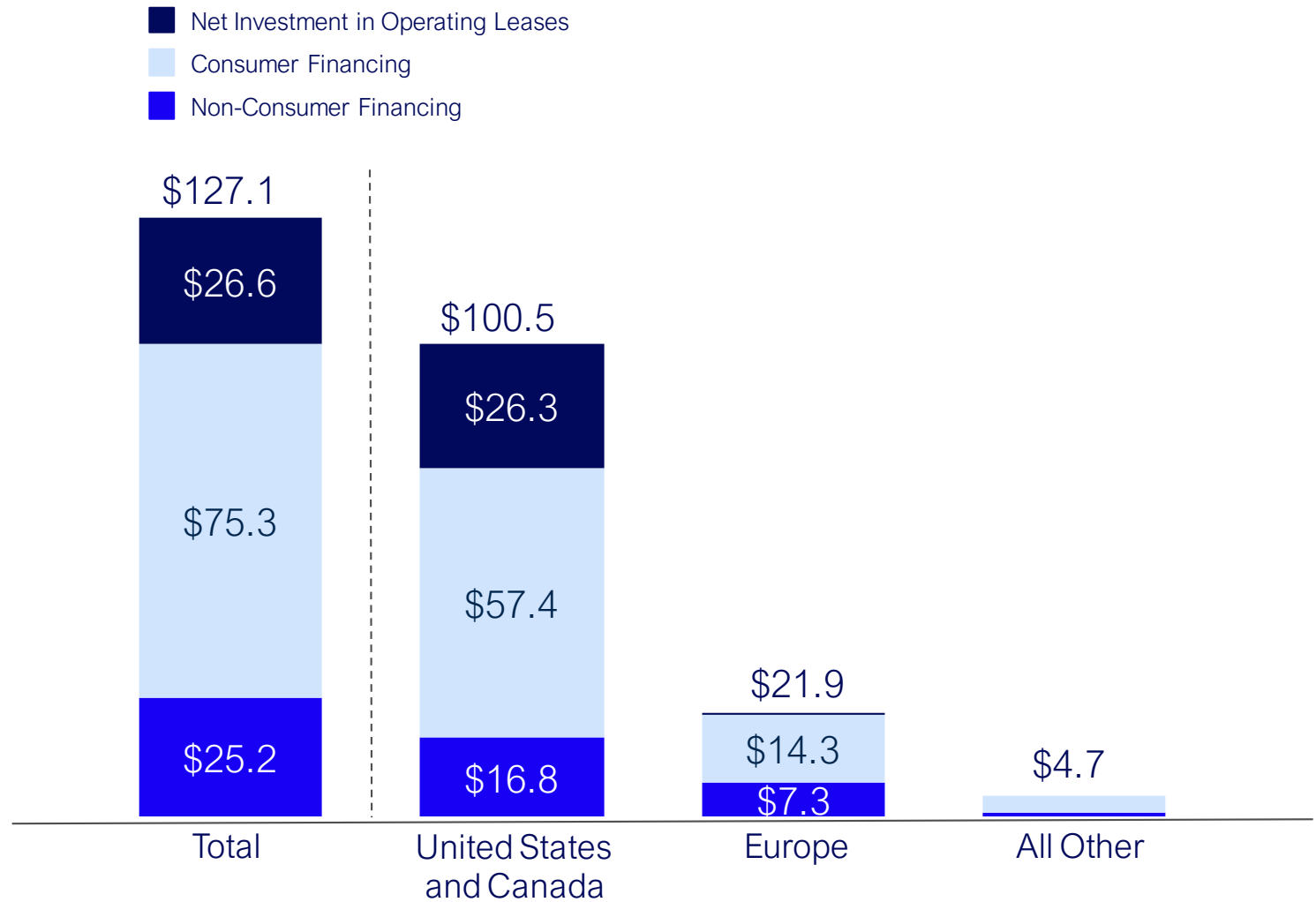


* Prior period amounts have been updated as a result of our adoption of ASU 2019-12, Simplifying the Accounting for Income Taxes

** U.S. 36-month off-lease auction values at Q1 2021 mix

Q1 2021 Net Receivables Mix (\$B)

- Receivables declined \$11B YoY, primarily reflecting lower wholesale receivables
- Operating lease portfolio was 21% of total net receivables



H / (L) Q1 2020
H / (L) Q4 2020

\$(10.7)
(4.6)

\$(9.7)
(3.8)

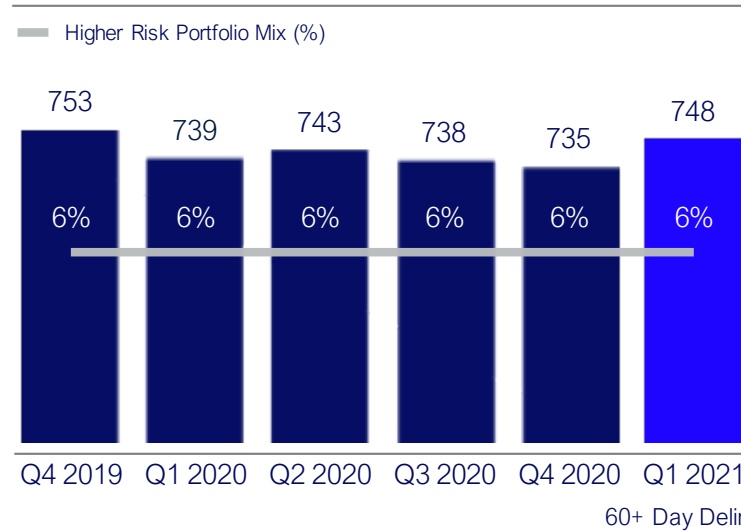
\$(1.8)
(0.9)

\$0.8
0.1

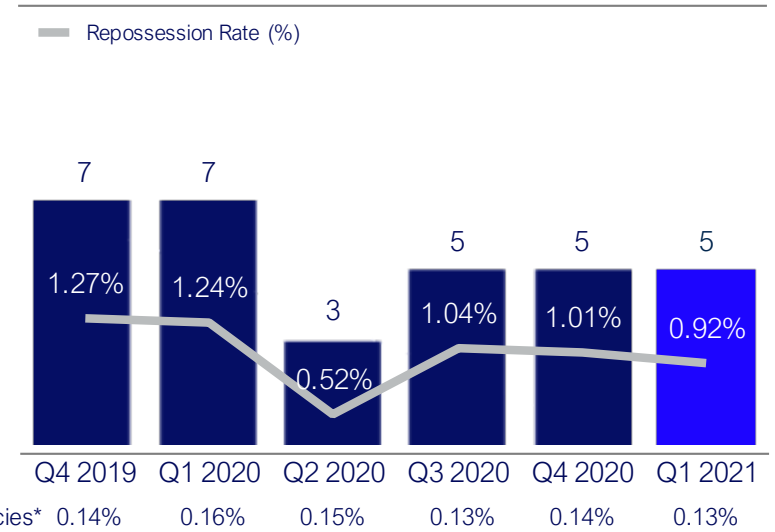
U.S. Origination Metrics And Credit Loss Drivers

- Disciplined and consistent underwriting practices
- Portfolio quality evidenced by FICO scores and consistent risk mix
- Repossessions, charge-offs and LTR remain low and significantly below year-ago levels
- Longer term contract mix continued at normal levels

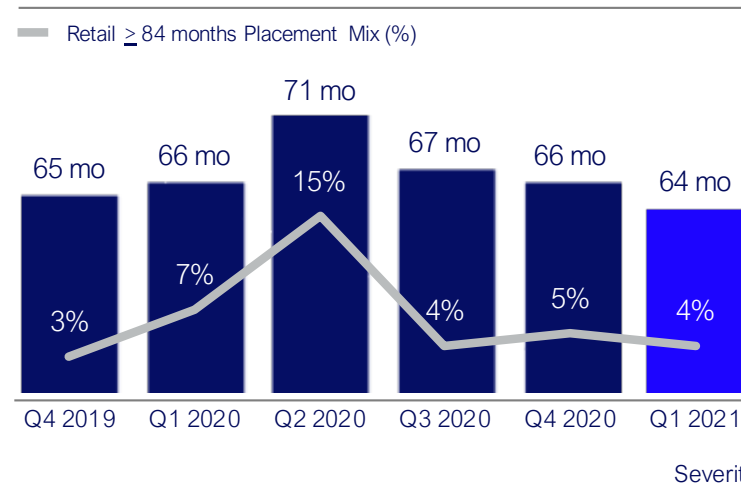
Retail & Lease FICO and Higher Risk Mix (%)



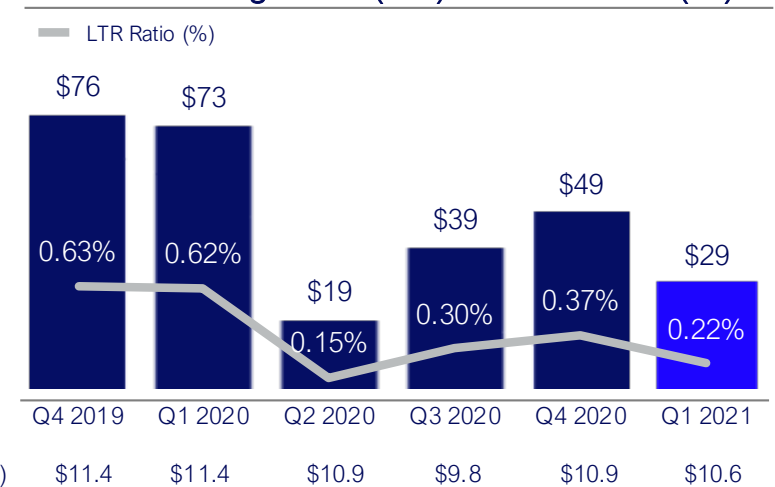
Retail Repossessions (000) and Repossession Rate (%)



Retail Contract Terms



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

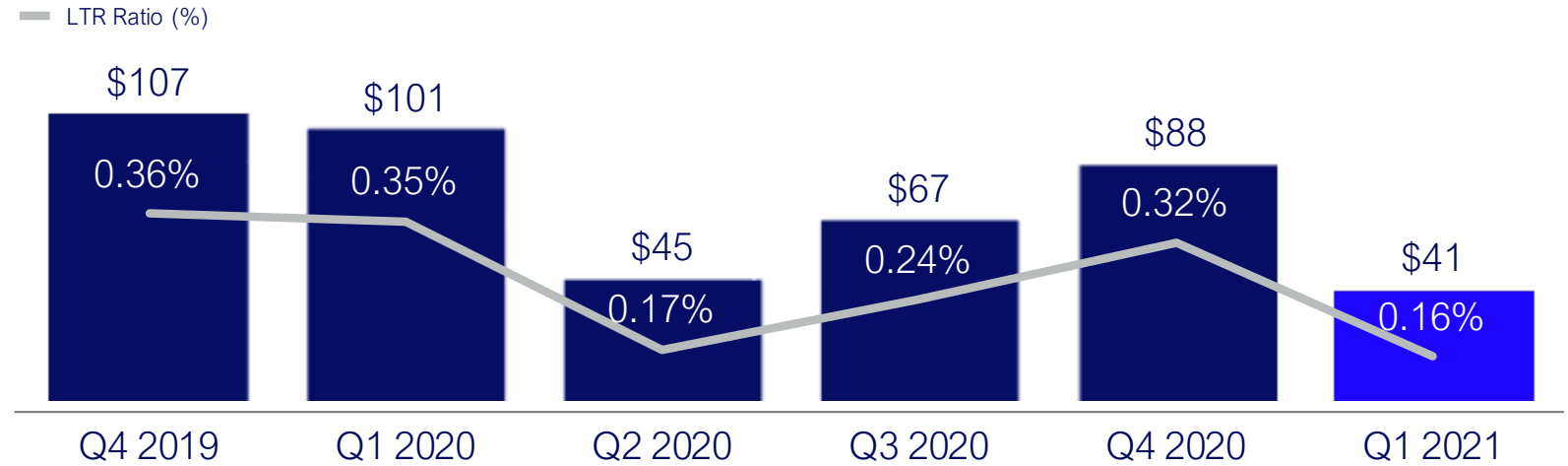


* Excluding bankruptcies

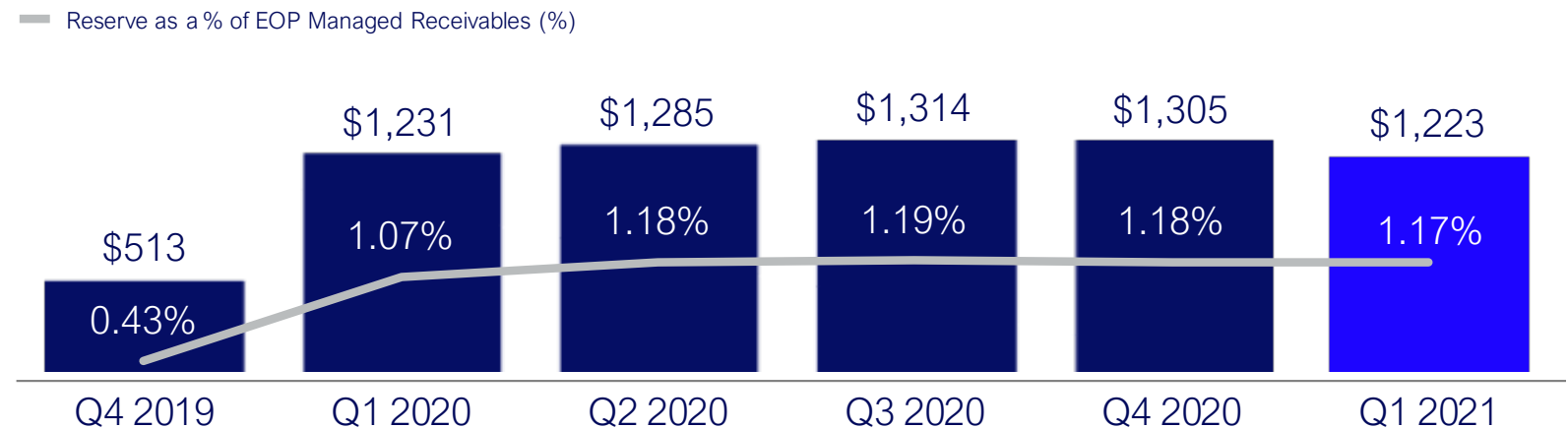
Worldwide Credit Loss Metrics

- Worldwide credit loss metrics remain strong and below year ago levels, reflecting historically low losses
- Credit loss reserve reflects lifetime losses lower than Q4 2020; credit loss reserve reduced reflecting expectation of lower lifetime COVID-related losses

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



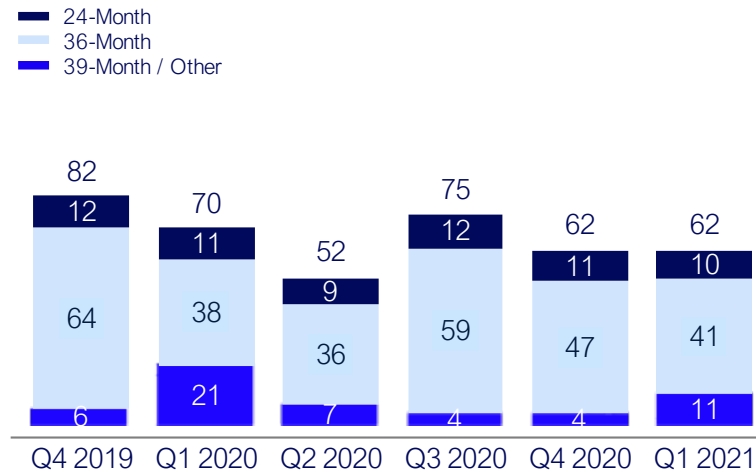
Credit Loss Reserve (\$M) and Reserve as a % of EOP Managed Receivables



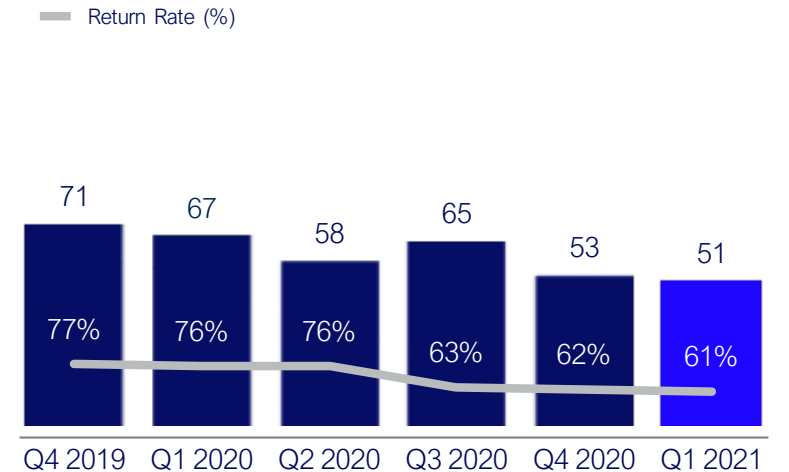
U.S. Lease Metrics

- Lease placement volume and share down YoY
- Lower lease return volume and return rate reflect auction values
- Auction values up 14% YoY
- Now planning for 2021 FY auction values to remain at historically high levels and to be higher YoY

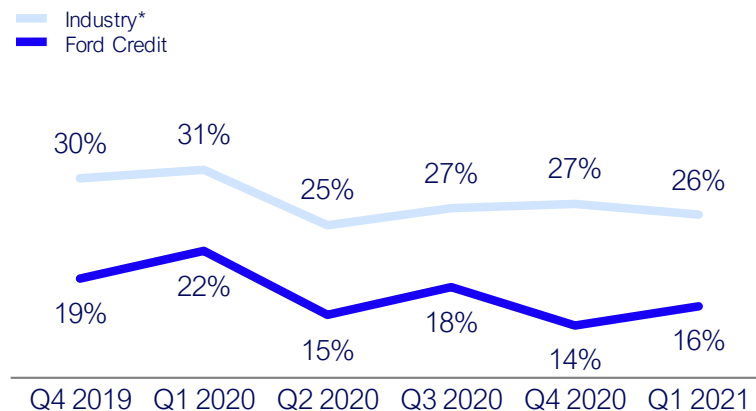
Lease Placement Volume (000)



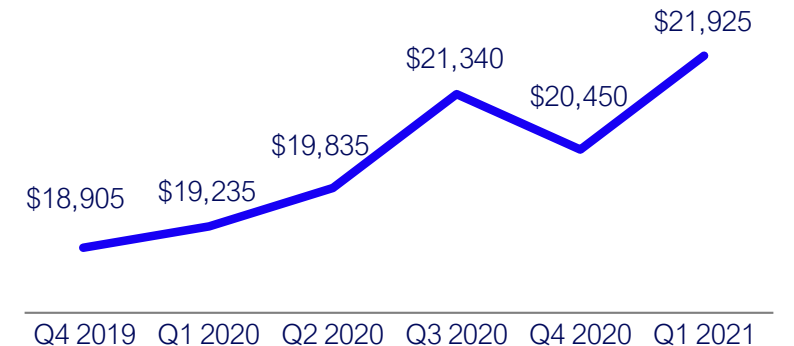
Lease Return Volume (000) and Return Rates (%)



Lease Share of Retail Sales (%)



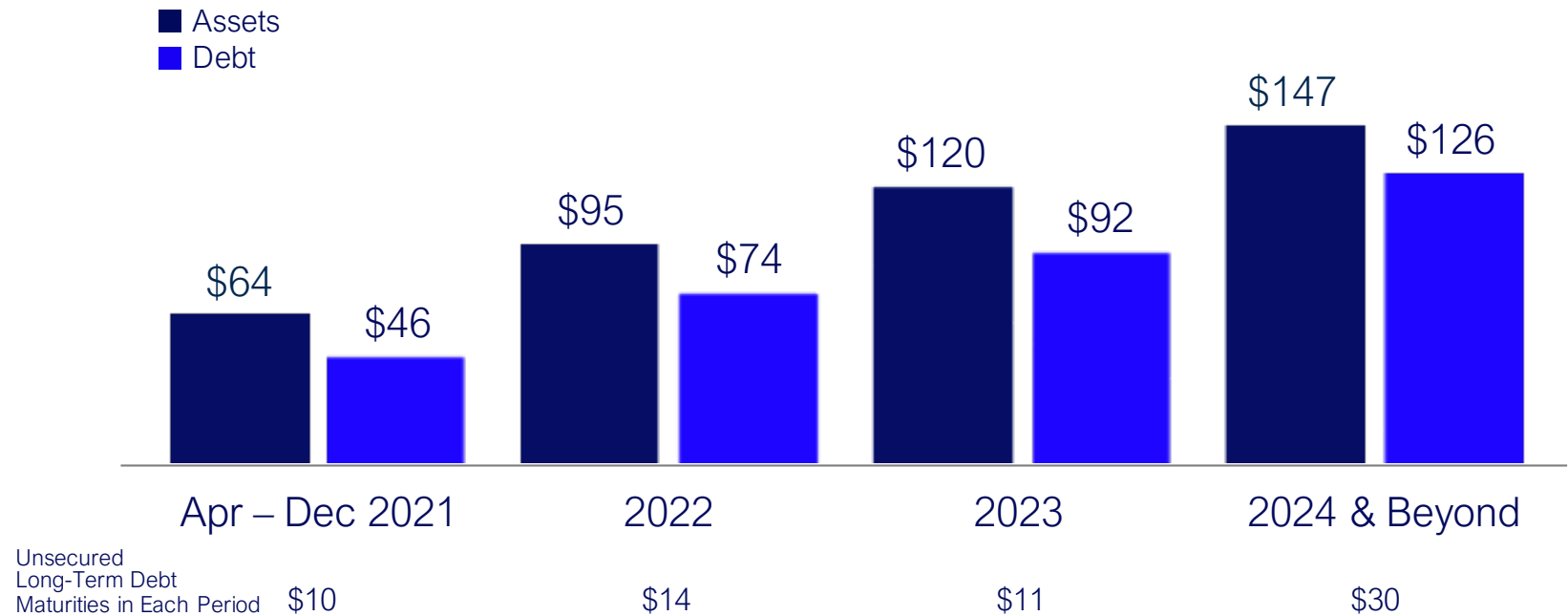
Off-Lease Auction Values (36-month, at Q1 2021 Mix)



* Source: J.D. Power PIN

Cumulative Maturities At March 31, 2021* (\$B)

- Strong balance sheet is inherently liquid with cumulative debt maturities having a longer tenor than asset maturities
- As of March 31, 2021 \$76B of \$147B assets are unencumbered



* See Appendix for assets and debt definitions

Funding Structure – Managed Receivables* (\$B)

- Well capitalized with a strong balance sheet; \$33.7B in net liquidity
- Funding is diversified across platforms and markets

	2020 Dec 31**	2021 Mar 31
Term Unsecured Debt	\$ 76.6	\$ 69.4
Term Asset-Backed Securities	54.6	50.2
Ford Interest Advantage / Deposits	6.5	7.2
Other	5.7	7.2
Equity	15.6	15.3
Adjustments for Cash	(18.5)	(14.1)
Total Managed Receivables	\$ 140.5	\$ 135.2
Securitized Funding as Pct of Managed Receivables	38.8%	37.1%
Net Liquidity	\$ 35.4	\$ 33.7

* See Appendix for definitions and reconciliation to GAAP

** Prior period amounts have been updated as a result of our adoption of ASU 2019-12, Simplifying the Accounting for Income Taxes

Public Term Funding Plan* (\$B)

- Completed \$6B of public issuance in 2021
- Strong balance sheet and substantial liquidity provide funding flexibility

	<u>2019 Actual</u>	<u>2020 Actual</u>	<u>2021 Forecast</u>	<u>Through Apr 27</u>
Unsecured	\$ 17	\$ 14	\$ 5 - 9	\$ 1
Securitized ^{**}	14	13	7 - 10	5
Total	<u>\$ 31</u>	<u>\$ 27</u>	<u>\$ 12 - 19</u>	<u>\$ 6</u>

* 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 is highly dependent on its suppliers to deliver components in accordance with Ford's production schedule, and a shortage of key components, such as semiconductors, can disrupt Ford's production of vehicles;
- Ford's long-term competitiveness depends on the successful execution of its Plan;
- 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 and other disruptions;
- Ford's production, as well as Ford's suppliers' production, could be disrupted by labor issues, natural or man-made disasters, financial distress, production difficulties, 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 and face significant competition from existing and new entrants in the automotive and mobility industries;
- 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;
- Industry sales volume in any of Ford's key markets can be volatile and could decline if there is a financial crisis, recession, or significant geopolitical event;
- Ford may face increased price competition or a reduction in demand for its products resulting from industry excess capacity, currency fluctuations, competitive actions, or other factors;
- Fluctuations in commodity prices, foreign currency exchange rates, interest rates, and market value of Ford or Ford Credit's 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;
- Ford and Ford Credit could be affected by the continued development of more stringent privacy, data use, and data protection laws and regulations as well as consumers' heightened expectations to safeguard their personal information; and
- Ford Credit could be subject to new or increased credit regulations, consumer protection regulations, or other regulations.

We cannot be certain that any expectation, forecast, or assumption made in preparing forward-looking statements will prove accurate, or that any projection will be realized. It is to be expected that there may be differences between projected and actual results. Our forward-looking statements speak only as of the date of their initial issuance, and we do not undertake any obligation to update or revise publicly any forward-looking statement, whether as a result of new information, future events, or otherwise. For additional discussion, see “Item 1A. Risk Factors” in our Annual Report on Form 10-K for the year ended December 31, 2020, as updated by subsequent Quarterly Reports on Form 10-Q and Current Reports on Form 8-K.

Appendix

EBT By Segment	A2
Financing Shares And Contract Placement Volume	A3
Total Net Receivables Reconciliation To Managed Receivables	A4
Financial Statement Leverage Reconciliation To Managed Leverage	A5
Liquidity Sources	A6
Non-GAAP Financial Measures That Supplement GAAP Measures	A7
Definitions And Calculations	A8

EBT By Segment* (\$M)

	Q1	
	2021	H / (L) 2020 **
<u>Results</u>		
United States and Canada segment	\$ 996	\$ 974
Europe segment	66	49
All Other segment	(15)	(22)
Total segments	\$ 1,047	\$ 1,001
Unallocated other	(85)	(69)
Earnings before taxes	\$ 962	\$ 932
Taxes	(117)	(81)
Net income	<u>\$ 845</u>	<u>\$ 851</u>
Distributions	\$ 1,000	\$ 657

* See Appendix for definitions

** Prior period amounts have been updated as a result of our adoption of ASU 2019-12, Simplifying the Accounting for Income Taxes

Financing Shares And Contract Placement Volume

	Q1	
	2020	2021
<u>Share of Ford Sales*</u>		
United States	56 %	47 %
Canada	63	60
U.K.	44	35
Germany	44	37
China	34	41
<u>Wholesale Share</u>		
United States	74 %	72 %
Canada	47	13
U.K.	100	100
Germany	93	91
China	51	66
<u>Contract Placement Volume - New and Used (000)</u>		
United States	205	196
Canada	23	25
U.K.	30	25
Germany	29	18
China	16	32

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

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

	2020 Mar 31	2020 Dec 31	2021 Mar 31
Finance receivables, net (GAAP)	\$ 110.8	\$ 105.0	\$ 100.5
Net investment in operating leases (GAAP)	27.0	26.7	26.6
Total net receivables*	<u>\$ 137.8</u>	<u>\$ 131.7</u>	<u>\$ 127.1</u>
Unearned interest supplements and residual support	\$ 6.3	\$ 6.5	\$ 6.0
Allowance for credit losses	1.2	1.3	1.2
Other, primarily accumulated supplemental depreciation	1.1	1.0	0.9
Total managed receivables (Non-GAAP)	<u><u>\$ 146.4</u></u>	<u><u>\$ 140.5</u></u>	<u><u>\$ 135.2</u></u>

* See Appendix for definitions

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

	2020 <u>Mar 31**</u>	2020 <u>Dec 31**</u>	2021 <u>Mar 31</u>
<u>Leverage Calculation</u>			
Debt	\$ 136.8	\$ 137.7	\$ 126.8
Adjustments for cash	(11.3)	(18.5)	(14.1)
Adjustments for derivative accounting	(1.6)	(1.5)	(0.8)
Total adjusted debt	<u>\$ 123.9</u>	<u>\$ 117.7</u>	<u>\$ 111.9</u>
Equity	\$ 15.5	\$ 15.6	\$ 15.3
Adjustments for derivative accounting	(0.0)	0.1	0.0
Total adjusted equity	<u>\$ 15.4</u>	<u>\$ 15.7</u>	<u>\$ 15.3</u>
Financial statement leverage (to 1) (GAAP)	8.9	8.8	8.3
Managed leverage (to 1) (Non-GAAP)	8.0	7.5	7.3

* See Appendix for definitions

** Prior period amounts have been updated as a result of our adoption of ASU 2019-12, Simplifying the Accounting for Income Taxes

Liquidity Sources* (\$B)

	2020 <u>Mar 31</u>	2020 <u>Dec 31</u>	2021 <u>Mar 31</u>
<u>Liquidity Sources</u>			
Cash	\$ 11.3	\$ 18.5	\$ 14.1
Committed asset-backed facilities	35.9	38.1	38.2
Other unsecured credit facilities	2.8	2.5	2.5
Total liquidity sources	<u>\$ 50.0</u>	<u>\$ 59.1</u>	<u>\$ 54.8</u>
<u>Utilization of Liquidity</u>			
Securitization & restricted cash	\$ (3.1)	\$ (3.9)	\$ (5.4)
Committed asset-backed facilities	(18.6)	(16.7)	(11.9)
Other unsecured credit facilities	(0.5)	(0.5)	(0.6)
Total utilization of liquidity	<u>\$ (22.2)</u>	<u>\$ (21.1)</u>	<u>\$ (17.9)</u>
Gross liquidity	\$ 27.8	\$ 38.0	\$ 36.9
ABS capacity in excess of eligible receivables and other adjustments	0.3	(2.6)	(3.2)
Net liquidity available for use	<u><u>\$ 28.1</u></u>	<u><u>\$ 35.4</u></u>	<u><u>\$ 33.7</u></u>

* See Appendix for definitions

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.

- 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

ABS capacity in excess of eligible receivables and other 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)

All wholesale securitization transactions are shown maturing in the next 12 months, even if the maturities extend beyond Q1 2022. Also, the chart reflects adjustments to debt maturities to match the asset-backed debt maturities with the underlying asset maturities

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 & restricted 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). 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 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