



Q3 Earnings Review

October 28, 2020



All-New Ford Bronco Sport

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.



Company Highlights

- **Moving with urgency to turn around our automotive operations – to improve quality, reduce costs and accelerate the restructuring of underperforming businesses**
- **Transformation and growth plan predicated on delivering a company adjusted EBIT margin of 8 percent or better, and the consistent generation of adjusted Free Cash Flow to invest in accretive high-return products and services**
- **Q4 launches are on track, including an all-new F-150, Mustang Mach-E and Bronco Sport**
- **Increased transparency, including purposeful, measurable key performance indicators so that you can track our performance and hold us accountable**
- **Committed to building a vibrant and growing Ford Motor Company creating value for all stakeholders**



Financial Highlights

- **Quarterly adjusted EBIT margin of 9.7% and \$6.3B adjusted Free Cash Flow**
- **Higher-than-expected vehicle demand, positive net pricing and favorable mix**
- **Ford Credit \$1.1B in EBT – strongest performance in 15 years**
- **Strong performance from North America; continued progress in European restructuring**
- **Repaid remaining tranche of \$15B of corporate revolver on September 24; ended Q3 with nearly \$30B of cash and over \$45B of liquidity**
- **Focused on the underperforming parts of the business, and fortification of the balance sheet**



Third Quarter Company Financial Results

ADJ. FCF

\$6.3B

UP \$6.1B

REVENUE

\$38B

UP \$0.5B

ADJ. EBIT

\$3.6B

UP \$1.9B

ADJ. EBIT
MARGIN

9.7%

UP 4.9 pts

ADJ. EPS

\$0.65

UP \$0.31



All-New Ford F-150

Year To Date

\$(1.2)B

DOWN \$3.5B

\$91B

DOWN \$25B

\$1.1B

DOWN \$4.8B

1.2%

DOWN 3.9 pts

\$0.07

DOWN \$0.99



Exciting Product Portfolio – Upcoming Launches

Launch Checkpoints



<p>F-150</p> 		<ul style="list-style-type: none"> • Best-in-class max available towing and available payload • Over-the-air (OTA) update capability • Available 3.5L PowerBoost™ full hybrid V6 engine is targeting an EPA-estimated range of approximately 700 miles
<p>Mustang Mach-E</p> 	<p>Available Q4 2020</p>	<ul style="list-style-type: none"> • Dynamic performance with advanced technologies including: Intelligent Range, Remote Vehicle Set Up & Active Drive Assist • OTA update capability & targeted EPA-estimated range of 300 miles
<p>Bronco Sport</p> 		<ul style="list-style-type: none"> • Standard 4x4, available unsurpassed ground clearance • Bronco Sport with available 2.0L is targeting best-in-class horsepower and torque • 100+ aftermarket accessories available
<p>Bronco</p> 	<p>Available Spring 2021</p>	<ul style="list-style-type: none"> • Rugged SUV with classic two-door styling & first-ever four-door • OTA update capability and available class-exclusive 7-speed manual transmission • Available 35” tires and 200+ aftermarket accessories



Note: See slide A16 for related notes



Design / Engineering



Supplier



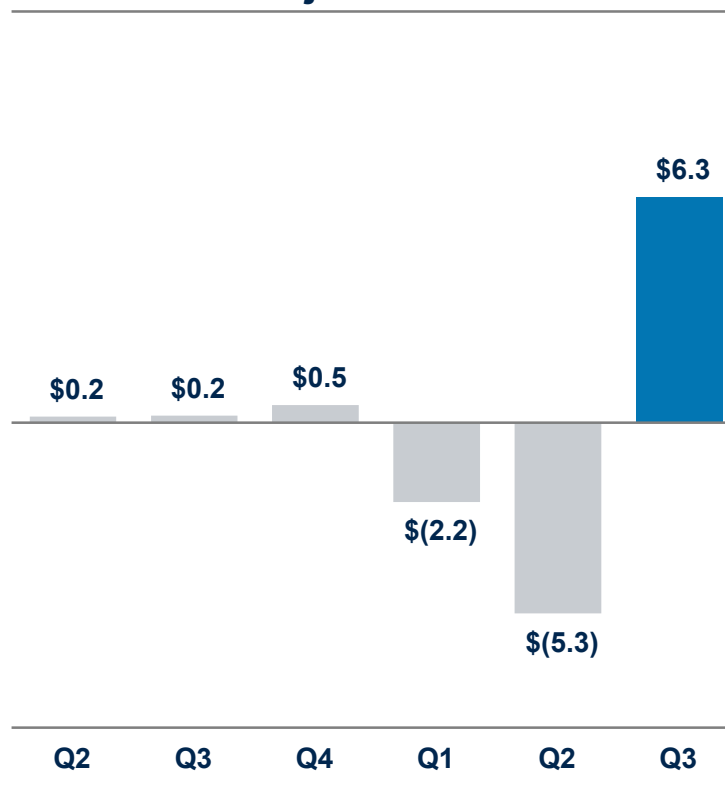
Manufacturing

Q4 North America Launches Underway



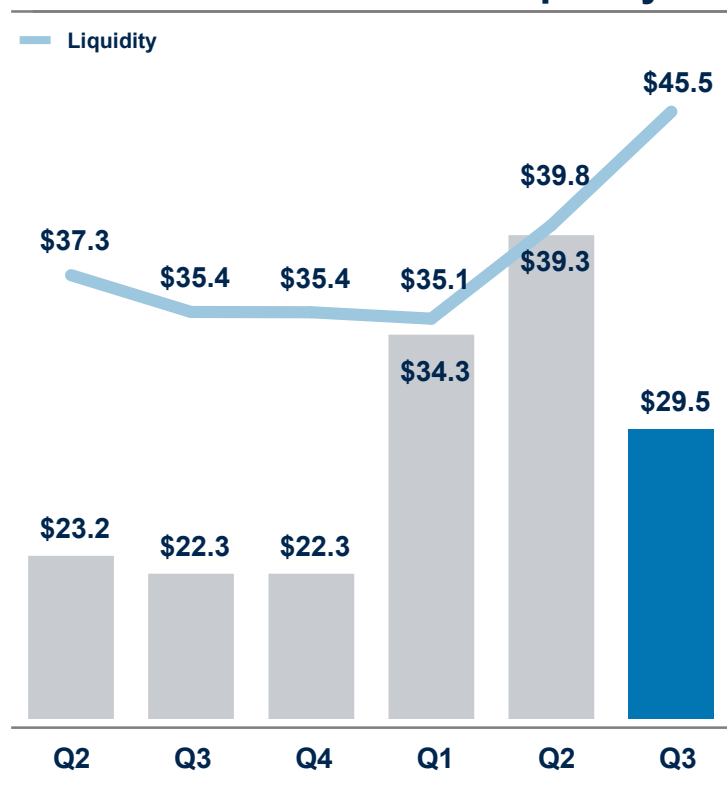
Cash Flow, Cash Balance And Liquidity (\$B)

Adjusted FCF



YoY 111% 80% (67%) N / M N / M **N / M**

Cash Balance And Liquidity



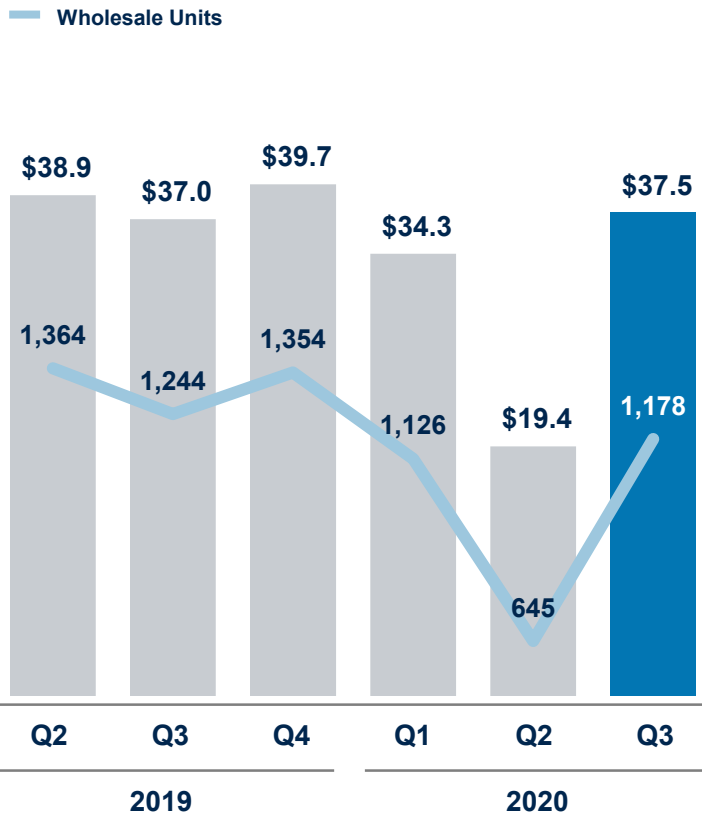
- Q3 Adjusted FCF of \$6.3B, up \$6.1B, driven by rebuilding the payables depleted in 1H COVID-related production shutdown and higher EBIT
- \$15B of corporate revolvers fully repaid
- Ended Q3 with a cash balance of nearly \$30B; liquidity of over \$45B



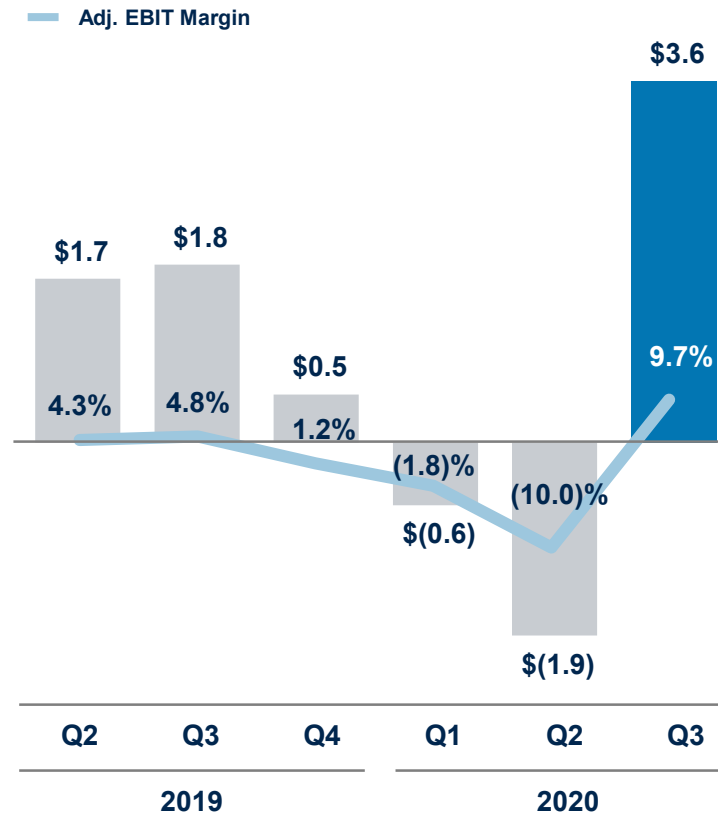
Note: Q1 and Q2 2020 Adjusted FCF adversely impacted by COVID-related suspended production

Revenue And EBIT Metrics

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



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



- Q3 revenue of \$38B, up 1%, driven by favorable mix, higher net pricing, offset partially by lower volume
- Wholesale units of 1,178K, down 5%, driven by lower industry volume
- Adjusted EBIT of \$3.6B, up \$1.9B
- Adjusted EBIT margin of 9.7%, up 4.9 pts

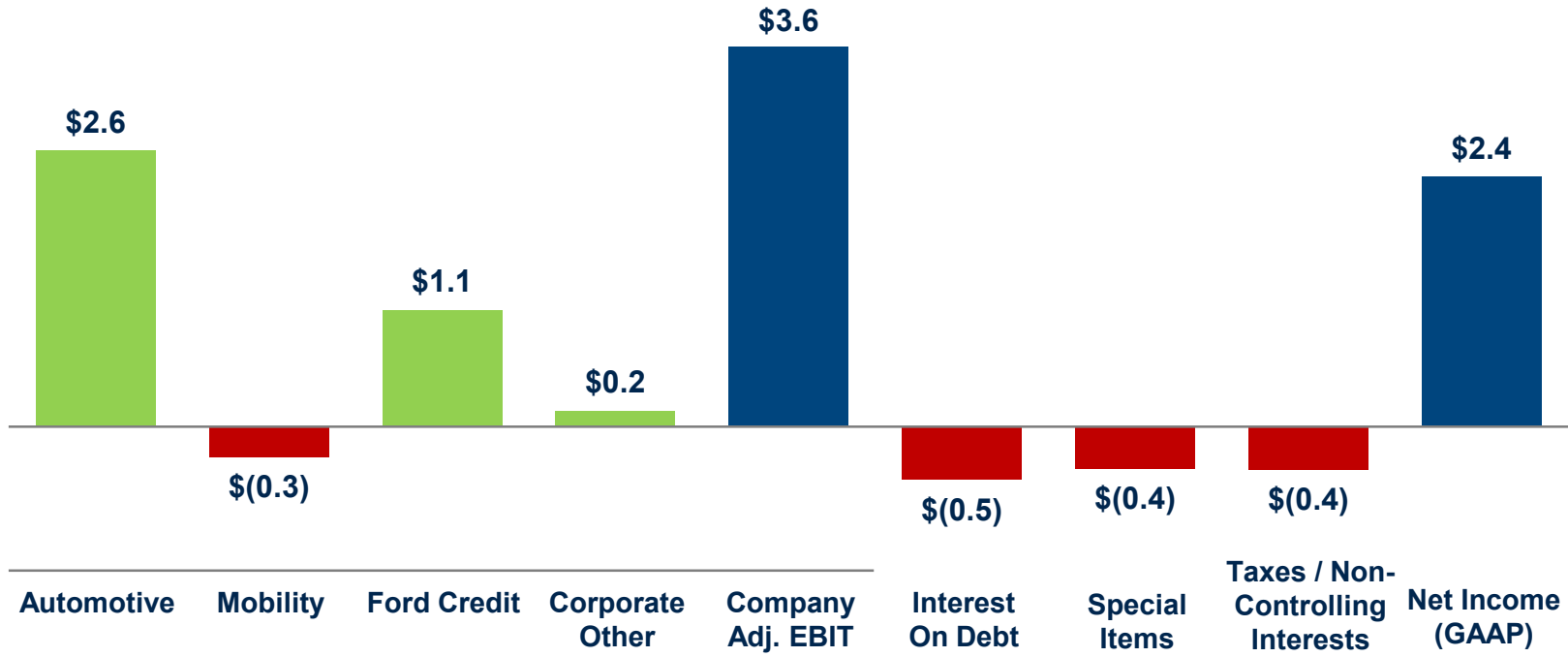
YoY:

Revenue	(0)%	(2)%	(5)%	(15)%	(50)%	1%	Adj. EBIT	(2)%	8%	(67)%	(126)%	N / M	103%
Wholesale Units	(9)%	(8)%	(8)%	(21)%	(53)%	(5)%	Adj. Margin	0.0 pts	0.4 pts	(2.3) pts	(7.9) pts	(14.3) pts	4.9 pts



Note: Q1 and Q2 2020 results adversely impacted by COVID-related suspended production

Q3 2020 Results (\$B)



- Company Adjusted EBIT of \$3.6B, up \$1.9B, driven by improvement in Automotive and Credit
- Special Items of \$(0.4)B reflect primarily global redesign actions in Europe

B / (W)	Automotive	Mobility	Ford Credit	Corporate Other	Company Adj. EBIT	Interest On Debt	Special Items	Taxes / Non-Controlling Interests	Net Income (GAAP)
Q3 2019	\$1.3	\$0.0	\$0.4	\$0.1	\$1.9	\$(0.2)	\$1.1	\$(0.8)	\$2.0
Q2 2020	4.7	0.1	0.6	0.2	5.6	(0.0)	(3.9)	(0.4)	1.3



Note: Q1 and Q2 2020 results adversely impacted by COVID-related suspended production

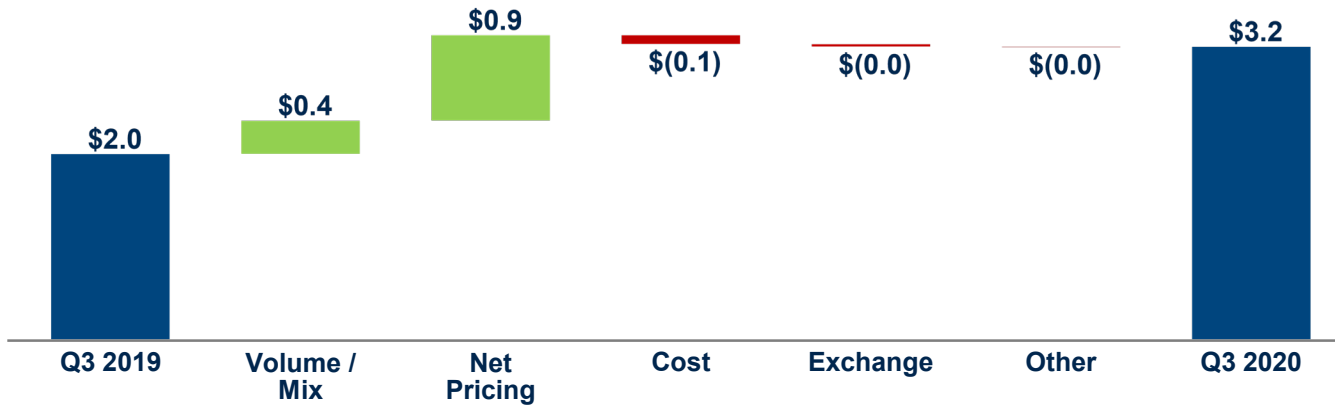
Q3 2020 Adjusted EBIT (\$B)

	North America	South America	Europe	China	IMG	Total Auto	Total Company	
Q3 2019	\$ 2.0	\$ (0.2)	\$ (0.1)	\$ (0.3)	\$ (0.1)	\$ 1.3	\$ 1.8	
YoY Change:								
Volume / Mix	\$ 0.4	\$ (0.0)	\$ (0.5)	\$ 0.0	\$ (0.0)	\$ (0.2)	\$ (0.2)	Industry Share / Mix / Other \$(1.0) 0.8
Net Pricing	0.9	0.2	0.3	(0.0)	0.0	1.5	1.5	
Cost	(0.1)	0.0	(0.2)	0.1	0.2	(0.1)	(0.1)	Material / Freight Warranty Commodities Structural Pension / OPEB \$(0.5) (0.1) 0.1 0.2 0.1
Exchange	(0.0)	(0.1)	0.1	(0.0)	0.0	(0.0)	(0.0)	
Other / JVs	(0.0)	0.0	(0.0)	0.2	(0.0)	0.2	0.2	JVs Other \$ 0.1 0.1
Total Automotive	\$ 1.2	\$ 0.1	\$ (0.3)	\$ 0.2	\$ 0.2	\$ 1.3	\$ 1.3	
Mobility							0.0	
Ford Credit							0.4	
Corporate Other							0.1	
Total Company							\$ 1.9	
Q3 2020	\$ 3.2	\$ (0.1)	\$ (0.4)	\$ (0.1)	\$ 0.1	\$ 2.6	\$ 3.6	



North America

EBIT YoY Bridge (\$B)

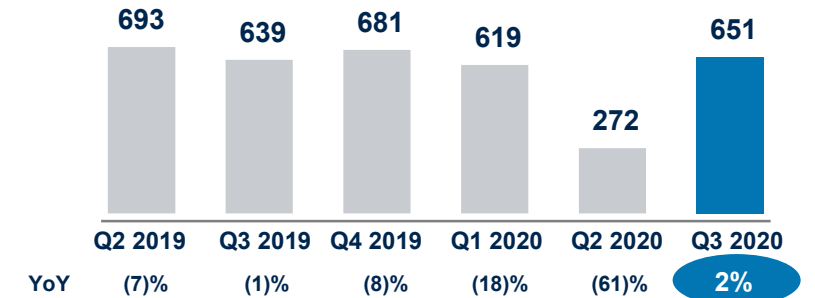


- Q3 wholesale units up 2%, reflecting higher production to replenish dealer inventories and meet customer demand
- Revenue up 8%, driven by favorable mix, higher net pricing on new products and lower industry incentive spending
- EBIT up \$1.2B, driven primarily by higher net pricing, improved product mix and lower COVID-related cost, offset partially by increased product cost

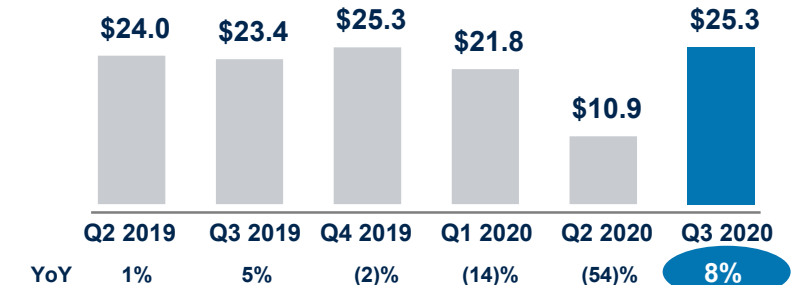
Q3 KEY METRICS

- ▲ Total NA share 13.6%, up 1.0 ppt; F-Series U.S. share 35.4%, up 1.7 ppts
- ▲ Super Duty and Transit U.S. revenue and volume up 18% and 5%, respectively
- ▲ Truck/Van mix 57%, up 1 ppt; utility mix 35%, up 3 ppts; car mix 8%, down 4 ppts
- ▲ Warranty cost increased slightly

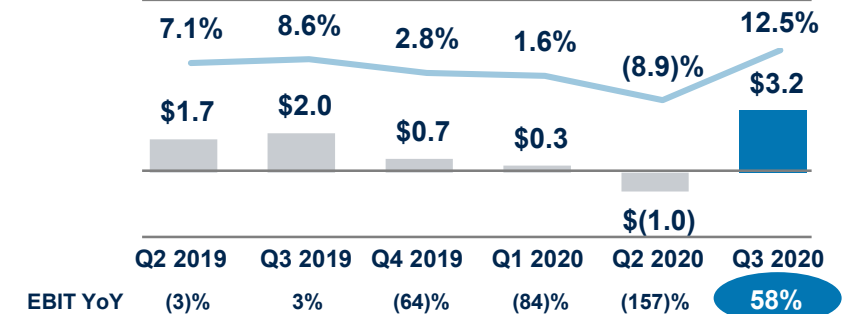
Wholesale Units (000)



Revenue (\$B)



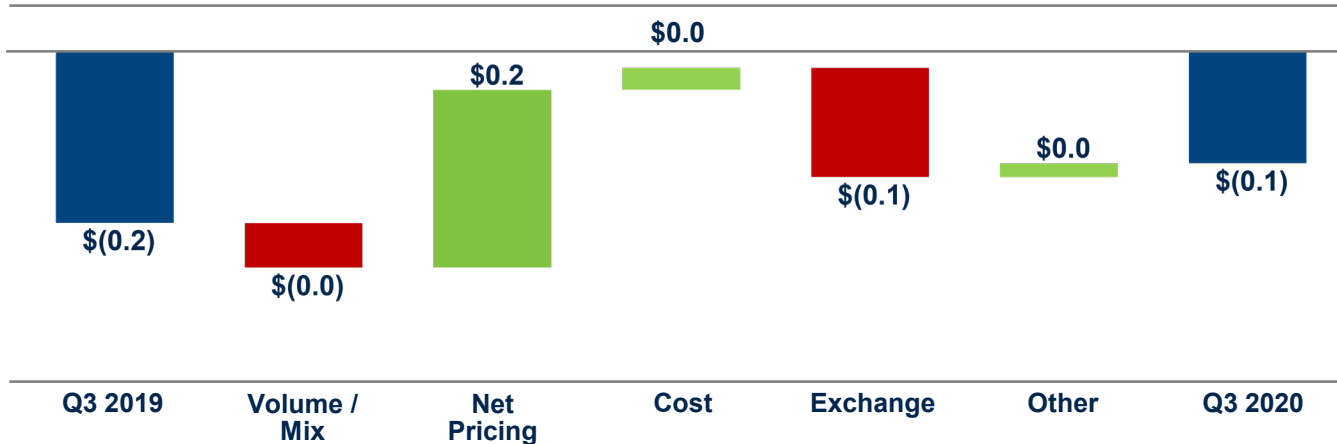
EBIT (\$B) & EBIT Margin (%)



Note: Q1 and Q2 2020 results adversely impacted by COVID-related suspended production

South America

EBIT YoY Bridge (\$B)

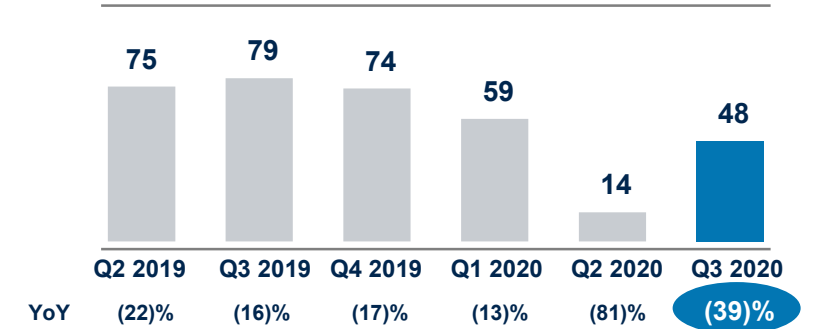


- Q3 wholesale units down 39%, driven by COVID-related lower industry volume, coupled with our decision to exit unprofitable fleet sales in Brazil
- Revenue down 39%, driven by lower volume and weaker currencies, offset partially by higher net pricing
- EBIT loss improved 35%, reflecting aggressive pricing to mitigate inflation and currency weakening, and cost reduction efforts
- Fourth consecutive quarter of year-over-year EBIT improvement

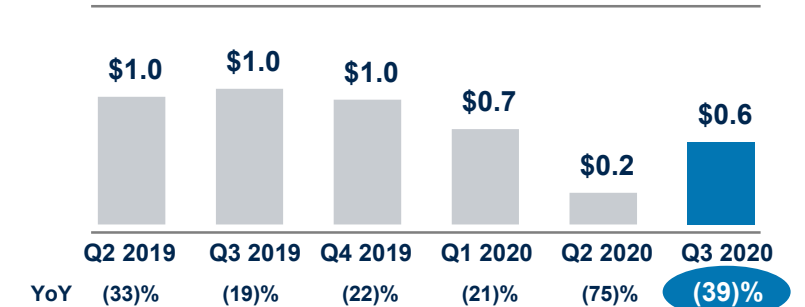
Q3 KEY METRICS

- ↑ Ranger YTD segment share of 15.6%, up 1.9 pts
- ↓ Structural cost 32% lower
- ↓ Headcount 19% lower, 47% lower than 2016

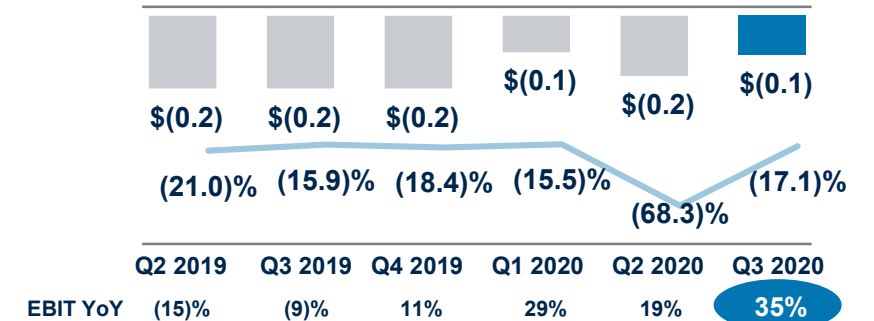
Wholesale Units (000)



Revenue (\$B)



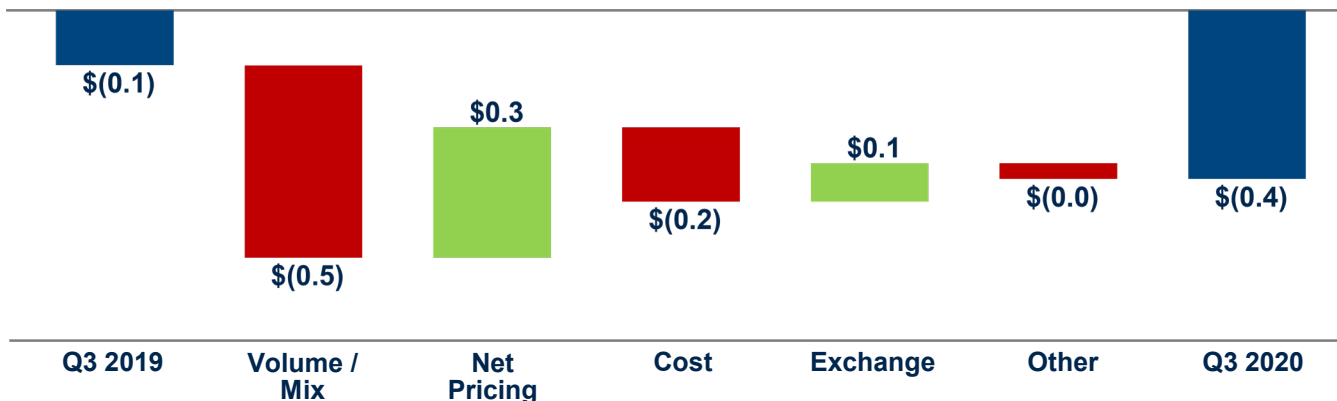
EBIT (\$B) & EBIT Margin (%)



Note: Q1 and Q2 2020 results adversely impacted by COVID-related suspended production

Europe

EBIT YoY Bridge (\$B)

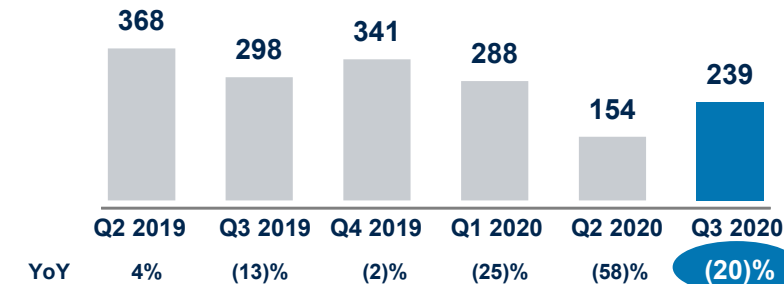


- Q3 wholesale units down 20%, driven by COVID-related lower industry volume and production
- Revenue down 10%, driven by lower volume, offset partially by higher net pricing reflecting yield management actions and product pricing
- EBIT down \$0.3B, mainly driven by lower volume and \$0.4B of cost associated with Kuga PHEV (including warranty, CO₂ pooling and other expenses), mitigated partially by higher net pricing and lower structural cost

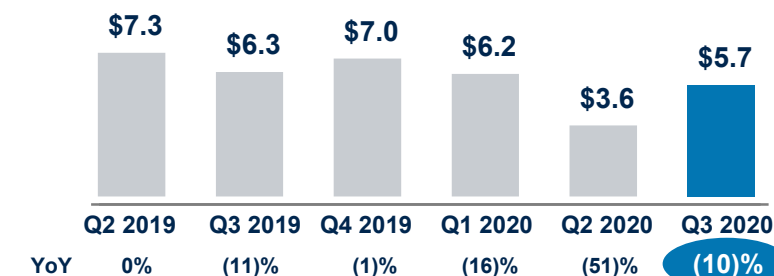
Q3 KEY METRICS

- ↑ EU20 commercial vehicle share 15.1%, up 0.5 pts
- ↑ Utility segment share 6.5%, up 1.6 pts; utilities mix 30.9%, up 8.7 pts
- ↓ On track for 10K cumulative headcount reduction (2018 – 2020)
- ↑ Higher warranty cost reflecting Kuga PHEV

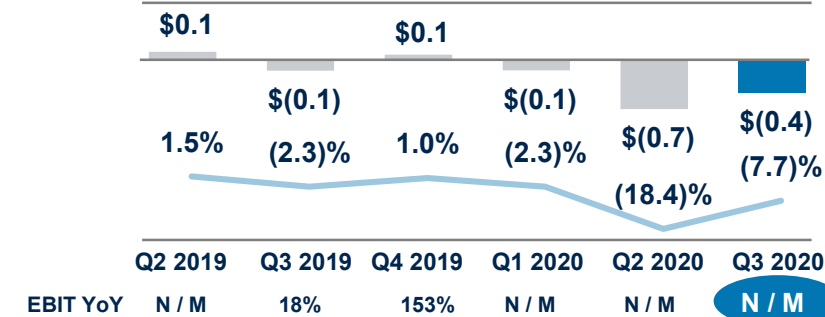
Wholesale Units* (000)



Revenue (\$B)



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



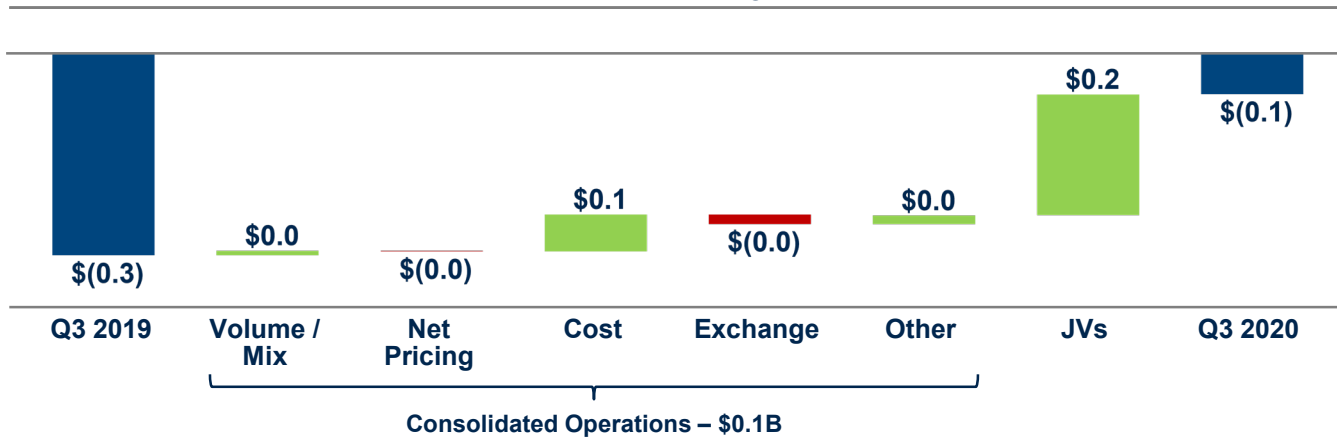
EBIT YoY N / M 18% 153% N / M N / M (20)%

* Includes Ford brand vehicles produced and sold by our unconsolidated affiliate in Turkey (about 6K units in Q3 2019 and 26K units in Q3 2020). Revenue does not include these sales

Note: Q1 and Q2 2020 results adversely impacted by COVID-related suspended production

China

EBIT YoY Bridge (\$B)

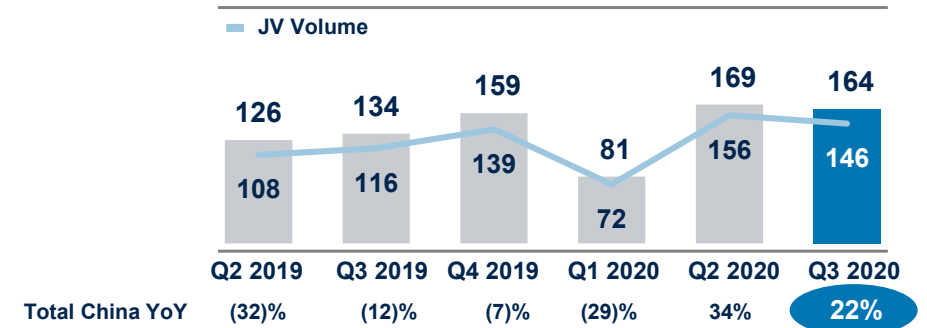


- Q3 wholesale units up 22%, driven by recent product launches, including localizations
- Q3 EBIT loss reduced to \$(58)M, lowest loss since Q4 2017
- EBIT loss improved 79%, reflecting primarily favorable product mix, including all-new Corsair, Aviator, Escape and Explorer, and cost improvement

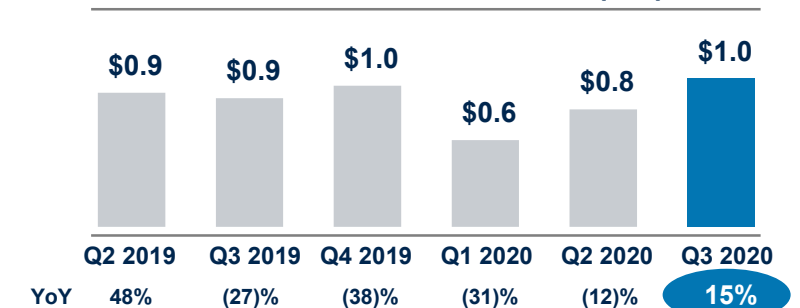
Q3 KEY METRICS

- ↑ Total China market share Q3 2.4%, up 0.1 pts
- ↑ Dealer network return on sales positive with improving trend
- ↑ Lincoln localization rate 65%, up from zero
- ↑ Ford equity income up \$0.2B

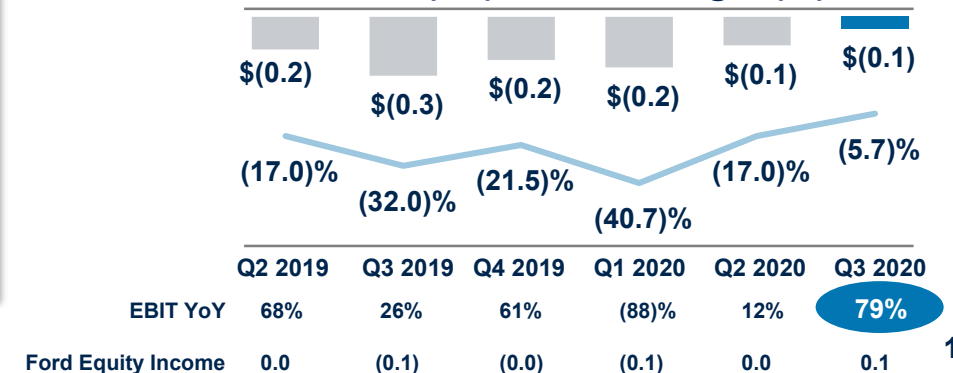
Wholesale Units* (000)



Consolidated Revenue (\$B)



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

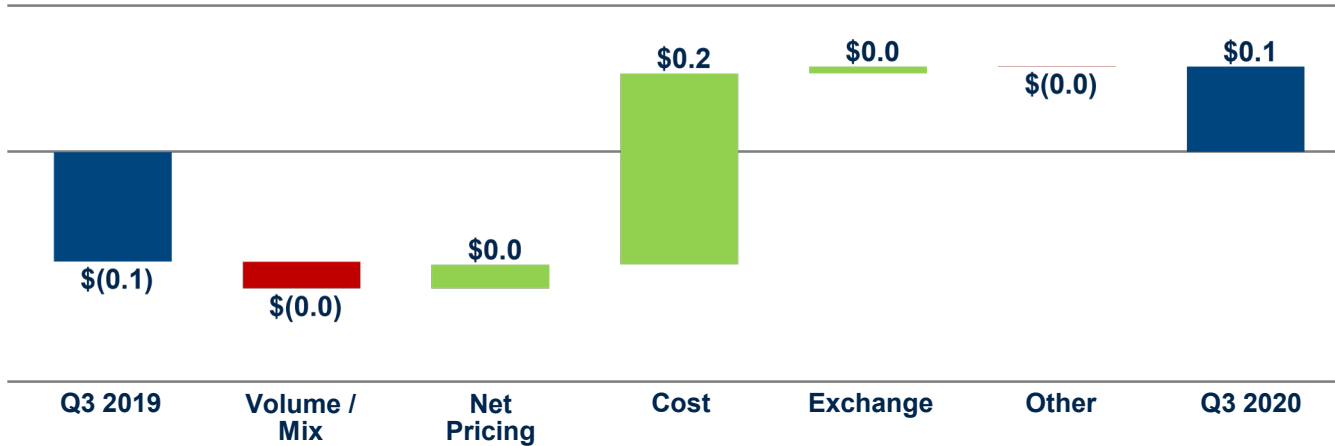


* Wholesale units include Ford brand and Jiangling Motors Corporation (JMC) brand vehicles produced and sold in China by our unconsolidated affiliates. Revenue does not include these sales

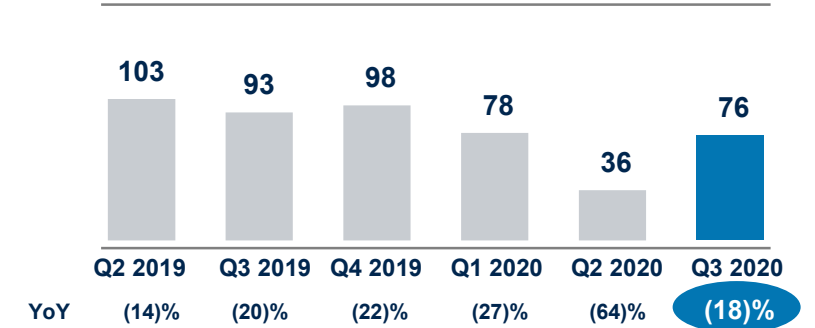
Note: Q1 2020 results adversely impacted by COVID-related suspended production

International Markets Group

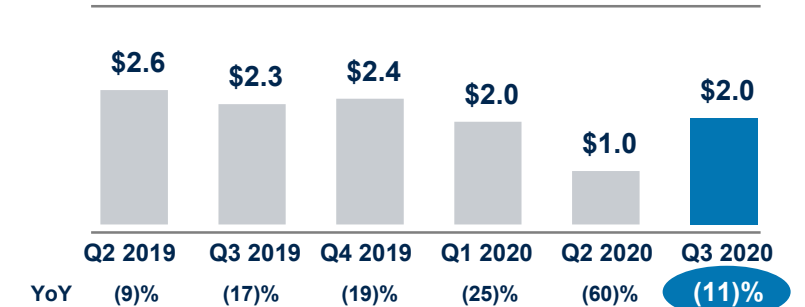
EBIT YoY Bridge (\$B)



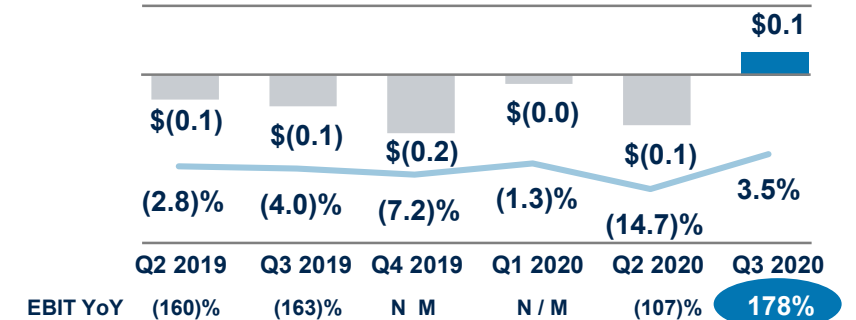
Wholesale Units* (000)



Revenue (\$B)



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



- Q3 wholesales down 18%, reflecting primarily COVID-related lower industry
- Revenue down 11%, driven by lower industry volume, offset partially by favorable share performance and Ranger mix
- EBIT up \$0.2B, driven by lower cost, higher net pricing and favorable mix, offset partially by lower industry volume

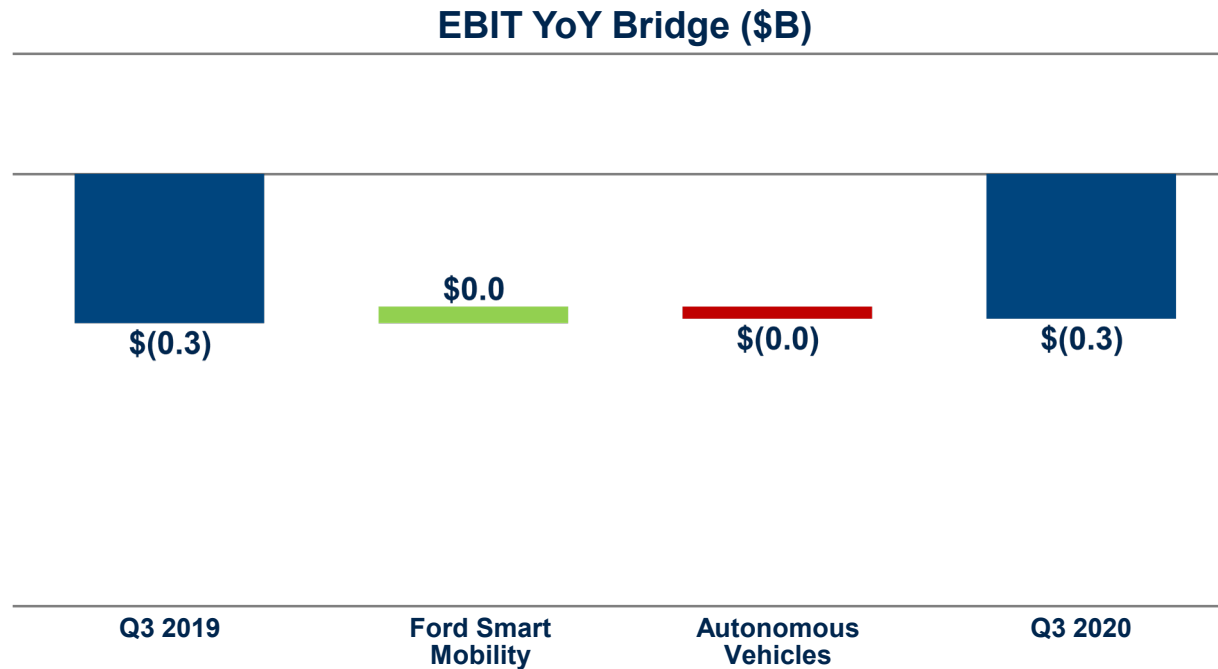
Q3 KEY METRICS

- ➔ Ranger total segment share 15.0%, down 0.8 pts
- ➔ Australia Ranger segment share at 26.8%, up 6.0 pts (best selling 4x4 pickup)
- ➔ Lower structural cost
- ➔ Lower warranty cost on prior models

* Includes Ford brand vehicles produced and sold by our unconsolidated affiliate in Russia (about 4K units in Q3 2019 and 4K units in Q3 2020). Revenue after Q2 2019 does not include these sales

Note: Q1 and Q2 2020 results adversely impacted by COVID-related suspended production

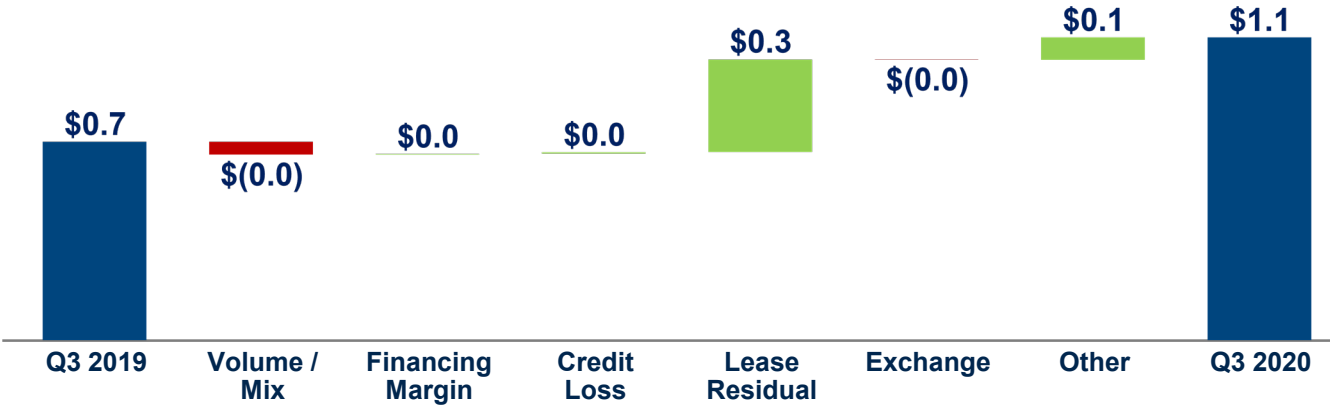
Mobility



- Building fourth generation AV test vehicles with latest SDS technology to support multi-city testing
- Generated first AV-related revenue from fleet operations pilot in Austin, Texas
- Strategically expanding SPIN operations in the U.S., U.K. and Germany; seeing strong revenue growth

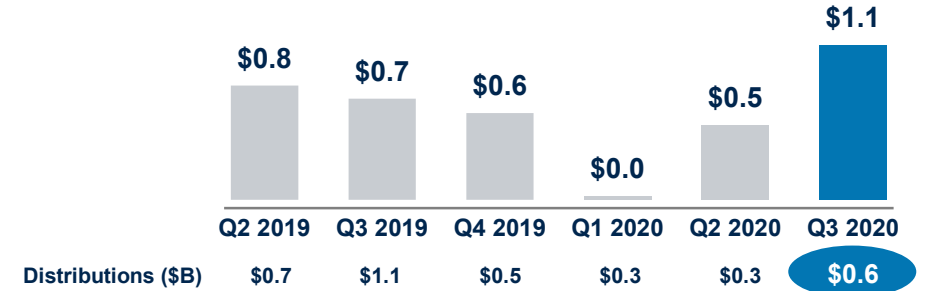
Ford Credit

EBT YoY Bridge (\$B)

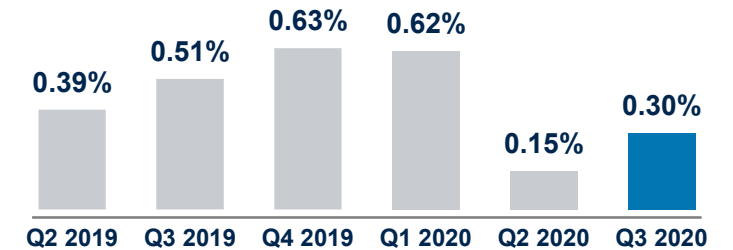


- Q3 EBT of \$1.1B is up \$0.4B, reflecting strong auction performance
- Portfolio performing well – loss-to-receivables (LTR) remains low and below year-ago levels
- Auction values improved significantly; FY auction values now forecast to be up about 2%, consistent with third party estimates
- Balance sheet and liquidity remain strong

EBT (\$B)



U.S. Retail LTR Ratios (%)



Auction Values (Per Unit)*



* U.S. 36-month off-lease auction values at Q3 2020 mix



Cash Flow And Balance Sheet (\$B)

	THIRD QUARTER		YEAR TO DATE	
	2019	2020	2019	2020
Company Adj. EBIT excl. Ford Credit	\$ 1.1	\$ 2.5	\$ 3.5	\$ (0.6)
Capital Spending	\$ (1.8)	\$ (1.2)	\$ (5.3)	\$ (4.2)
Depreciation and Tooling Amortization	1.4	1.3	4.1	4.0
Net Spending	\$ (0.4)	\$ 0.1	\$ (1.2)	\$ (0.2)
Receivables	\$ (0.2)	\$ (0.2)	\$ (0.2)	\$ 0.3
Inventory	(0.6)	(0.1)	(1.8)	(0.0)
Trade Payables	(0.6)	4.3	1.0	1.6
Changes in Working Capital	\$ (1.4)	\$ 3.9	\$ (1.0)	\$ 1.9
Ford Credit Distributions	1.1	0.6	2.4	1.1
All Other and Timing Differences*	(0.1)	(0.8)	(1.4)	(3.4)
Company Adjusted FCF	\$ 0.2	\$ 6.3	\$ 2.3	\$ (1.2)
Global Redesign (incl. Separations)	(0.3)	(0.1)	(0.7)	(0.4)
Changes in Debt	0.4	(15.8)	0.7	8.8
Funded Pension Contributions	(0.2)	(0.1)	(0.6)	(0.4)
Shareholder Distributions	(0.8)	(0.0)	(2.0)	(0.6)
All Other (incl. Acquisitions & Divestitures)	(0.1)	0.0	(0.4)	1.0
Change in Cash	\$ (0.9)	\$ (9.7)	\$ (0.8)	\$ 7.2

	BALANCE SHEET	
	2019 Dec. 31	2020 Sep. 30
<u>Company Excl. Ford Credit</u>		
Company Cash Balance	\$ 22.3	\$ 29.5
Liquidity	35.4	45.5
Debt	(15.3)	(24.2)
Cash Net of Debt	7.0	5.3
<u>Pension Funded Status</u>		
Funded Plans	\$ (0.4)	\$ 0.8
Unfunded Plans	(6.4)	(6.6)
Total Global Pension	\$ (6.8)	\$ (5.8)
Total Funded Status OPEB	\$ (6.1)	\$ (6.0)

Q3 Adj. FCF Of \$6.3B, Driven By Rebuilding Of Payables Depleted In 1H COVID Shutdown, And EBIT; Changes In Debt Of \$(15.8)B Reflect Primarily The Full Repayment Of The Corporate Revolvers



* 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)

	THIRD QUARTER		YEAR TO DATE	
	2019	2020	2019	2020
Global Redesign				
Europe excl. Russia	\$ (0.2)	\$ (0.2)	\$ (1.0)	\$ (0.4)
India	(0.8)	(0.0)	(0.8)	(0.0)
South America	(0.0)	(0.1)	(0.5)	(0.1)
Russia	0.0	0.0	(0.4)	0.0
China	(0.0)	(0.0)	(0.0)	(0.0)
Separations and Other (Not Included Above)	(0.0)	(0.0)	(0.1)	(0.0)
Subtotal Global Redesign	\$ (1.0)	\$ (0.3)	\$ (2.8)	\$ (0.5)
Other Items				
Gain on Transaction with Argo AI and VW	\$ -	\$ -	\$ -	\$ 3.5
Other, incl. Focus Cancellation, Transit Connect Customs Ruling*, NA Hourly Buyouts and Chariot	(0.2)	(0.0)	(0.3)	(0.2)
Subtotal Other Items	\$ (0.2)	\$ (0.0)	\$ (0.3)	\$ 3.2
Pension and OPEB Gain / (Loss)				
Pension and OPEB Remeasurement	\$ (0.3)	\$ (0.1)	\$ (0.3)	\$ 0.1
Pension Settlements and Curtailments	-	(0.0)	-	(0.0)
Subtotal Pension and OPEB Gain / (Loss)	\$ (0.3)	\$ (0.1)	\$ (0.3)	\$ 0.1
Total EBIT Special Items	\$ (1.5)	\$ (0.4)	\$ (3.3)	\$ 2.8
Cash Effects of Global Redesign (Incl. Separations)	\$ (0.3)	\$ (0.1)	\$ (0.7)	\$ (0.4)

Global Redesign (\$B)

Potential Future Actions
 Recorded since Q1 2018



* Transit Connect \$(0.2)B impact accrued in Q3 2019; paid in 2H 2020



OUTLOOK	2019	2020*
Adjusted EBIT		
- Q4	\$0.5B	\$(0.5)B - \$0.0B
- Full Year	\$6.4B	\$0.6B - \$1.1B
Capital Spending	\$7.6B	\$5.9B - \$6.4B
Pension Contributions	\$0.7B	\$0.5B - \$0.7B
Global Redesign EBIT Charges	\$3.2B	\$0.7B - \$1.2B
Global Redesign Cash Effects	\$0.9B	\$0.7B - \$1.2B



All-New China-Built Lincoln Corsair



All-New China-Built Lincoln Aviator



* 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 since Q3 2020. 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

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.





Appendix

Key Metrics

WHOLESALE UNITS (000)

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

	Q2 2019	Q3 2019	Q4 2019	Q1 2020	Q2 2020	Q3 2020
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North America	693	639	681	619	272	651	13.8 %	12.6 %	12.8 %	13.6 %	14.2 %	13.6 %
South America	75	79	74	59	14	48	7.4	7.1	6.9	6.9	6.5	5.7
Europe	368	298	341	288	154	239	7.0	7.3	7.4	6.9	7.1	7.8
China	126	134	159	81	169	164	2.3	2.3	2.0	2.2	2.5	2.4
International Markets Group	103	93	98	78	36	76	2.1	1.8	1.9	1.5	1.7	1.7
Total Automotive	1,364	1,244	1,354	1,126	645	1,178	6.2 %	6.0 %	5.7 %	6.0 %	5.9 %	6.0 %

REVENUE (\$B)

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

	Q2 2019	Q3 2019	Q4 2019	Q1 2020	Q2 2020	Q3 2020
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North America	\$ 24.0	\$ 23.4	\$ 25.3	\$ 21.8	\$ 10.9	\$ 25.3	1 %	5 %	(2) %	(14) %	(54) %	8 %
South America	1.0	1.0	1.0	0.7	0.2	0.6	(33)	(19)	(22)	(21)	(75)	(39)
Europe	7.3	6.3	7.0	6.2	3.6	5.7	0	(11)	(1)	(16)	(51)	(10)
China	0.9	0.9	1.0	0.6	0.8	1.0	48	(27)	(38)	(31)	(12)	15
International Markets Group	2.6	2.3	2.4	2.0	1.0	2.0	(9)	(17)	(19)	(25)	(60)	(11)
Total Automotive	\$ 35.8	\$ 33.9	\$ 36.7	\$ 31.3	\$ 16.6	\$ 34.7	(0) %	(2) %	(5) %	(16) %	(54) %	2 %



Note: Q1 and Q2 2020 results adversely impacted by COVID-related suspended production

Key Metrics

EBIT (\$B)

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

	Q2 2019	Q3 2019	Q4 2019	Q1 2020	Q2 2020	Q3 2020
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North America	\$ 1.7	\$ 2.0	\$ 0.7	\$ 0.3	\$ (1.0)	\$ 3.2	(3) %	3 %	(64) %	(84) %	(157) %	58 %
South America	(0.2)	(0.2)	(0.2)	(0.1)	(0.2)	(0.1)	(15)	(9)	11	29	19	35
Europe	0.1	(0.1)	0.1	(0.1)	(0.7)	(0.4)	N / M	18	153	N / M	N / M	N / M
China	(0.2)	(0.3)	(0.2)	(0.2)	(0.1)	(0.1)	68	26	61	(88)	12	79
International Markets Group	(0.1)	(0.1)	(0.2)	(0.0)	(0.1)	0.1	(160)	(163)	N / M	N / M	(107)	178
Total Automotive	\$ 1.4	\$ 1.3	\$ 0.2	\$ (0.2)	\$ (2.1)	\$ 2.6	19 %	(5) %	(81) %	(109) %	N / M %	99 %

EBIT MARGIN (%)

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

	Q2 2019	Q3 2019	Q4 2019	Q1 2020	Q2 2020	Q3 2020
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North America	7.1 %	8.6 %	2.8 %	1.6 %	(8.9) %	12.5 %	(0.3) ppts	(0.2) ppts	(4.8) ppts	(7.1) ppts	(16.0) ppts	3.9 ppts
South America	(21.0)	(15.9)	(18.4)	(15.5)	(68.3)	(17.1)	(8.7)	(4.1)	(2.1)	1.6	(47.3)	(1.2)
Europe	1.5	(2.3)	1.0	(2.3)	(18.4)	(7.7)	2.3	(0.4)	2.9	(3.4)	(19.9)	(5.5)
China	(17.0)	(32.0)	(21.5)	(40.7)	(17.0)	(5.7)	61.0	(0.6)	12.9	(25.7)	0.0	26.3
International Markets Group	(2.8)	(4.0)	(7.2)	(1.3)	(14.7)	3.5	(7.1)	(5.4)	(8.6)	(1.5)	(11.8)	7.6
Total Automotive	3.8 %	3.9 %	0.6 %	(0.6) %	(12.6) %	7.6 %	0.6 ppts	(0.1) ppts	(2.3) ppts	(6.0) ppts	(16.4) ppts	3.7 ppts



Note: Q1 and Q2 2020 results adversely impacted by COVID-related suspended production

Key Metrics

WHOLESALE UNITS (000)

	Q3 2019	Q3 2020	2020 B / (W) 2019	2019 YTD	2020 YTD	2020 B / (W) 2019
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MARKET SHARE (%)

	Q3 2019	Q3 2020	2020 B / (W) 2019	2019 YTD	2020 YTD	2020 B / (W) 2019
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North America	639	651	11	2,085	1,541	(544)	12.6 %	13.6 %	1.0 ppts	13.3 %	13.8 %	0.5 ppts
South America	79	48	(30)	222	122	(100)	7.1	5.7	(1.4)	7.4	6.3	(1.1)
Europe	298	239	(60)	1,048	681	(368)	7.3	7.8	0.5	7.3	7.3	0.0
China	134	164	30	375	415	40	2.3	2.4	0.1	2.2	2.4	0.2
International Markets Group	93	76	(17)	303	191	(112)	1.8	1.7	(0.1)	2.0	1.7	(0.3)
Total Automotive	1,244	1,178	(66)	4,034	2,949	(1,084)	6.0 %	6.0 %	- ppts	6.1 %	6.0 %	(0.1) ppts

REVENUE (\$B)

	Q3 2019	Q3 2020	2020 B / (W) 2019	2019 YTD	2020 YTD	2020 B / (W) 2019
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EBIT MARGIN (%)

	Q3 2019	Q3 2020	2020 B / (W) 2019	2019 YTD	2020 YTD	2020 B / (W) 2019
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North America	\$ 23.4	\$ 25.3	\$ 2.0	\$ 72.7	\$ 58.1	\$ (14.7)	8.6 %	12.5 %	3.9 ppts	8.1 %	4.4 %	(3.7) ppts
South America	1.0	0.6	(0.4)	2.9	1.6	(1.3)	(15.9)	(17.1)	(1.2)	(17.9)	(24.1)	(6.2)
Europe	6.3	5.7	(0.6)	21.1	15.6	(5.6)	(2.3)	(7.7)	(5.5)	0.2	(8.0)	(8.3)
China	0.9	1.0	0.1	2.7	2.4	(0.2)	(32.0)	(5.7)	26.3	(21.3)	(18.1)	3.2
International Markets Group	2.3	2.0	(0.3)	7.5	5.0	(2.5)	(4.0)	3.5	7.6	(2.1)	(2.1)	0.1
Total Automotive	\$ 33.9	\$ 34.7	\$ 0.8	\$ 106.9	\$ 82.7	\$ (24.3)	3.9 %	7.6 %	3.7 ppts	4.4 %	0.5 %	(3.9) ppts



Q3 Results (\$M)

	Q3			Year To Date		
	2019	2020	2020 B / (W) 2019	2019	2020	2020 B / (W) 2019
North America	\$ 2,012	\$ 3,178	\$ 1,167	\$ 5,912	\$ 2,550	\$ (3,362)
South America	(165)	(108)	57	(527)	(386)	141
Europe	(144)	(440)	(297)	51	(1,247)	(1,298)
China	(281)	(58)	223	(565)	(435)	130
International Markets Group*	(93)	72	165	(160)	(104)	56
Automotive	\$ 1,329	\$ 2,644	\$ 1,315	\$ 4,711	\$ 378	\$ (4,333)
Mobility	(290)	(281)	9	(842)	(947)	(105)
Ford Credit	736	1,123	387	2,368	1,696	(672)
Corporate Other	18	158	141	(343)	(61)	282
Adjusted EBIT	\$ 1,793	\$ 3,644	\$ 1,851	\$ 5,894	\$ 1,066	\$ (4,828)
Interest on Debt	(276)	(498)	(222)	(765)	(1,175)	(410)
Special Items (excl. tax)	(1,536)	(390)	1,146	(3,333)	2,803	6,136
Taxes	442	(366)	(808)	(40)	(1,179)	(1,139)
Less: Non-Controlling Interests	(2)	5	7	37	6	(31)
Net Income Attributable to Ford	\$ 425	\$ 2,385	\$ 1,960	\$ 1,719	\$ 1,509	\$ (210)
Company Adjusted Free Cash Flow (\$B)	\$ 0.2	\$ 6.3	\$ 6.1	\$ 2.3	\$ (1.2)	\$ (3.5)
Revenue (\$B)	37.0	37.5	0.5	116.2	91.2	(25.0)
Company Adjusted EBIT Margin (%)	4.8 %	9.7 %	487 bps	5.1 %	1.2 %	(390) bps
Net Income Margin (%)	1.1	6.4	5.2 ppts	1.5	1.7	0.2 ppts
Adjusted ROIC (Trailing Four Quarters)	9.0	(0.4)	(9.4)	N / A	N / A	N / A
Adjusted EPS	\$ 0.34	\$ 0.65	\$ 0.31	\$ 1.06	\$ 0.07	\$ (0.99)
EPS (GAAP)	0.11	0.60	0.49	0.43	0.38	(0.05)



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

Year To Date 2020 Adjusted EBIT (\$B)

	North America	South America	Europe	China	IMG	Total Auto	Total Company	
Year To Date 2019	\$ 5.9	\$ (0.5)	\$ 0.1	\$ (0.6)	\$ (0.2)	\$ 4.7	\$ 5.9	
YoY Change:								
Volume / Mix	\$ (5.0)	\$ (0.1)	\$ (1.8)	\$ (0.1)	\$ (0.4)	\$ (7.4)	\$ (7.4)	Industry \$(6.3) Other Volume / Mix (1.0)
Net Pricing	1.5	0.3	0.9	(0.0)	0.0	2.8	2.8	
Cost	(0.0)	0.1	(0.2)	0.2	0.4	0.5	0.5	Material / Freight \$(1.8) Warranty (1.1) Commodities 0.5 Structural 2.4 Pension / OPEB 0.5
Exchange	(0.1)	(0.2)	0.0	(0.1)	(0.0)	(0.3)	(0.3)	
Other / JVs	0.2	0.0	(0.3)	0.2	(0.0)	0.1	0.1	JVs \$(0.0) Other 0.1
Total Automotive	\$ (3.4)	\$ 0.1	\$ (1.3)	\$ 0.1	\$ 0.1	\$ (4.3)	\$ (4.3)	
Mobility							(0.1)	
Ford Credit							(0.7)	
Corporate Other							0.3	
Total Company							\$ (4.8)	
Year To Date 2020	\$ 2.6	\$ (0.4)	\$ (1.2)	\$ (0.4)	\$ (0.1)	\$ 0.4	\$ 1.1	



Quarterly Results (\$M)

	2019					2020		
	Q1	Q2	Q3	Q4	Full Year	Q1	Q2	Q3
North America	\$ 2,205	\$ 1,696	\$ 2,012	\$ 700	\$ 6,612	\$ 346	\$ (974)	\$ 3,178
South America	(158)	(205)	(165)	(176)	(704)	(113)	(165)	(108)
Europe (excl. Russia)	85	110	(144)	72	123	(143)	(664)	(440)
China	(128)	(155)	(281)	(207)	(771)	(241)	(136)	(58)
International Markets Group*	5	(72)	(93)	(174)	(334)	(26)	(150)	72
Automotive	\$ 2,009	\$ 1,373	\$ 1,329	\$ 215	\$ 4,926	\$ (177)	\$ (2,089)	\$ 2,644
Mobility	(288)	(264)	(290)	(344)	(1,186)	(334)	(332)	(281)
Ford Credit	801	831	736	630	2,998	30	543	1,123
Corporate Other	(75)	(286)	18	(16)	(359)	(151)	(68)	158
Adjusted EBIT	\$ 2,447	\$ 1,654	\$ 1,793	\$ 485	\$ 6,379	\$ (632)	\$ (1,946)	\$ 3,644
Interest on Debt	(245)	(244)	(276)	(255)	(1,020)	(227)	(450)	(498)
Special Items (excl. tax)	(592)	(1,205)	(1,536)	(2,666)	(5,999)	(287)	3,480	(390)
Taxes	(427)	(55)	442	764	724	(847)	34	(366)
Less: Non-Controlling Interests	37	2	(2)	-	37	-	1	5
Net Income Attributable to Ford	\$ 1,146	\$ 148	\$ 425	\$ (1,672)	\$ 47	\$ (1,993)	\$ 1,117	\$ 2,385
Company Adjusted Free Cash Flow (\$B)	\$ 1.9	\$ 0.2	\$ 0.2	\$ 0.5	\$ 2.8	\$ (2.2)	\$ (5.3)	\$ 6.3
Revenue (\$B)	40.3	38.9	37.0	39.7	155.9	34.3	19.4	37.5
Company Adjusted EBIT Margin (%)	6.1 %	4.3 %	4.8 %	1.2 %	4.1 %	(1.8) %	(10.0) %	9.7 %
Net Income Margin (%)	2.8	0.4	1.1	(4.2)	0.0	(5.8)	5.8	6.4
Adjusted ROIC (Trailing Four Quarters)	8.0	8.5	9.0	7.8	7.8	2.5	(3.1)	(0.4)
Adjusted EPS	\$ 0.44	\$ 0.28	\$ 0.34	\$ 0.12	\$ 1.19	\$ (0.23)	\$ (0.35)	\$ 0.65
EPS (GAAP)	0.29	0.04	0.11	(0.42)	0.01	(0.50)	0.28	0.60



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

Note: Q1 and Q2 2020 results adversely impacted by COVID-related suspended production

Net Income Reconciliation To Adjusted EBIT (\$M)

	Q3		Year To Date		Memo:
	2019	2020	2019	2020	FY 2019
Net income / (Loss) attributable to Ford (GAAP)	\$ 425	\$ 2,385	\$ 1,719	\$ 1,509	\$ 47
Income / (Loss) attributable to non-controlling interests	(2)	5	37	6	37
Net income / (Loss)	\$ 423	\$ 2,390	\$ 1,756	\$ 1,515	\$ 84
Less: (Provision for) / Benefit from income taxes	442	(366)	(40)	(1,179)	724
Income / (Loss) before income taxes	\$ (19)	\$ 2,756	\$ 1,796	\$ 2,694	\$ (640)
Less: Special items pre-tax	(1,536)	(390)	(3,333)	2,803	(5,999)
Income / (Loss) before special items pre-tax	\$ 1,517	\$ 3,146	\$ 5,129	\$ (109)	\$ 5,359
Less: Interest on debt	(276)	(498)	(765)	(1,175)	(1,020)
Adjusted EBIT (Non-GAAP)	<u>\$ 1,793</u>	<u>\$ 3,644</u>	<u>\$ 5,894</u>	<u>\$ 1,066</u>	<u>\$ 6,379</u>
Memo:					
Revenue (\$B)	\$ 37.0	\$ 37.5	\$ 116.2	\$ 91.2	\$ 155.9
Net income margin (GAAP) (%)	1.1 %	6.4 %	1.5 %	1.7 %	0.0 %
Adjusted EBIT margin (%)	4.8 %	9.7 %	5.1 %	1.2 %	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	Q3 2020	Year To Date	
								2019	2020
Net cash provided by / (Used in) operating activities (GAAP)	\$ 3,544	\$ 6,463	\$ 4,732	\$ 2,900	\$ (473)	\$ 9,115	\$ 11,088	\$ 14,739	\$ 19,730
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	4,161	10,908	17,707
Funded pension contributions	(294)	(106)	(211)	(119)	(175)	(107)	(147)	(611)	(429)
Global Redesign (including separations)	(136)	(222)	(334)	(219)	(172)	(99)	(105)	(692)	(376)
Ford Credit tax payments / (refunds) under tax sharing agreement	98	-	-	293	475	569	300	98	1,344
Other, net	(120)	175	(124)	68	(15)	(178)	(431)	(69)	(624)
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)	(1,247)	(5,318)	(4,182)
Ford Credit distributions	675	650	1,100	475	275	275	575	2,425	1,125
Settlement of derivatives	(26)	86	16	31	(28)	64	(336)	76	(300)
Company adjusted free cash flow (Non-GAAP)	\$ 1,907	\$ 174	\$ 207	\$ 498	\$ (2,242)	\$ (5,309)	\$ 6,302	\$ 2,288	\$ (1,249)



Note: Q1 and Q2 2020 results adversely impacted by COVID-related suspended production

Earnings Per Share Reconciliation To Adjusted Earnings Per Share

	Q3		Year To Date	
	2019	2020	2019	2020
<u>Diluted After-Tax Results (\$M)</u>				
Diluted after-tax results (GAAP)	\$ 425	\$ 2,385	\$ 1,719	\$ 1,509
Less: Impact of pre-tax and tax special items	(931)	(231)	(2,505)	1,220
Less: Non-controlling interests impact of Russia restructuring	-	-	(35)	-
Adjusted net income – diluted (Non-GAAP)	<u>\$ 1,356</u>	<u>\$ 2,616</u>	<u>\$ 4,259</u>	<u>\$ 289</u>
<u>Basic and Diluted Shares (M)</u>				
Basic shares (average shares outstanding)	3,970	3,976	3,976	3,971
Net dilutive options, unvested restricted stock units and restricted stock	37	29	30	26
Diluted shares	<u>4,007</u>	<u>4,005</u>	<u>4,006</u>	<u>3,997</u>
Earnings per share – diluted (GAAP)	\$ 0.11	\$ 0.60	\$ 0.43	\$ 0.38
Less: Net impact of adjustments	(0.23)	(0.05)	(0.63)	0.31
Adjusted earnings per share – diluted (Non-GAAP)	<u>\$ 0.34</u>	<u>\$ 0.65</u>	<u>\$ 1.06</u>	<u>\$ 0.07</u>

Effective Tax Rate Reconciliation To Adjusted Effective Tax Rate

	2020		Memo:
	Q3	Year To Date	FY 2019
<u>Pre-Tax Results (\$M)</u>			
Income / (Loss) before income taxes (GAAP)	\$ 2,756	\$ 2,694	\$ (640)
Less: Impact of special items	(390)	2,803	(5,999)
Adjusted earnings before taxes (Non-GAAP)	<u>\$ 3,146</u>	<u>\$ (109)</u>	<u>\$ 5,359</u>
<u>Taxes (\$M)</u>			
(Provision for) / Benefit from income taxes (GAAP)	\$ (366)	\$ (1,179)	\$ 724
Less: Impact of special items*	159	(1,583)	1,323
Adjusted (provision for) / benefit from income taxes (Non-GAAP)	<u>\$ (525)</u>	<u>\$ 404</u>	<u>\$ (599)</u>
<u>Tax Rate (%)</u>			
Effective tax rate (GAAP)	13.3 %	43.8 %	113.1 %
Adjusted effective tax rate (Non-GAAP)	16.7 %	370.6 %	11.2 %

* Includes \$(1,028)M year to date for the establishment of a valuation allowance on U.S. tax credits



Adjusted ROIC (\$B)

	<u>Four Quarters Ending Q3 2019</u>	<u>Four Quarters Ending Q3 2020</u>
<u>Adjusted Net Operating Profit After Cash Tax</u>		
Net income attributable to Ford	\$ 1.6	\$ (0.2)
Add: Non-controlling interest	0.0	-
Less: Income tax	(0.1)	(0.4)
Add: Cash tax	(0.7)	(0.3)
Less: Interest on debt	(1.1)	(1.4)
Less: Total pension / OPEB income / (cost)	(1.2)	(1.8)
Add: Pension / OPEB service costs	(1.1)	(1.1)
Net operating profit after cash tax	<u>\$ 2.3</u>	<u>\$ 2.0</u>
Less: Special items (excl. pension / OPEB) pre-tax	(3.3)	2.3
Adj. net operating profit after cash tax	<u><u>\$ 5.6</u></u>	<u><u>\$ (0.3)</u></u>
<u>Invested Capital</u>		
Equity	\$ 35.4	\$ 33.2
Redeemable non-controlling interest	-	-
Debt (excl. Ford Credit)	14.8	24.2
Net pension and OPEB liability	10.9	11.9
Invested capital (end of period)	<u>\$ 61.1</u>	<u>\$ 69.2</u>
Average invested capital	<u><u>\$ 62.1</u></u>	<u><u>\$ 69.4</u></u>
ROIC*	3.6 %	2.9 %
Adjusted ROIC (Non-GAAP)**	9.0 %	(0.4) %

* 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



Product Notes

F-150 XLT (shown on Slide 6)

- Max towing on F-150 SuperCab 8' box and SuperCrew 4x2 with available 3.5L EcoBoost, Max Trailer Tow Pkg. Max towing varies based on cargo, vehicle configuration, accessories and number of passengers. Towing and payload are independent attributes and may not be achieved simultaneously
- Max payload on F-150 Regular Cab 8' box 4x2 with available 5.0L V8 engine and Max Trailer Tow and Heavy-Duty Payload Pkgs. Max payload varies and is based on accessories and vehicle configuration. See label on door jamb for carrying capacity of a specific vehicle. Class is Full-Size Pickups under 8,500 lbs. GVWR
- Over-the-Air-Updates require FordPass Connect, the Ford Pass App., complimentary Connected Service, and a Wi-Fi- connection. See FordPass Terms for details. <https://owner.ford.com/fordpass/fordpass-terms-and-conditions.html>. At purchase, the FordPass Connect™ modem is connected and sending vehicle data (e.g., diagnostics) to Ford. To disable or for more information, see in-vehicle connectivity settings. Learn more at <https://www.fordconnected.com/> FordPass App, compatible with select smartphone platforms, is available via a download. Message and data rates may apply
- Targeted EPA-estimated range applies to an available trim. Actual range will vary. Final EPA-estimated ratings available later in the 2020 calendar year

Mustang Mach-E Premium (pre-production computer-generated image shown on Slide 6)

- Targeted EPA-estimated range applies to an available trim. Actual range varies with conditions such external elements, driving behaviors, vehicle maintenance, lithium-ion battery age and state of health. Final EPA-estimated ratings available later in the 2020 calendar year
- Driver-assist features are supplemental and do not replace the driver's attention, judgment and need to control the vehicle. Active Drive Assist is a hands-free highway driving feature. Only remove hands from the steering wheel when in a Hands-Free 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 Active Drive Assist Prep Kit contains the hardware required for this feature. Software for the feature will be available for purchase at a later date. Active Drive Assist functionality expected Q3 2021. Separate payment for feature software required to activate full functionality at that time
- Targeted EPA-estimated range of 300 miles with an extended range battery and RWD. Mustang Mach-E Premium with standard range battery and RWD shown with targeted EPA-estimated range of 230 mile on full charge. Actual range varies with conditions such as external elements, driving behaviors, vehicle maintenance, lithium-ion battery age and state of health

Bronco Sport Badlands (pre-production computer-generated image shown on Slide 6)

- Horsepower and torque are independent attributes and may not be achieved simultaneously. Class is Non-Premium Subcompact Utility. Horsepower and torque ratings based on premium fuel per SAE J1349® standard. Your results may vary
- With available 235/65R17 tires. Class is Non-Premium Subcompact Utility

Bronco Badlands (pre-production computer-generated image shown on Slide 6)

- Class is Medium Traditional Utility



FORD CREDIT

Q3 Earnings Review

October 28, 2020

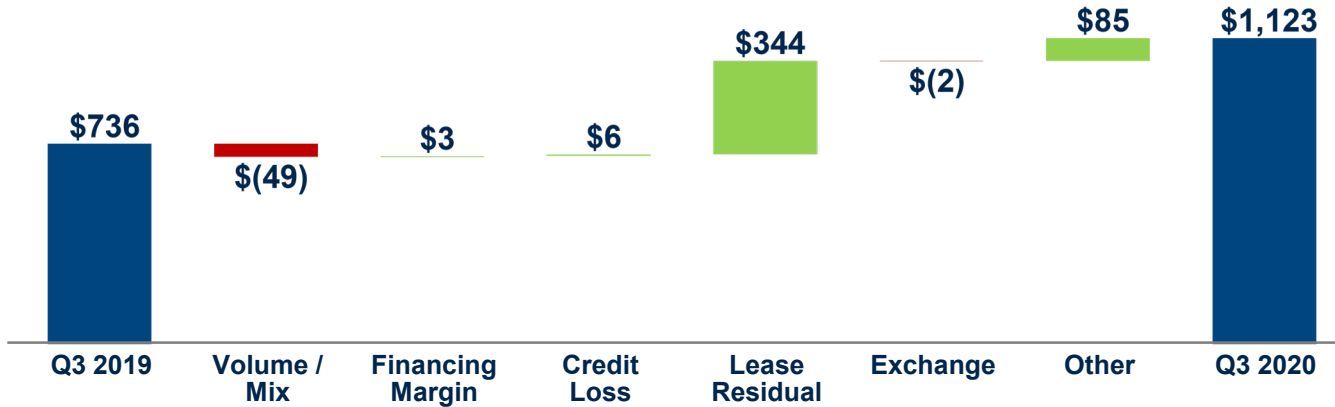


Key Takeaways

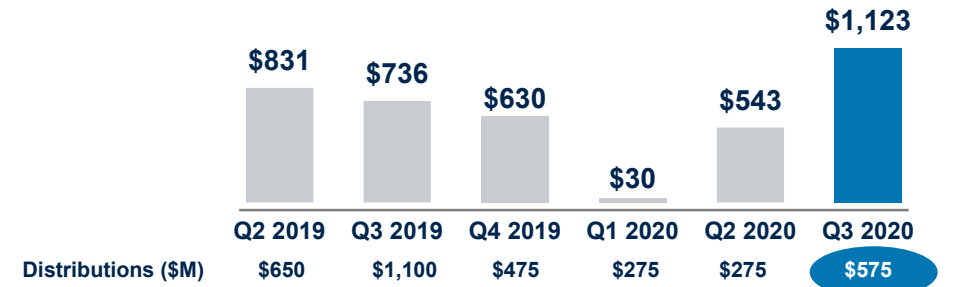
- **Strong Q3 EBT of \$1,123M (highest quarter since Q2 2005)**
- **Balance sheet remains strong with liquidity at \$31B; continue to access diverse funding sources**
- **Portfolio is performing well – charge-offs and loss-to-receivables (LTR) ratio remained significantly below year-ago levels. Credit loss reserve reflects lifetime losses at about the same level as Q2**
- **Off-lease auction values very strong through the third quarter and lease share remained below industry average**

Key Metrics

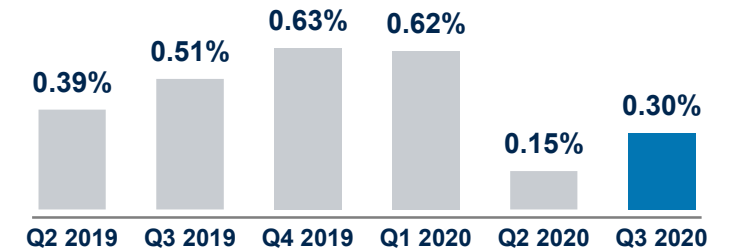
EBT YoY Bridge (\$M)



EBT (\$M)



U.S. Retail LTR Ratios (%)



Auction Values (Per Unit)*



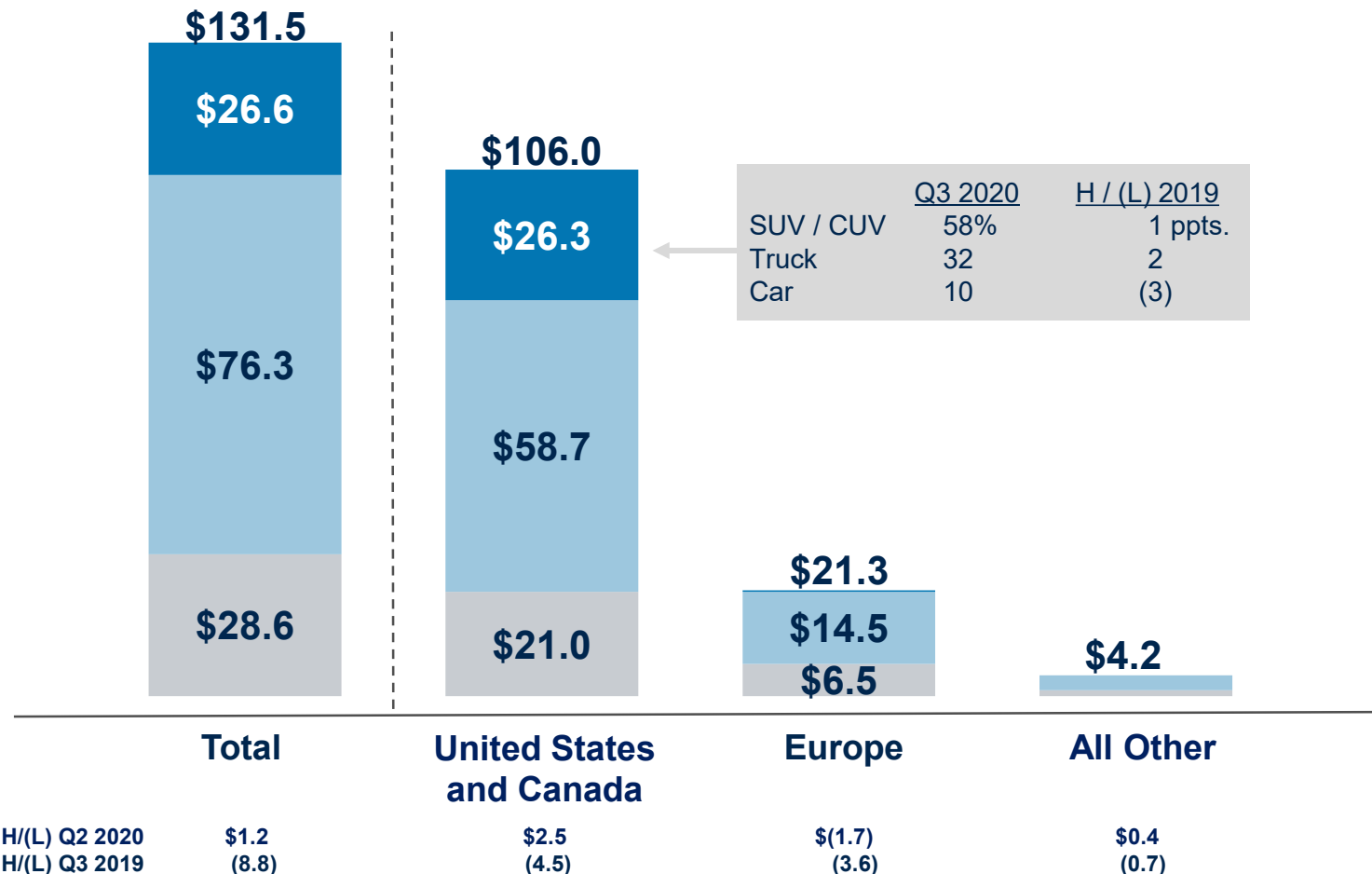
- Q3 EBT of \$1,123M is up \$387M, reflecting strong auction performance
- Portfolio performing well – loss-to-receivables (LTR) remains low and below year-ago levels; auction values improved significantly
- Balance sheet and liquidity remain strong

* U.S. 36-month off-lease auction values at Q3 2020 mix



Q3 2020 Net Receivables Mix (\$B)

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



- Receivables declined \$9B YoY primarily reflecting lower wholesale receivables
- Operating lease portfolio was 20% of total net receivables

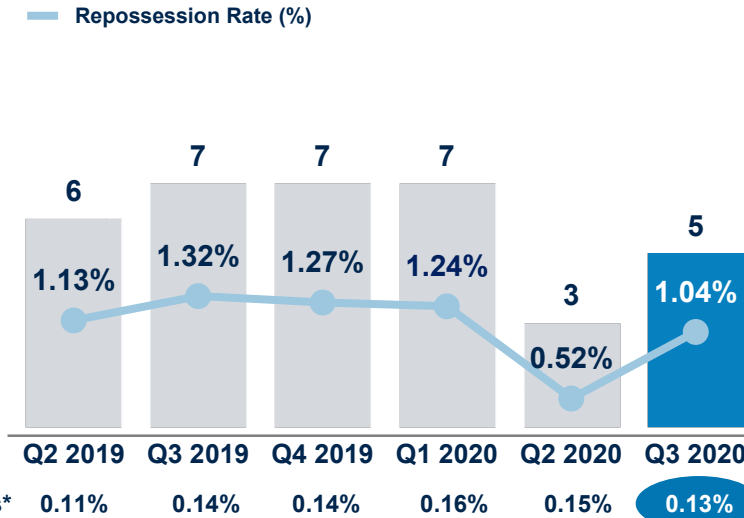


U.S. Origination Metrics And Credit Loss Drivers

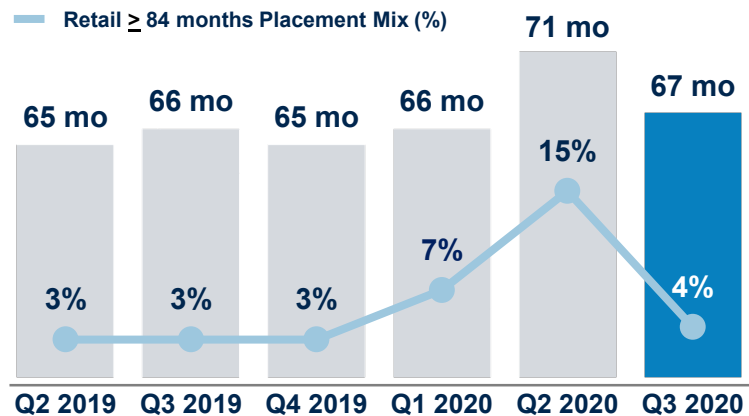
Retail & Lease FICO and Higher Risk Mix (%)



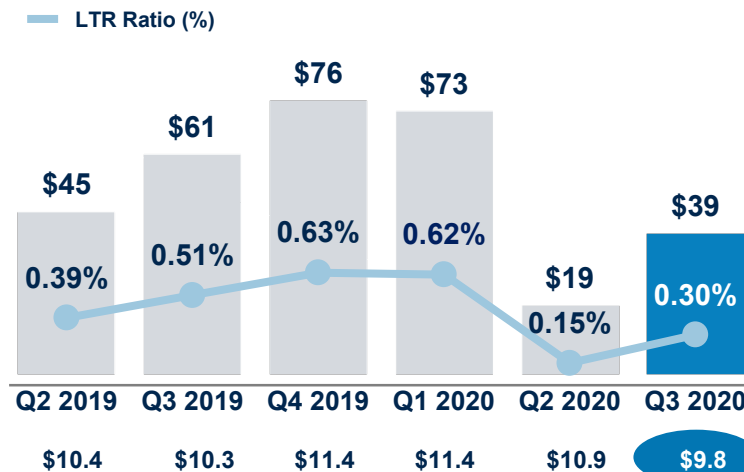
Retail Repossessions (000) and Repossession Rate (%)



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 remained low and significantly below year-ago levels
- Longer-term contract mix returned to normal levels
- Extensions have returned to pre-pandemic levels; 99% of COVID-related extensions have made at least one payment



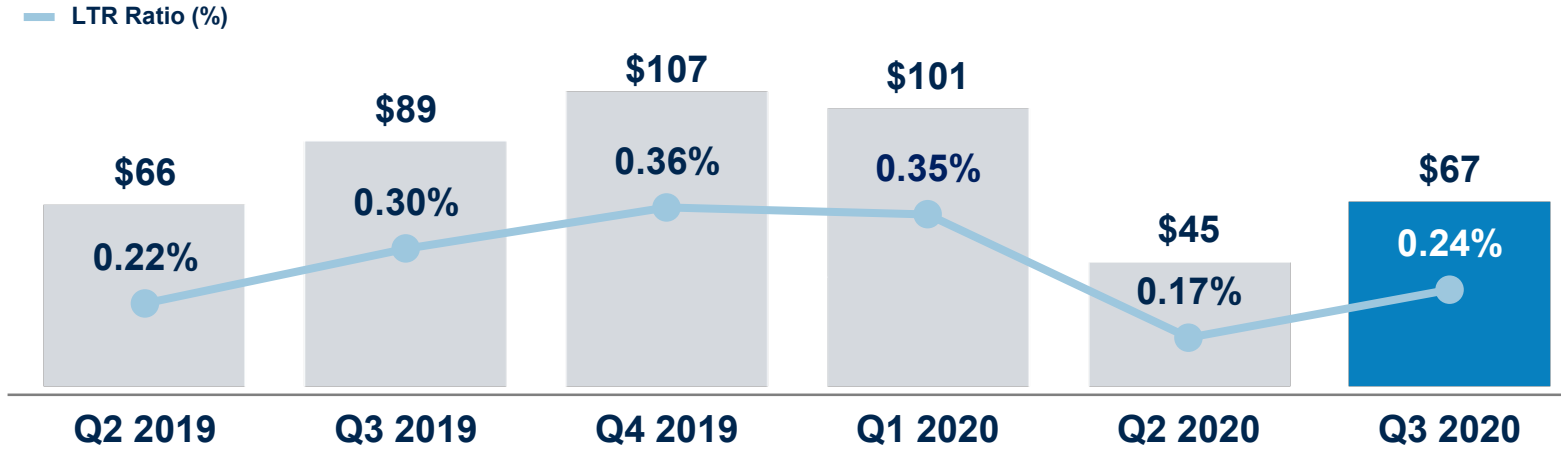
* Excluding bankruptcies

Severity (000)

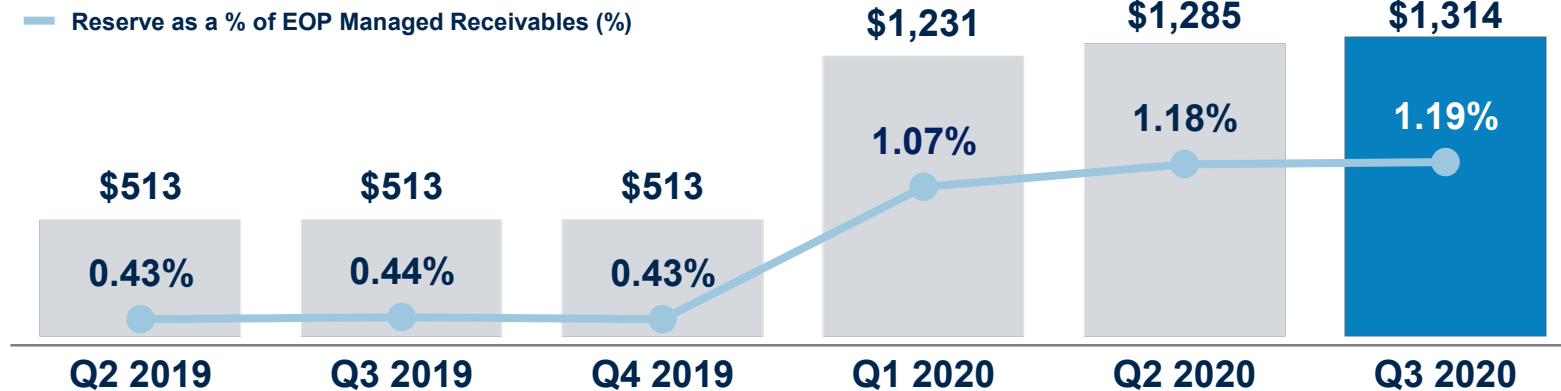
\$10.4 \$10.3 \$11.4 \$11.4 \$10.9 \$9.8

Worldwide Credit Loss Metrics

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



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

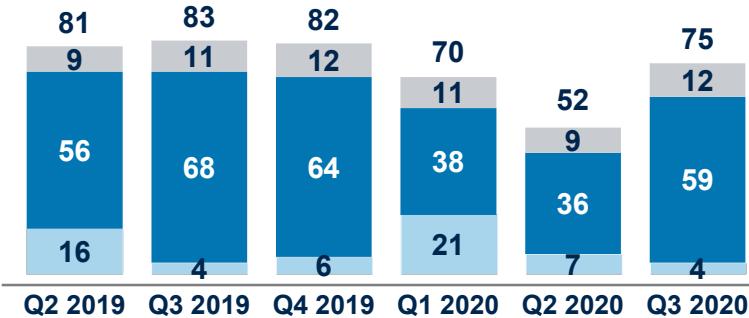


- Worldwide credit loss metrics remained strong and significantly below year-ago levels
- Credit loss reserve reflects lifetime losses at about the same level as Q2

U.S. Lease Metrics

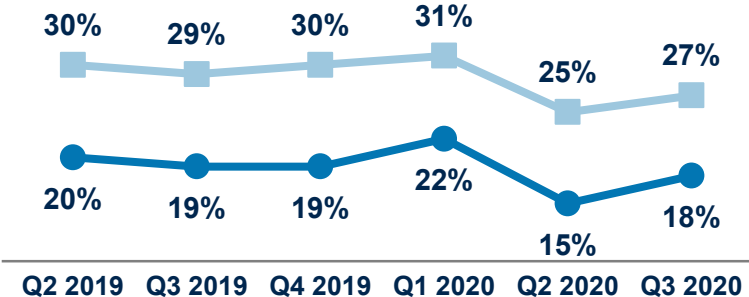
Lease Placement Volume (000)

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



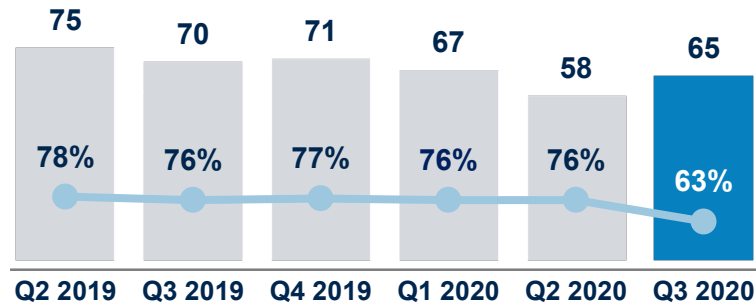
Lease Share of Retail Sales (%)

■ Industry*
■ Ford Credit



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

— Return Rate (%)



Off-Lease Auction Values (36-month, at Q3 2020 Mix)

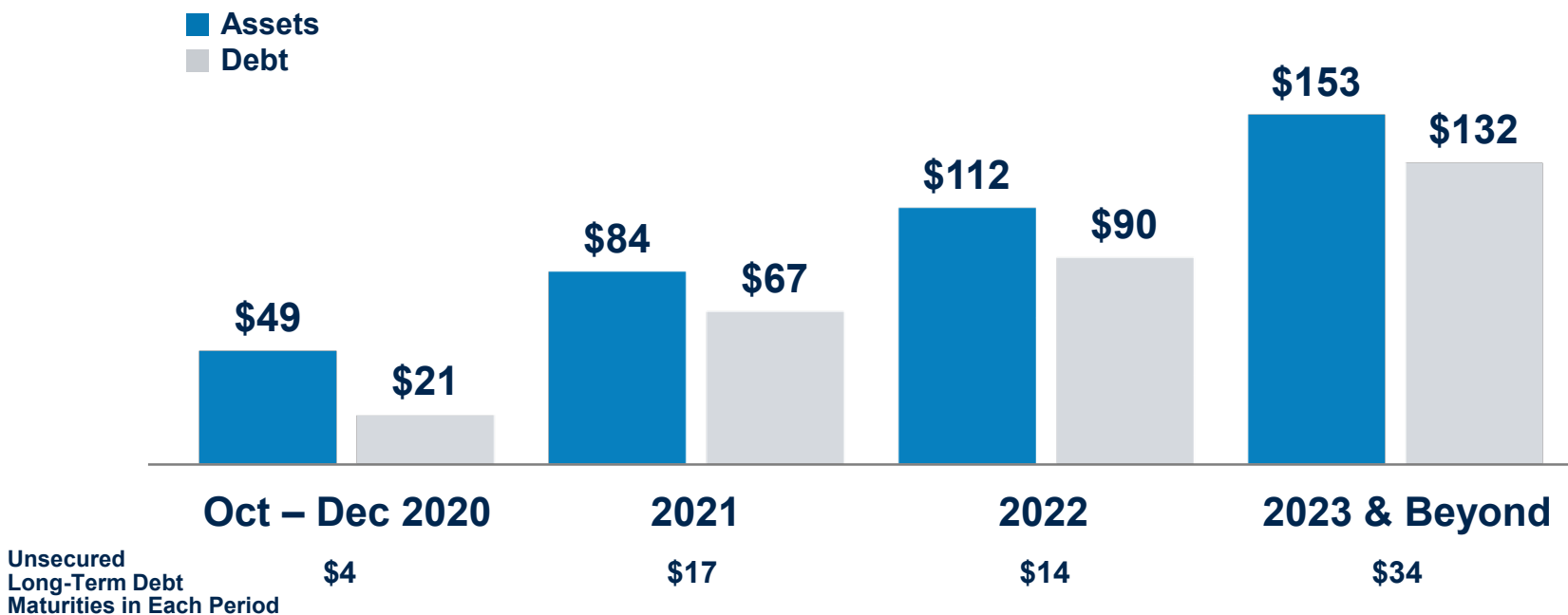


- Auction values rebounded strongly in the third quarter, up 7% from second quarter and 5% YoY
- Lease placement volume and share down YoY
- Lower lease return volume and return rate reflect auction values
- FY auction values now forecast to be up about 2%



* Source: J.D. Power PIN

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



- Strong balance sheet is inherently liquid with cumulative debt maturities having a longer tenor than asset maturities
- As of September 30, \$77B of \$153B assets are unencumbered



* See Appendix for assets and debt definitions

Funding Structure – Managed Receivables* (\$B)

	2019 Dec 31	2020 Sep 30
Term Debt (incl. Bank Borrowings)	\$ 73	\$ 73
Term Asset-Backed Securities	57	53
Commercial Paper	4	1
Ford Interest Advantage / Deposits	7	6
Other	9	9
Equity	14	14
Adjustments for Cash	(12)	(15)
Total Managed Receivables	\$ 152	\$ 141
Securitized Funding as Pct of Managed Receivables	38%	38%
Net Liquidity	\$ 33	\$ 31

- Well capitalized with a strong balance sheet; \$31B in net liquidity
- Funding is diversified across platforms and markets
- Expect ABS mix to increase modestly 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 Oct 27</u>
Unsecured	\$ 13	\$ 17	\$ 8 - 11	\$ 8
Securitized ^{**}	14	14	12 - 13	11
Total	<u><u>\$ 27</u></u>	<u><u>\$ 31</u></u>	<u><u>\$ 21 - 24</u></u>	<u><u>\$ 20</u></u>

- Completed \$20B of public issuance year-to-date
- Strong balance sheet and substantial liquidity provide funding flexibility



* Numbers may not sum due to rounding; 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
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EBT By Segment* (\$M)

	Q3		YTD	
	2020	H / (L) 2019	2020	H / (L) 2019
Results				
United States and Canada segment	\$ 932	\$ 349	\$ 1,399	\$ (395)
Europe segment	73	(5)	155	(150)
All Other segment	14	(6)	38	(77)
Total segments	\$ 1,019	\$ 338	\$ 1,592	\$ (622)
Unallocated other	104	49	104	(50)
Earnings before taxes	\$ 1,123	\$ 387	\$ 1,696	\$ (672)
Taxes	(264)	(99)	(409)	172
Net income	\$ 859	\$ 288	\$ 1,287	\$ (500)
Distributions	\$ 575	\$ (525)	\$ 1,125	\$ (1,300)



* See Appendix for definitions

Financing Shares And Contract Placement Volume

	2019	2020	2019	2020
<u>Share of Ford Sales*</u>				
United States	57 %	55 %	52 %	63 %
Canada	57	75	63	69
U.K.	40	40	39	42
Germany	44	39	47	39
China	35	40	34	37
<u>Wholesale Share</u>				
United States	76 %	74 %	76 %	74 %
Canada	57	30	57	42
U.K.	100	100	100	100
Germany	93	93	93	93
China	59	64	61	60
<u>Contract Placement Volume - New and Used (000)</u>				
United States	277	259	697	761
Canada	36	53	106	101
U.K.	37	37	111	80
Germany	38	28	126	76
China	25	33	80	77



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

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

	2019 Sep 30	2019 Dec 31	2020 Sep 30
Finance receivables, net (GAAP)	\$ 112.8	\$ 114.3	\$ 104.9
Net investment in operating leases (GAAP)	27.5	27.7	26.6
Total net receivables*	\$ 140.3	\$ 142.0	\$ 131.5
Held-for-sale receivables (GAAP)	\$ -	\$ 1.5	\$ 0.0
Unearned interest supplements and residual support	6.8	6.7	6.7
Allowance for credit losses	0.5	0.5	1.3
Other, primarily accumulated supplemental depreciation	1.1	1.0	1.1
Total managed receivables (Non-GAAP)	\$ 148.7	\$ 151.7	\$ 140.6



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

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

	<u>2019 Sep 30</u>	<u>2019 Dec 31</u>	<u>2020 Sep 30</u>
<u>Leverage Calculation</u>			
Debt	\$ 139.3	\$ 140.0	\$ 133.1
Adjustments for cash	(14.3)	(11.7)	(14.6)
Adjustments for derivative accounting	(0.8)	(0.5)	(1.6)
Total adjusted debt	<u>\$ 124.2</u>	<u>\$ 127.8</u>	<u>\$ 116.9</u>
Equity	\$ 14.2	\$ 14.3	\$ 14.3
Adjustments for derivative accounting	(0.0)	(0.0)	0.1
Total adjusted equity	<u>\$ 14.2</u>	<u>\$ 14.3</u>	<u>\$ 14.4</u>
Financial statement leverage (to 1) (GAAP)	9.8	9.8	9.3
Managed leverage (to 1) (Non-GAAP)	8.8	8.9	8.2



* See Appendix for definitions

Liquidity Sources* (\$B)

	<u>2019</u> <u>Sep 30</u>	<u>2019</u> <u>Dec 31</u>	<u>2020</u> <u>Sep 30</u>
<u>Liquidity Sources</u>			
Cash	\$ 14.3	\$ 11.7	\$ 14.6
Committed asset-backed facilities	35.2	36.6	37.4
Other unsecured credit facilities	2.6	3.0	2.4
Ford corporate credit facility allocation	3.0	3.0	-
Total liquidity sources	\$ 55.1	\$ 54.3	\$ 54.4
<u>Utilization of Liquidity</u>			
Securitization cash	\$ (2.9)	\$ (3.5)	\$ (3.3)
Committed asset-backed facilities	(14.4)	(17.3)	(17.4)
Other unsecured credit facilities	(0.5)	(0.8)	(0.5)
Ford corporate credit facility allocation	-	-	-
Total utilization of liquidity	\$ (17.8)	\$ (21.6)	\$ (21.2)
Gross liquidity	\$ 37.3	\$ 32.7	\$ 33.2
Adjustments	(1.9)	0.4	(1.9)
Net liquidity available for use	\$ 35.4	\$ 33.1	\$ 31.3



* Numbers may not sum due to rounding; 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

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 third quarter 2021. 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 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

