



Ford Motor Company Q4 & Full Year 2020 Earnings Review

February 4, 2021



2022 E-Transit

Note: See slide A18 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 most recent Annual Report on Form 10-K, as updated by additional factors in subsequent filings with the United States Securities and Exchange Commission.

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.

The Plan

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

We Will:

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



The Plan: Care For Each Other



Q4 Highlights

TURN AROUND AUTOMOTIVE



- Generated \$1.9B of Adjusted Free Cash Flow
- Delivered Adjusted EBIT of \$1.7B; second half Adjusted EBIT Margin of 7.3%
- Ford of Europe strongest quarterly profit in over four years, delivering an Adjusted EBIT Margin of 5.8%

MUST-HAVE PRODUCTS



- Successfully launched three new vehicles that exemplify the new direction of Ford: The all-electric Mustang Mach-E, the all-new F-150 and Bronco Sport

ELECTRIFICATION REVOLUTION



- Through year end, invested ~\$7B* in electrification; on our way to investing ~\$22B by 2025
- First company to announce plans for an all-electric van, E-Transit, and an all-electric pickup, F-150



* 2016 – 2020

Note: See slide A18 for related notes

Fourth Quarter Financial Results

Adj. FCF

\$1.9B

Up \$1.4B

Revenue

\$36B

Down \$3.8B

Adj. EBIT

\$1.7B

Up \$1.2B

Adj. EBIT Margin

4.8%

Up 3.6 pts

Adj. EPS

\$0.34

Up \$0.22



2021 Mustang Mach-E
GT Performance Edition
Available late 2021

Full Year

\$0.7B

Down \$2.1B

\$127.1B

Down \$28.8B

\$2.8B

Down \$3.6B

2.2%

Down 1.9 pts

\$0.41

Down \$0.78

The Plan: Turn Around Automotive South America Restructuring

JANUARY 2021
ANNOUNCEMENT



Ceasing manufacturing in Brazil. Portfolio will consist of vehicle strengths: Connected and increasingly electrified SUVs, pickups and commercial vehicles sourced from Argentina, Uruguay and other markets

Pre-tax special item charges of ~\$4.1B, including \$2.4B in 2020 and ~\$1.7B in 2021; charges will include ~\$1.6B of non-cash write-offs, and ~\$2.5B of cash payments, primarily in 2021, for separation, termination, settlement and other payments

PRIOR ACTIONS



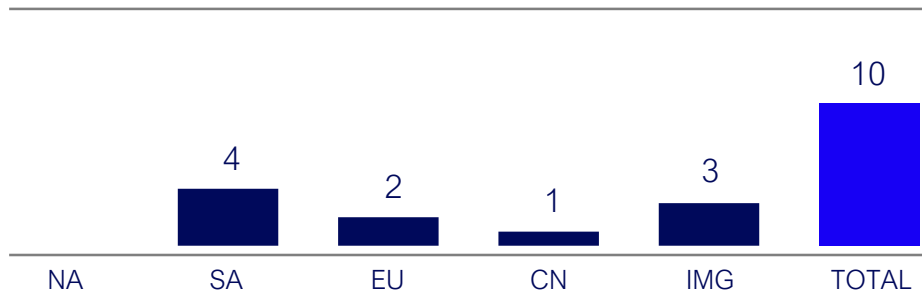
Discontinued Focus, Fiesta and Heavy Truck; closed and sold São Bernardo facility; launched asset-light partnership with Nordex for Transit in Uruguay

Profitable Asset-Light Business Model Focused On Areas Of Strength

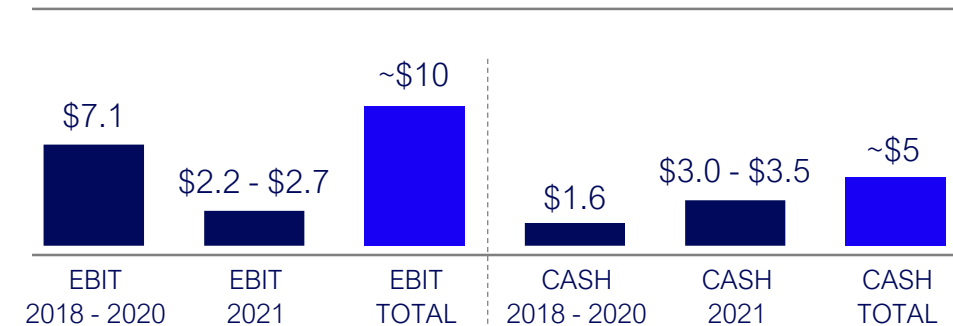
The Plan: Turn Around Automotive Global Redesign

Restructuring Actions: 2018 - 2021

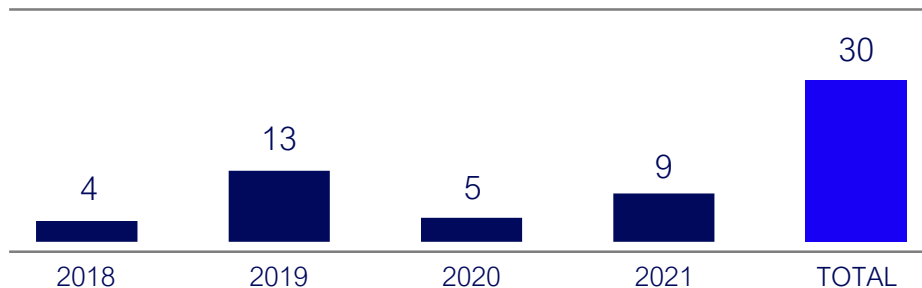
Mfg. Site Sales Or Closures*



EBIT Charges & Cash Effects (\$B)



Headcount Efficiencies (000)



- Europe \$1.1B annual structural cost improvement; 10.1K headcount efficiencies in Western Europe through 2020
- South America completes move to “asset-light” business model by the end of 2021, focused on leadership in pickups and commercial vehicles

**Total Global Redesign: ~\$11B Of EBIT Charges
And ~\$7B Of Cash Effects**

* Manufacturing sites may contain multiple facilities

The Plan: Must-Have Products And Services On The Road Now



Bronco Sport



Mustang Mach-E



F-150



Connectivity & Services

- In dealers November 2020
- First in new Bronco family
- “No compact crossover can touch the Bronco Sport when it comes to off-road cred.” - CNET

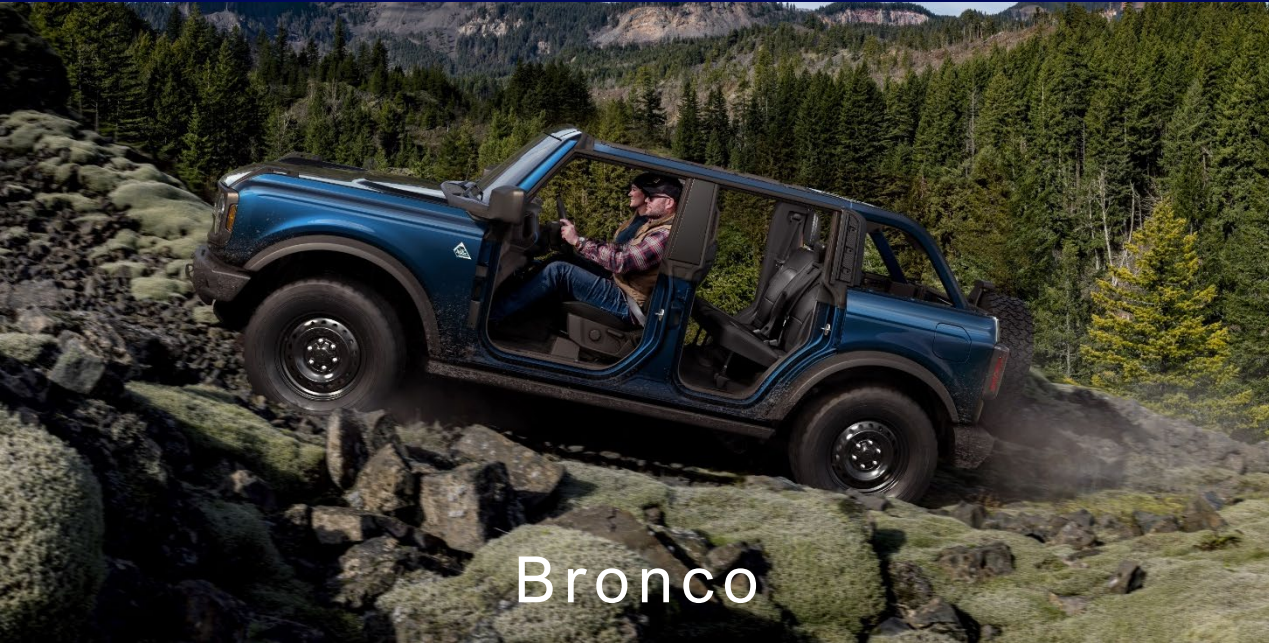
- In dealers December 2020
- 2021 North American Utility Vehicle of the Year™
- Best Car to Buy 2021 - Green Car Reports
- FordPass app connects owners to largest public charging network in North America, 16K charging stations and growing

- In dealers December 2020
- 2021 North American Truck of the Year™
- F-Series is America’s #1 pickup for 44 years and best-selling vehicle for 39 years

- 100% NA new products connected
- OTA-enabled portfolio growing: Mustang Mach-E and F-150
- Almost 50% increase in FordPass members to 9M; offering differentiated customer experiences
- 134K Ford Commercial Solutions subscriptions, up 200%; offering services to lower cost and optimize uptime

Note: See slide A18 for related notes

The Plan: Must-Have Products And Services Coming Soon



Bronco

- Iconic nameplate returning after 25 years
- Incremental to portfolio, capitalizes on Ford's strength
- Orders opened January 20, 2021 – more than 190,000 reservations – exceeding expectations
- Production Spring 2021, first deliveries expected Summer 2021



F-150 Raptor

- Most off-road capable and connected F-150 Raptor ever
- All-new third generation F-150 Raptor that takes the mechanical and technical brilliance and precision of Raptor and infuses it with enhanced connected technology
- Available in showrooms Summer 2021

The Plan: Lead The Electrification Revolution In Areas Of Strength



Mustang Mach-E



E-Transit



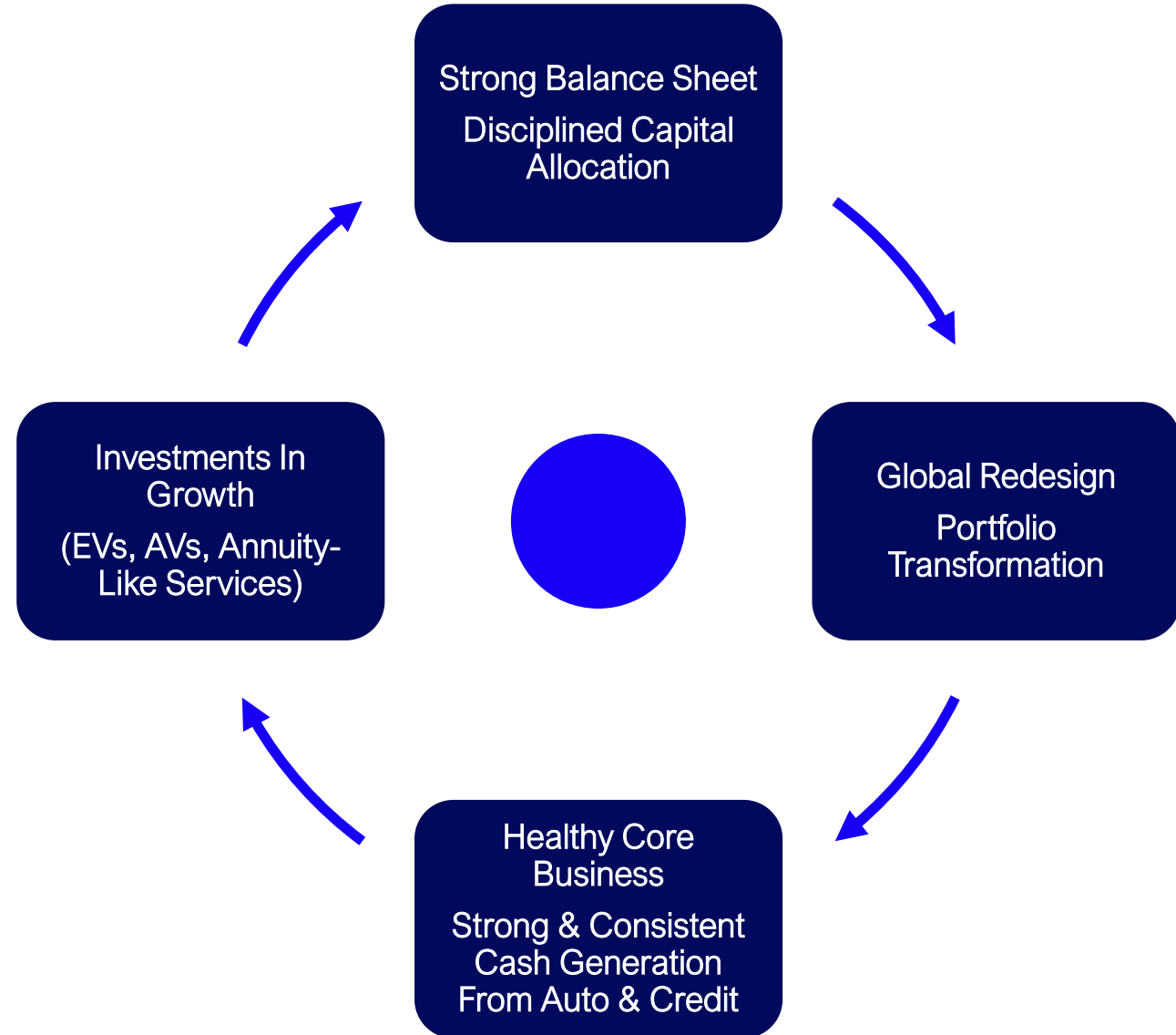
F-150 BEV

- Investing ~\$22B* in electrification through 2025
- Focused on high-volume areas where we lead: Pickups, utilities and commercial vehicles
 - Majority of electrification spending dedicated to BEV
 - Breadth of offerings supported by Ford platforms and partnerships
 - Expansion of dedicated global BEV manufacturing footprint underway

* 2016 – 2025, includes ~\$7B through 2020

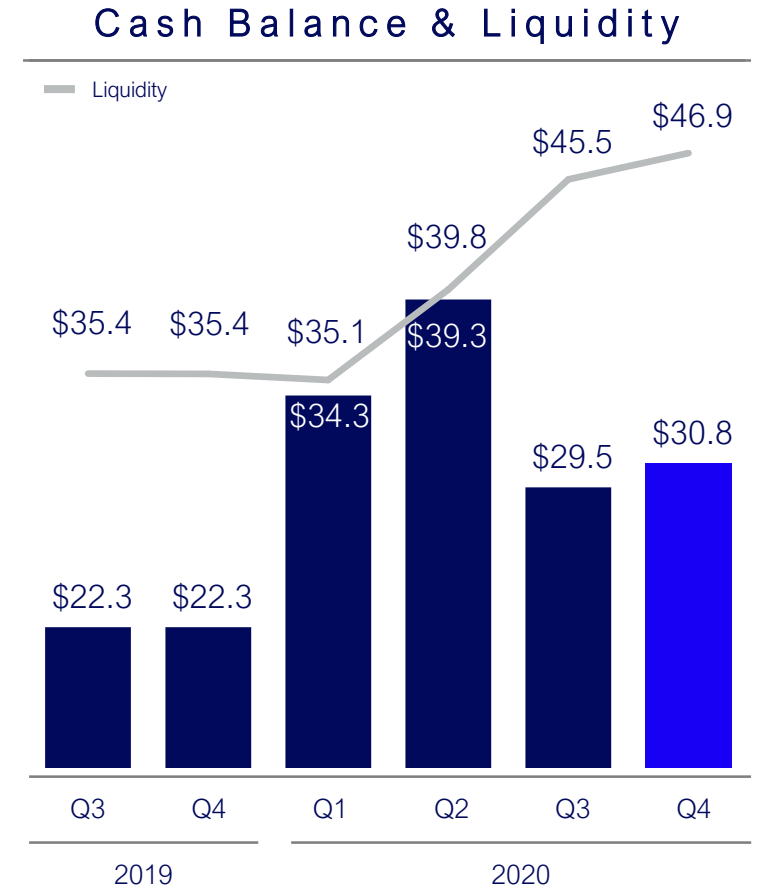
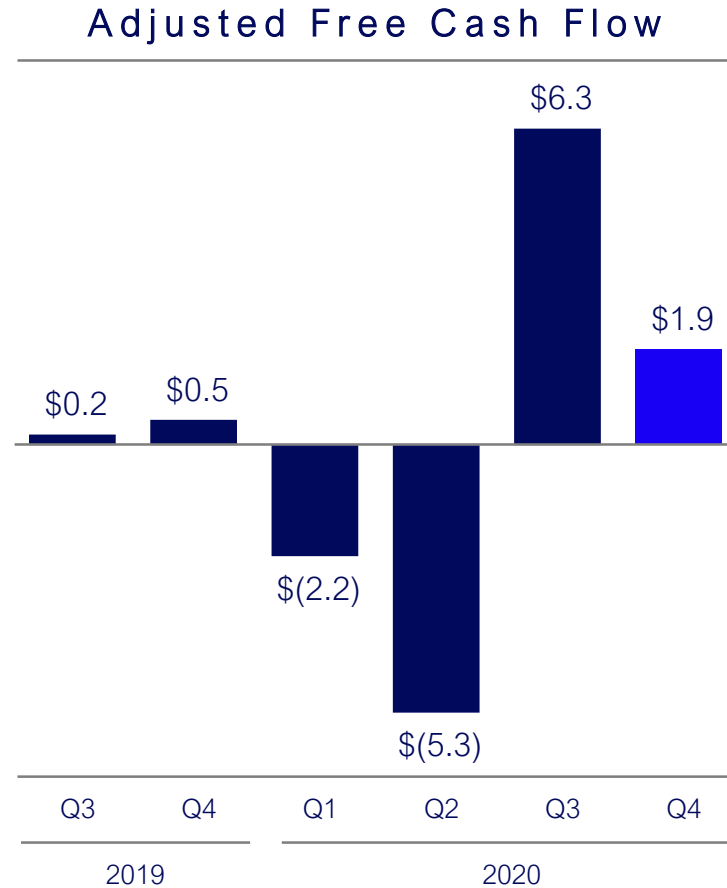
The Plan

- ✓ Strong balance sheet with nearly \$31B of cash, disciplined capital allocation and partnerships
- ✓ Turnaround of Automotive through business redesign and portfolio transformation with must-have products and services
- ✓ Business targeting 8% company Adj. EBIT Margin with NA at 10% and EU at 6%, generating healthy Adj. FCF
- ✓ Financial flexibility to accelerate investments in long-term growth drivers, including EVs, AVs and connected services



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

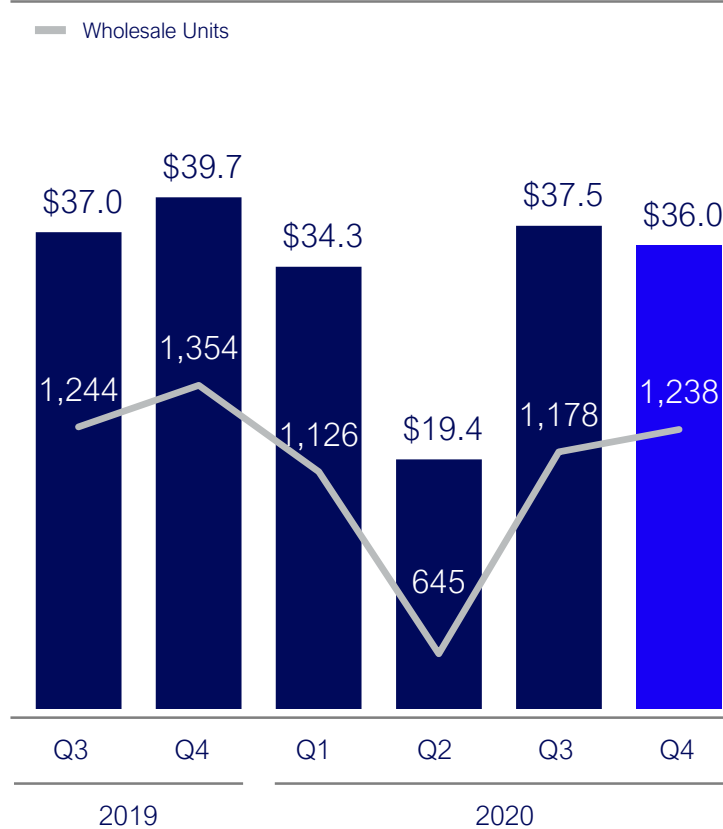
- Q4 Adjusted FCF of \$1.9B, up \$1.4B, driven by higher EBIT, higher Ford Credit distributions and lower capital spending
- Ended Q4 with a cash balance of nearly \$31B; liquidity of almost \$47B



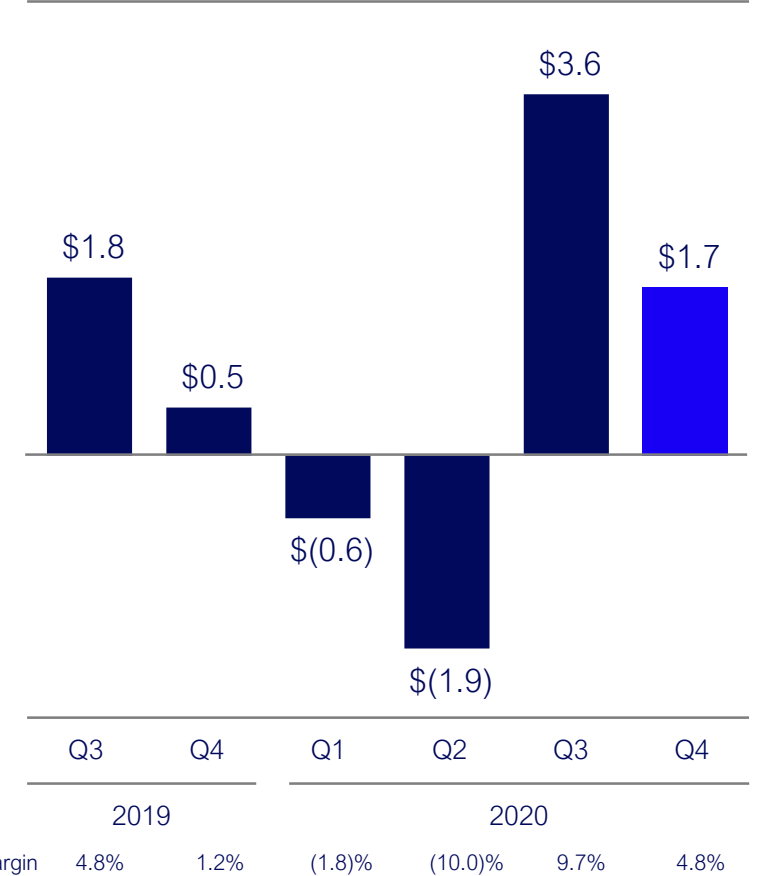
Revenue And EBIT Metrics

- Wholesale units of 1,238K, down 9%, driven by planned changeover and production ramp up of all-new F-150
- Q4 revenue of \$36B, down 9%, driven by lower volume, offset partially by higher net pricing and mix
- Adjusted EBIT of \$1.7B, up \$1.2B, driven by:
 - Higher net pricing
 - Non-recurrence of UAW contract ratification cost
 - Offset partially by lower volume
- Adjusted EBIT Margin of 4.8%, up 3.6 pts

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



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



YoY:

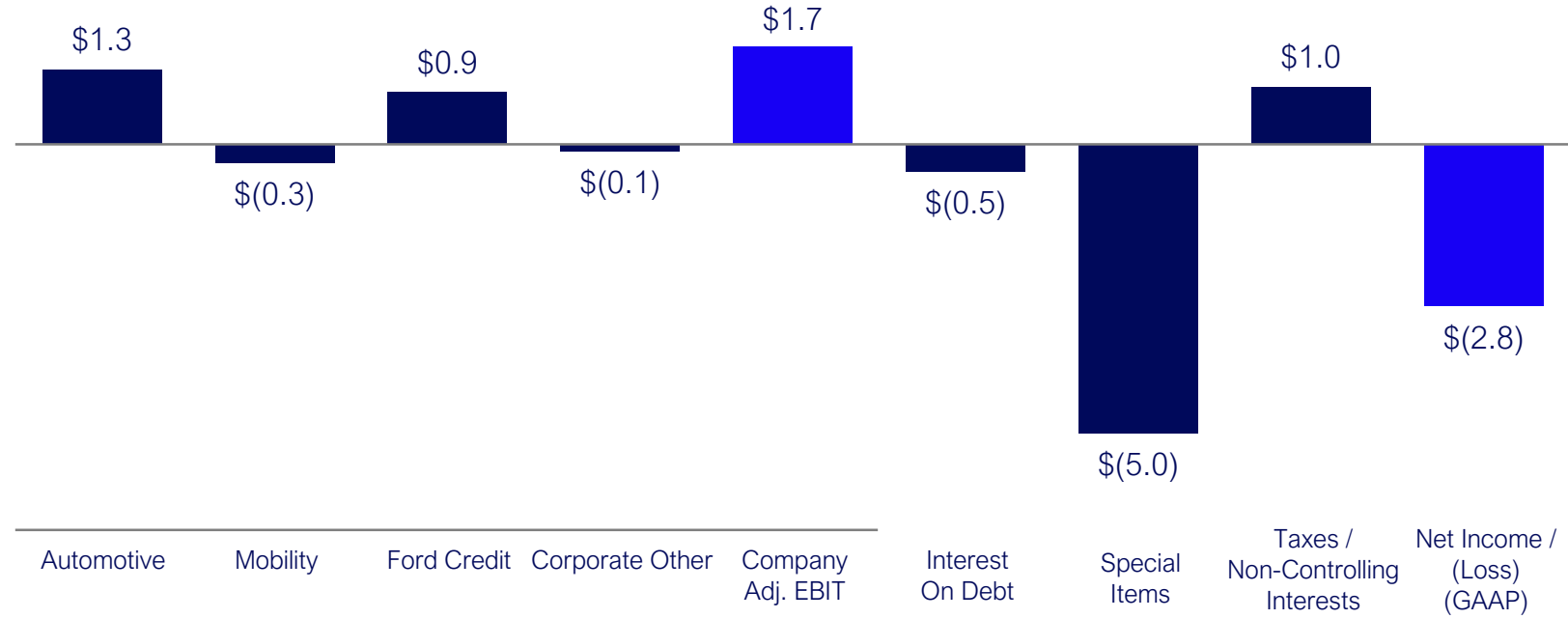
Revenue	(2)%	(5)%	(15)%	(50)%	1%	(9)%
Wholesale Units	(8)%	(8)%	(21)%	(53)%	(5)%	(9)%

YoY:

Adj. EBIT	8%	(67)%	(126)%	N / M	103%	N / M
Adj. Margin	0.4 pts	(2.3) pts	(7.9) pts	(14.3) pts	4.9 pts	3.6 pts

Q4 2020 Results (\$B)

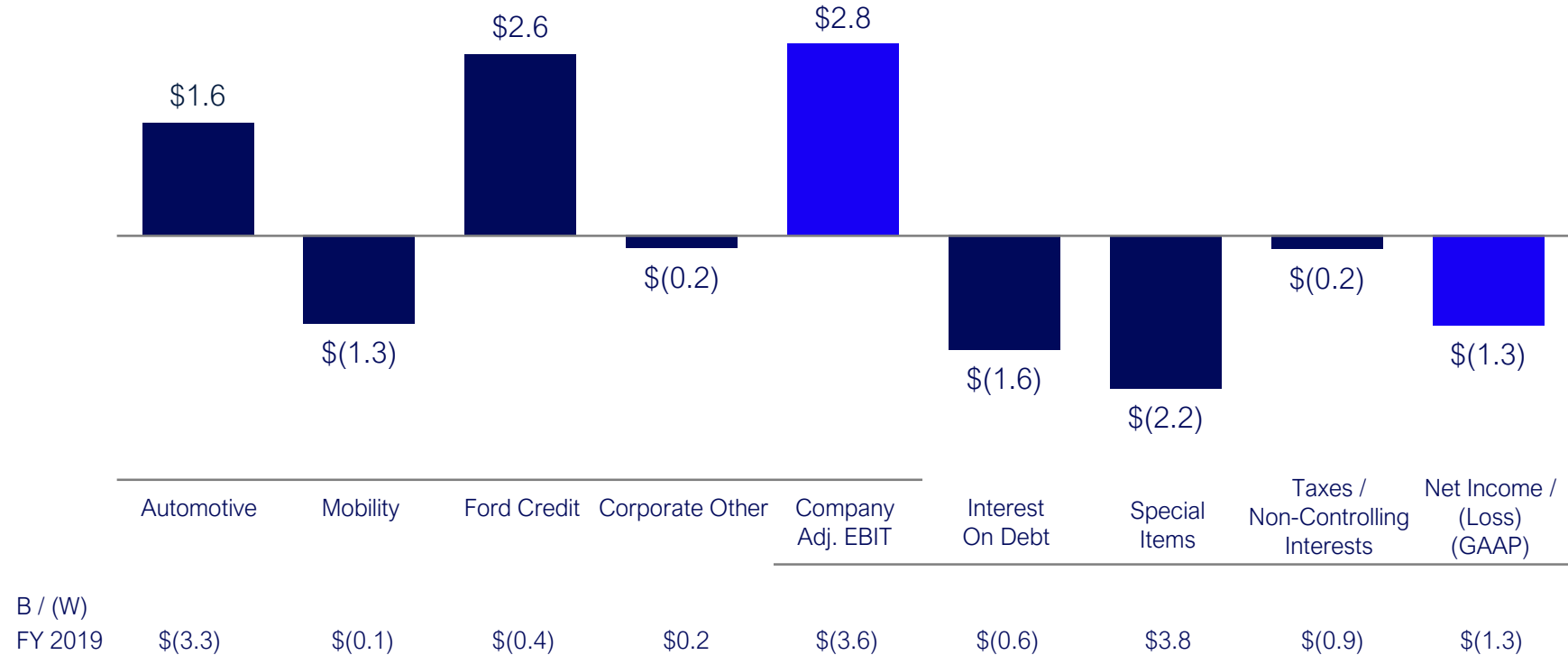
- Company Adjusted EBIT of \$1.7B, up \$1.2B, driven by improvement in Automotive and Credit
- Special Items of \$(5.0)B reflect primarily:
 - Global redesign actions in South America
 - Mark-to-market adjustments for global pension and OPEB plans
 - Field service action on Takata airbag inflators



B / (W)	Automotive	Mobility	Ford Credit	Corporate Other	Company Adj. EBIT	Interest On Debt	Special Items	Taxes / Non-Controlling Interests	Net Income / (Loss) (GAAP)
Q4 2019	\$1.0	\$0.0	\$0.3	\$(0.1)	\$1.2	\$(0.2)	\$(2.4)	\$0.3	\$(1.1)
Q3 2020	(1.4)	(0.0)	(0.2)	(0.3)	(1.9)	0.0	(4.7)	1.4	(5.2)

Full Year 2020 Results (\$B)

- Company Adjusted EBIT of \$2.8B, down \$3.6B, driven by the impact of the COVID-19 pandemic
- Special Items of \$(2.2)B reflect primarily:
 - Global redesign actions in South America and Europe
 - Mark-to-market adjustments for global pension and OPEB plans
 - Field service action on Takata airbag inflators
 - Partially offset by gain on the Argo AI transaction with VW



Q4 2020 Adjusted EBIT (\$B)

	North America	South America	Europe	China	IMG	Total Auto	Total Company	
Q4 2019	\$ 0.7	\$ (0.2)	\$ 0.1	\$ (0.2)	\$ (0.2)	\$ 0.2	\$ 0.5	
YoY Change:								
Volume / Mix	\$ (1.8)	\$ (0.0)	\$ (0.2)	\$ (0.1)	\$ (0.0)	\$ (2.1)	\$ (2.1)	Industry Share / Mix / Other \$(0.3) (1.8)
Net Pricing	1.5	0.2	0.5	0.0	0.1	2.2	2.2	
Cost	0.4	(0.0)	0.0	0.0	0.0	0.4	0.4	Material / Freight \$(0.5) Warranty (0.3)
Exchange	(0.0)	(0.0)	0.0	0.0	0.1	0.0	0.0	Commodities 0.1 Structural 1.0
Other / JVs	0.3	(0.0)	0.0	0.2	0.0	0.5	0.5	Pension / OPEB 0.1
Total Automotive	\$ 0.4	\$ 0.1	\$ 0.3	\$ 0.1	\$ 0.1	\$ 1.0	\$ 1.0	JVs \$0.2
Mobility							0.0	Other 0.3
Ford Credit							0.3	
Corporate Other							(0.1)	
Total Change							\$ 1.2	
Q4 2020	\$ 1.1	\$ (0.1)	\$ 0.4	\$ (0.1)	\$ (0.1)	\$ 1.3	\$ 1.7	



Full Year 2020 Adjusted EBIT (\$B)

	North America	South America	Europe	China	IMG	Total Auto	Total Company	
FY 2019	\$ 6.6	\$ (0.7)	\$ 0.1	\$ (0.8)	\$ (0.3)	\$ 4.9	\$ 6.4	
YoY Change:								
Volume / Mix	\$ (6.8)	\$ (0.1)	\$ (2.0)	\$ (0.1)	\$ (0.4)	\$ (9.4)	\$ (9.4)	Industry \$(6.7) Other Volume / Mix (2.7)
Net Pricing	3.0	0.5	1.4	(0.0)	0.1	5.0	5.0	
Cost	0.4	0.1	(0.2)	0.2	0.4	0.9	0.9	Material / Freight \$(2.2) Warranty (1.4)
Exchange	(0.1)	(0.2)	0.1	(0.1)	0.0	(0.3)	(0.3)	Commodities 0.6 Structural 3.4
Other / JVs	0.4	(0.0)	(0.2)	0.3	(0.0)	0.5	0.5	Pension / OPEB 0.6
Total Automotive	\$ (3.0)	\$ 0.2	\$ (1.0)	\$ 0.3	\$ 0.2	\$ (3.3)	\$ (3.3)	JVs \$0.2 Other 0.3
Mobility							(0.1)	
Ford Credit							(0.4)	
Corporate Other							0.2	
Total Change							\$ (3.6)	
FY 2020	\$ 3.6	\$ (0.5)	\$ (0.8)	\$ (0.5)	\$ (0.2)	\$ 1.6	\$ 2.8	

North America

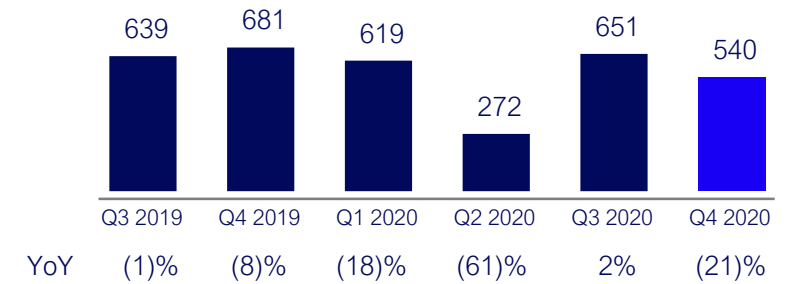
Q4 Headlines

- EBIT of \$1.1B, up 53%, driven by yield management and non-recurrence of 2019 UAW contract cost, offset partially by planned lower volumes from F-150 changeover
- Successful launch of the all-new 2021 F-150, the Bronco Sport and Mustang Mach-E
- Leveraging new connected vehicle data and over-the-air updates to improve customer experience and vehicle capability
- Revenue down 13%, reflecting the planned F-150 changeover, offset partially by continued growth of commercial vehicles led by Transit and Super Duty
- Portfolio transformation nearly complete with 97% of mix from trucks, vans and utilities, up 19 pts from 2017

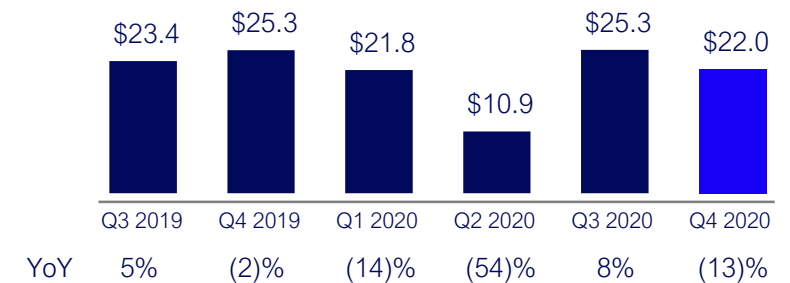
Q4 Key Performance Indicators

- U.S. retail average transaction price increased by \$3,271, \$428 more than industry
- Q4 U.S. share of 12.7%, down 1.0 ppt; reflects lower fleet industry sales and F-150 changeover; FY U.S. share of 13.7%, down 0.1 ppt
- Commercial vehicles, Transit / Super Duty U.S. volume up 14%, revenue up 24%

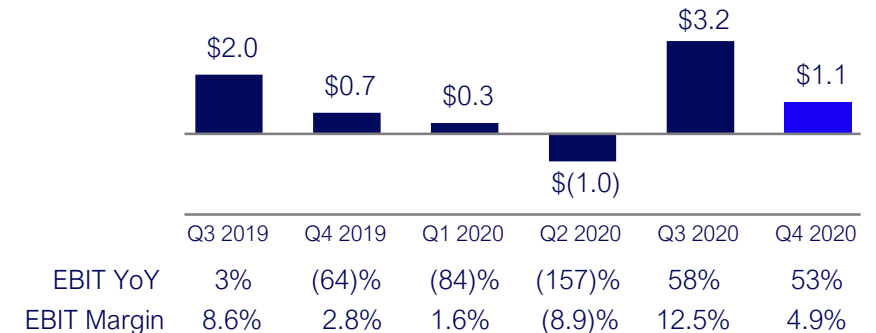
Wholesale Units (000)



Revenue (\$B)



EBIT (\$B)



South America

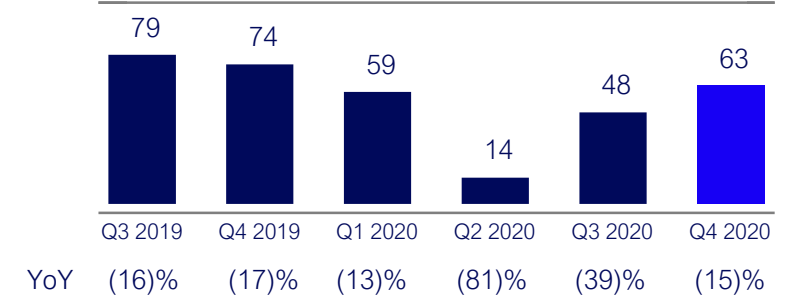
Q4 Headlines

- Fifth consecutive quarter of YoY EBIT improvement; aggressive pricing to offset impacts from inflation and weaker currencies
- Moving to a lean, de-risked and asset-light business model
- Focused on portfolio strengths with Ranger pickup, Transit van and key imports

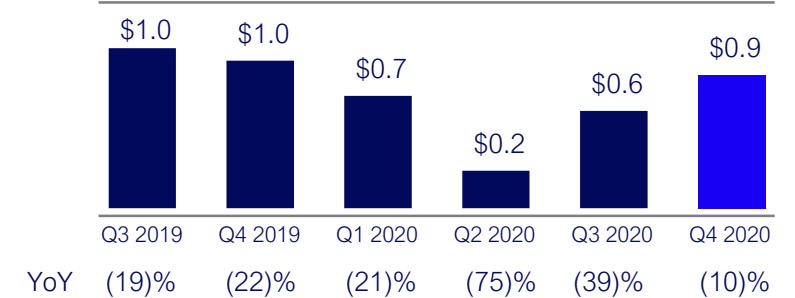
Q4 Key Performance Indicators

- Ranger FY segment share 15.6%, up 1.8 ppts
- Q4 structural costs down 21%
- Headcount down 14%, 48% lower than 2016

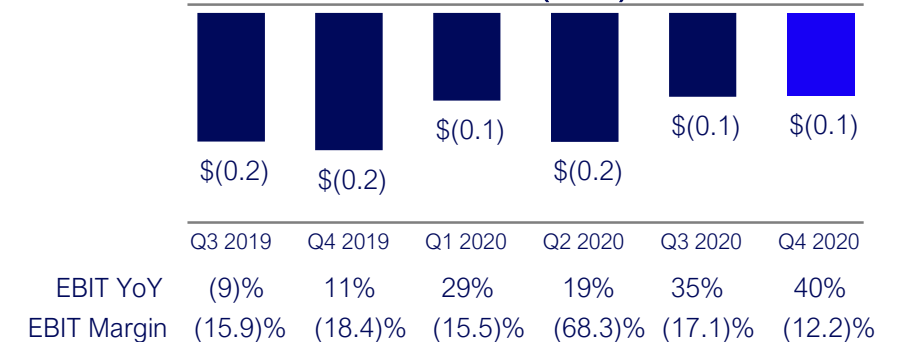
Wholesale Units (000)



Revenue (\$B)



EBIT (\$B)



Europe

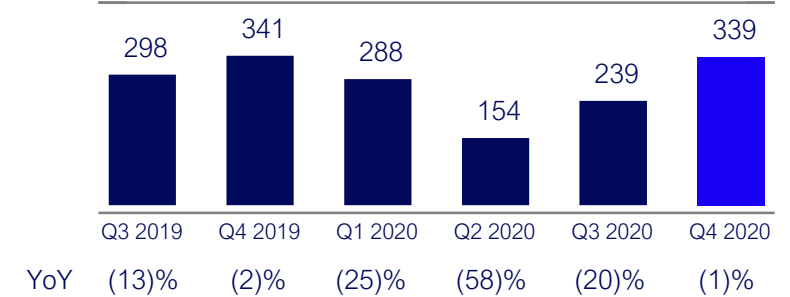
Q4 Headlines

- EBIT of \$0.4B, up \$0.3B; EBIT Margin of 5.8%
- Commercial Vehicles, Passenger Vehicles and Imports businesses each profitable
- Commercial Vehicle business strengthened #1 position, increasing share and pricing, leveraging low-cost industrial footprint; broadest network of commercial vehicle dealers in Europe including 781 dedicated Transit Centers
- First phase of Europe business restructuring completed, delivering a cumulative \$1.1B annual structural cost improvement through a reduction of 10.1K / 20% employees in the period 2019 - 2020
- EV sales mix 43%, up 13 pts; BEV component to increase with Mustang Mach-E

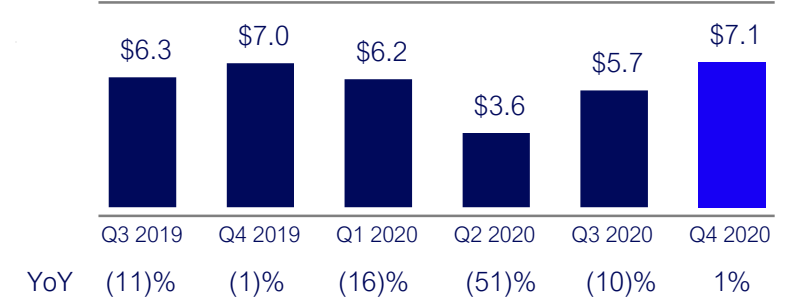
Q4 Key Performance Indicators

- EU20 commercial vehicle share 14.3%, up 0.7 pts; utility mix 27.0%, up 0.3 pts
- Mix and net pricing up \$0.4B
- Structural cost down \$0.1B

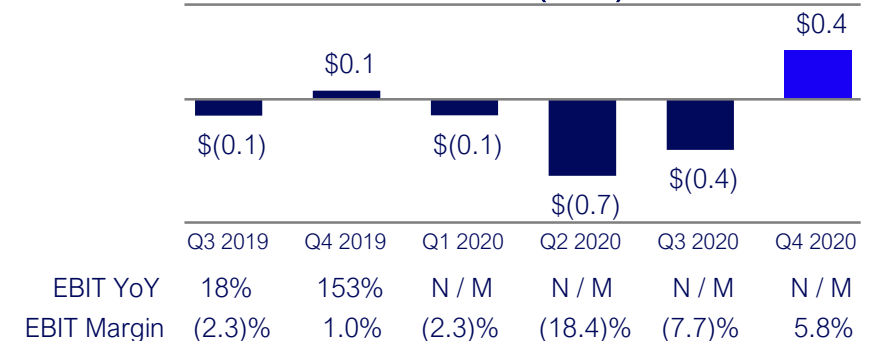
Wholesale Units* (000)



Revenue (\$B)



EBIT (\$B)



* Includes Ford brand vehicles produced and sold by our unconsolidated affiliate in Turkey (about 15K units in Q4 2019 and 26K units in Q4 2020). Revenue does not include these sales

China

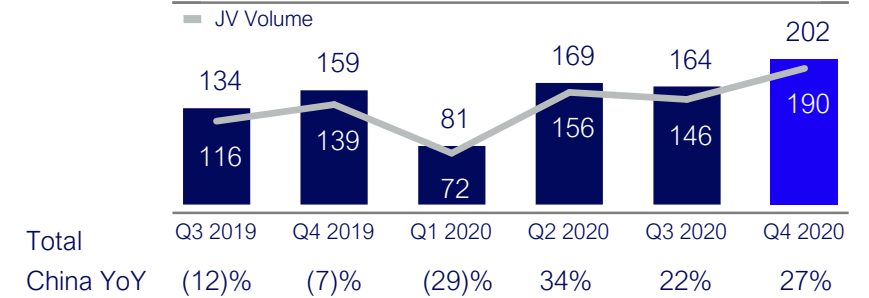
Q4 Headlines

- Q4 retail sales up 30%, outpacing industry
- Fourth consecutive quarter of YoY share improvement driven by localization of Lincoln
- Commercial vehicle mix 45% of total China sales with strength in light truck and van, bus, and pickup segments
- Third consecutive quarter of YoY EBIT improvement

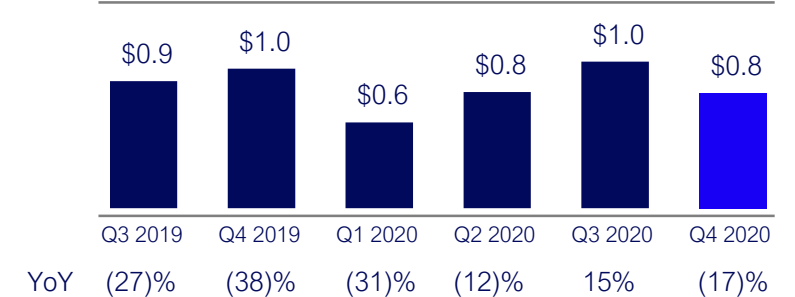
Q4 Key Performance Indicators

- Total China market share 2.4%, up 0.4 pts; total utility mix 36%, up 12 pts
- Dealer network return on sales remains positive
- Lincoln localization rate 76%, up 74 pts
- Ford equity income up \$0.1B, net income margin 5%, up 6 pts

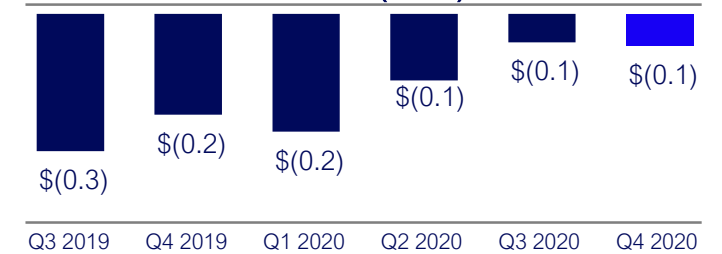
Wholesale Units* (000)



Revenue (\$B)



EBIT (\$B)



	Q3 2019	Q4 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020
EBIT YoY	26%	61%	(88)%	12%	79%	68%
EBIT Margin	(32.0)%	(21.5)%	(40.7)%	(17.0)%	(5.7)%	(8.3)%
Ford Equity Income / (Loss)	(0.1)	(0.0)	(0.1)	0.0	0.1	0.1

* 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

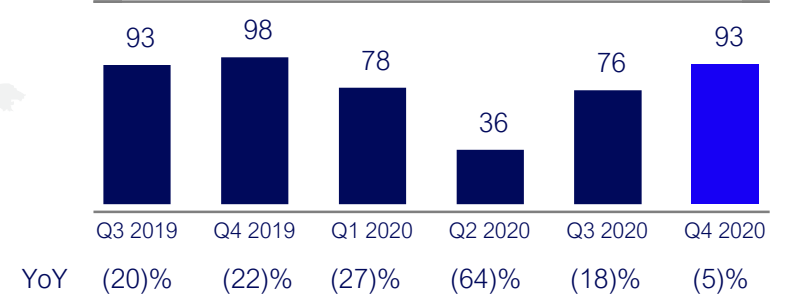
Q4 Headlines

- Sales up 1.8%, outpacing 3% decline in industry
- Ranger continues as the best selling 4x4 pickup in Australia
- EBIT of \$(0.1)B, up \$0.1B; losses in India, offset partially by strength in Australia, Vietnam and other markets
- Capitalizing on strengths including Ranger and Everest

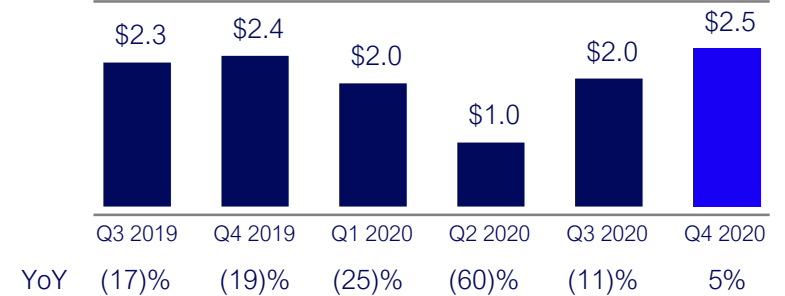
Q4 Key Performance Indicators

- Total share 2.0%, up 0.1 ppt
- Ranger total segment share 15.6%, up 1.0 ppt
- Structural cost down 24%

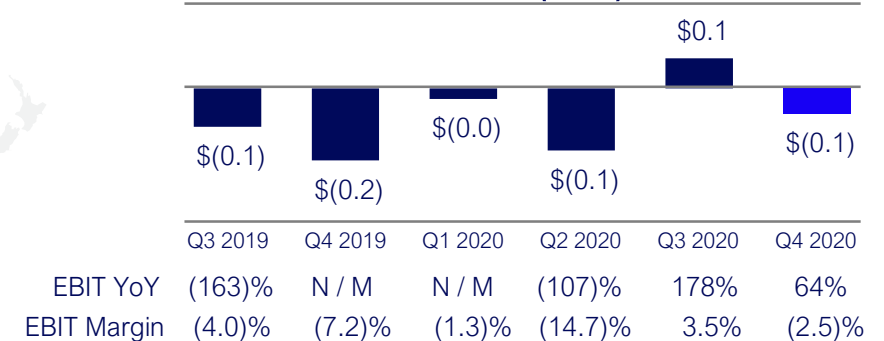
Wholesale Units* (000)



Revenue (\$B)



EBIT (\$B)

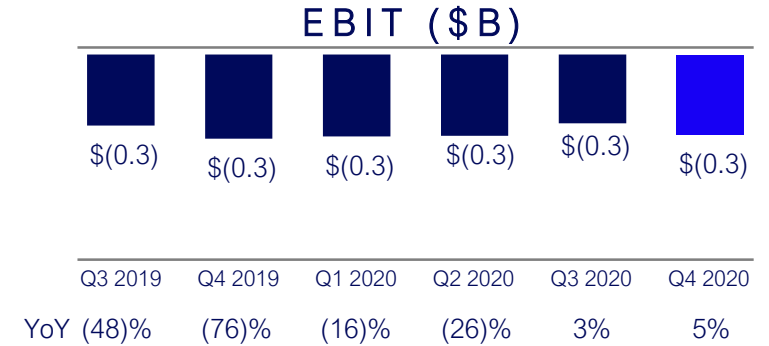


* Includes Ford brand vehicles produced and sold by our unconsolidated affiliate in Russia (about 4K units in Q4 2019 and 5K units in Q4 2020). Revenue after Q2 2019 does not include these sales

Mobility

Q4 Headlines

- Ford increases investment in autonomous businesses to at least ~\$7B* by 2025
 - Proved robustness of SDS algorithms with address-by-address autonomous deliveries
 - Testing at highway speeds, complementing largest and most complex testing footprint
 - Building toward commercialization in 2022 including development of SDS, vehicle and operations
- Spin progress through 2020
 - Unit economics improved by 50%
 - A preferred provider for U.S. cities – majority of permit applications awarded



Q4 EBIT YoY (\$B)

Q4 2019	\$ (0.3)
Autonomous Vehicles	\$ (0.0)
Other Mobility	0.0
Total Change	\$ 0.0
Q4 2020	\$ (0.3)



* Includes ~\$2B invested through 2020

Ford Credit

Q4 Headlines

- EBT of \$0.9B up \$0.3B, record Q4, reflecting primarily strong auction performance
- Portfolio performing well – loss-to-receivables (LTR) remains low and below year-ago levels; auction values improved significantly from a year ago
- Balance sheet and liquidity remain strong

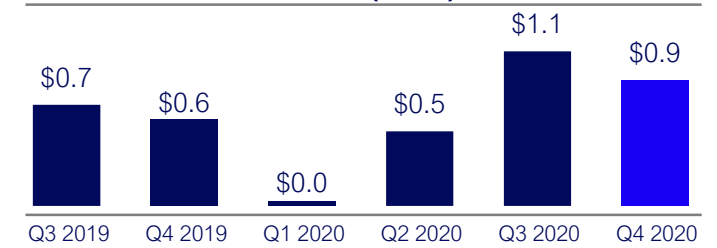
Q4 EBT YoY (\$B)

Q4 2019	\$	0.6
Volume / Mix	\$	(0.0)
Financing Margin		0.0
Credit Loss		0.0
Lease Residual		0.2
Exchange		0.0
Other		0.0
Total Change	\$	0.3
Q4 2020	\$	0.9

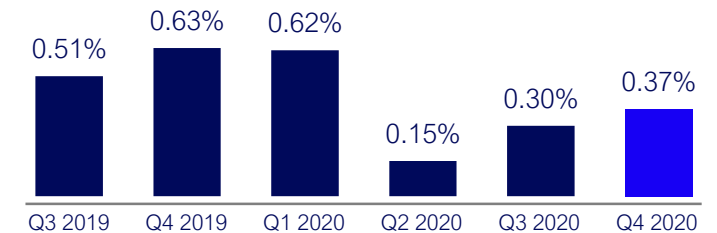
Q4 Key Performance Indicators

- ROE 17.3%, up 5.2 ppts
- Net liquidity \$35.4B, up \$2.4B
- Managed leverage 8.3, within target
- Distributions \$1.3B, up \$0.8B

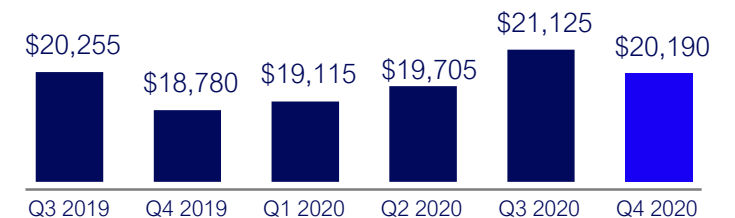
EBT (\$B)



U.S. Retail LTR Ratios (%)



Auction Values (Per Unit)*



* U.S. 36-month off-lease auction values at Q4 2020 mix

Cash Flow And Balance Sheet (\$B)

	Q 4		Full Year	
	2019	2020	2019	2020
Company Adj. EBIT excl. Ford Credit	\$ (0.1)	\$ 0.8	\$ 3.4	\$ 0.2
Capital Spending	\$ (2.3)	\$ (1.5)	\$ (7.6)	\$ (5.7)
Depreciation and Tooling Amortization	1.4	1.3	5.5	5.3
Net Spending	\$ (0.8)	\$ (0.3)	\$ (2.1)	\$ (0.4)
Receivables	\$ 0.1	\$ 0.0	\$ (0.1)	\$ 0.4
Inventory	1.9	0.3	0.1	0.3
Trade Payables	(1.6)	(0.2)	(0.6)	1.3
Changes in Working Capital	\$ 0.4	\$ 0.1	\$ (0.6)	\$ 2.0
Ford Credit Distributions	0.5	1.3	2.9	2.4
All Other and Timing Differences*	0.6	(0.1)	(0.8)	(3.5)
Company Adjusted FCF	\$ 0.5	\$ 1.9	\$ 2.8	\$ 0.7
Global Redesign (incl. Separations)	(0.2)	(0.1)	(0.9)	(0.5)
Changes in Debt	0.4	(0.4)	1.1	8.4
Funded Pension Contributions	(0.1)	(0.1)	(0.7)	(0.6)
Shareholder Distributions	(0.6)	(0.0)	(2.6)	(0.6)
All Other (incl. Acquisitions & Divestitures)	0.0	0.1	(0.3)	1.1
Change in Cash	\$ (0.0)	\$ 1.3	\$ (0.8)	\$ 8.5

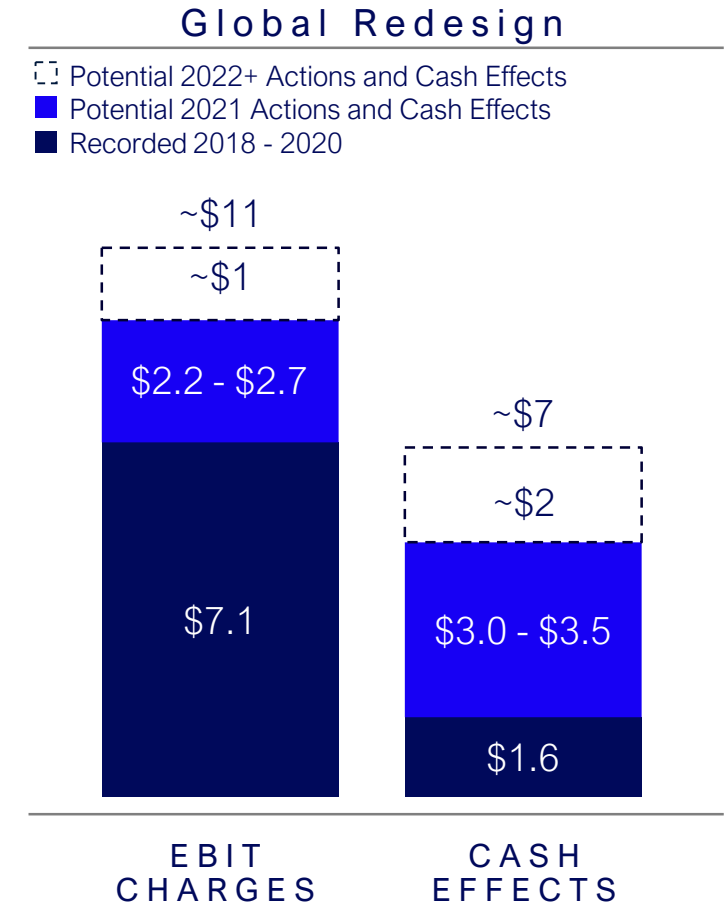
	Balance Sheet	
	2019 Dec. 31	2020 Dec. 31
<u>Company Excl. Ford Credit</u>		
Company Cash Balance	\$ 22.3	\$ 30.8
Liquidity	35.4	46.9
Debt	(15.3)	(24.0)
Cash Net of Debt	7.0	6.8
<u>Pension Funded Status</u>		
Funded Plans	\$ (0.4)	\$ 0.3
Unfunded Plans	(6.4)	(7.0)
Total Global Pension	\$ (6.8)	\$ (6.7)
Total Funded Status OPEB	\$ (6.1)	\$ (6.6)

Q4 Adj. FCF Of \$1.9B, Driven By Ford Credit Distributions And Automotive EBIT

* 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)

	Q4		Full Year	
	2019	2020	2019	2020
<u>Global Redesign</u>				
Europe excl. Russia	\$ (0.2)	\$ (0.3)	\$ (1.2)	\$ (0.7)
India	(0.0)	(0.0)	(0.8)	(0.0)
South America	(0.1)	(2.4)	(0.6)	(2.5)
Russia	0.0	(0.0)	(0.4)	0.0
China	(0.1)	(0.0)	(0.1)	(0.1)
Separations and Other (Not Included Above)	(0.0)	(0.1)	(0.1)	(0.1)
Subtotal Global Redesign	\$ (0.4)	\$ (2.9)	\$ (3.2)	\$ (3.4)
<u>Other Items</u>				
Gain on Transaction with Argo AI and VW	\$ -	\$ -	\$ -	\$ 3.5
Takata Field Service Action	-	(0.6)	-	(0.6)
Other*	(0.0)	(0.0)	(0.3)	(0.2)
Subtotal Other Items	\$ (0.0)	\$ (0.6)	\$ (0.3)	\$ 2.6
<u>Pension and OPEB Gain / (Loss)</u>				
Pension and OPEB Remeasurement	\$ (2.2)	\$ (1.6)	\$ (2.5)	\$ (1.4)
Pension Settlements and Curtailments	(0.0)	(0.0)	(0.0)	(0.1)
Subtotal Pension and OPEB Gain / (Loss)	\$ (2.3)	\$ (1.6)	\$ (2.5)	\$ (1.5)
Total EBIT Special Items	\$ (2.7)	\$ (5.0)	\$ (6.0)	\$ (2.2)
Cash Effects of Global Redesign (Incl. Separations)	\$ (0.2)	\$ (0.1)	\$ (0.9)	\$ (0.5)



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

* Including Focus Cancellation, Transit Connect Customs Ruling, NA Hourly Buyouts and Chariot

2021 Outlook

		2021 Outlook		2020 Actual
Adjusted EBIT	Includes \$0.9B Rivian Gain	\$8.0B - \$9.0B	Excludes Semiconductor Shortage	\$2.8B
Adjusted FCF				\$0.7B
Capital Spending		\$6.0B - \$6.5B		\$5.7B
Pension Contributions		\$0.6B - \$0.8B		\$0.6B
Global Redesign EBIT Charges		\$2.2B - \$2.7B		\$3.4B
Global Redesign Cash Effects		\$3.0B - \$3.5B		\$0.5B



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, growing industry volumes
- Headwinds: Commodity costs; emerging semiconductor shortage (not included in guidance)

SEGMENT AND REGIONAL EBIT

- Before semiconductor shortage, all Automotive Business Units improved except South America (flat through 2021 transition); Mobility flat; Ford Credit EBT improved with auction values lower

GLOBAL SEMICONDUCTOR SHORTAGE

- Situation very fluid; Adjusted EBIT and FCF guidance for 2021 does not include the impact of semiconductor shortage
- In a scenario where we lose 10-20% of planned first half production, the potential full year impact is \$(1.0)B - \$(2.5)B net of reasonable cost recoveries and some production make-up 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 most recent Annual Report on Form 10-K, as updated by additional factors in subsequent filings with the United States Securities and Exchange Commission.

Appendix





Key Metrics

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

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

North America	639	681	619	272	651	540	12.6 %	12.8 %	13.6 %	14.2 %	13.6 %	12.1 %
South America	79	74	59	14	48	63	7.1	6.9	6.9	6.5	5.7	6.0
Europe	298	341	288	154	239	339	7.3	7.4	6.9	7.1	7.8	7.1
China	134	159	81	169	164	202	2.3	2.0	2.2	2.5	2.4	2.4
International Markets Group	93	98	78	36	76	93	1.8	1.9	1.5	1.6	1.7	2.0
Total Automotive	1,244	1,354	1,126	645	1,178	1,238	6.0 %	5.7 %	6.0 %	5.8 %	6.0 %	5.4 %

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

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

North America	\$ 23.4	\$ 25.3	\$ 21.8	\$ 10.9	\$ 25.3	\$ 22.0	5 %	(2) %	(14) %	(54) %	8 %	(13) %
South America	1.0	1.0	0.7	0.2	0.6	0.9	(19)	(22)	(21)	(75)	(39)	(10)
Europe	6.3	7.0	6.2	3.6	5.7	7.1	(11)	(1)	(16)	(51)	(10)	1
China	0.9	1.0	0.6	0.8	1.0	0.8	(27)	(38)	(31)	(12)	15	(17)
International Markets Group	2.3	2.4	2.0	1.0	2.0	2.5	(17)	(19)	(25)	(60)	(11)	5
Total Automotive	\$ 33.9	\$ 36.7	\$ 31.3	\$ 16.6	\$ 34.7	\$ 33.2	(2) %	(5) %	(16) %	(54) %	2 %	(9) %



Key Metrics

EBIT (\$B)

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

Q3 2019	Q4 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020
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North America	\$ 2.0	\$ 0.7	\$ 0.3	\$ (1.0)	\$ 3.2	\$ 1.1	3 %	(64) %	(84) %	(157) %	58 %	53 %
South America	(0.2)	(0.2)	(0.1)	(0.2)	(0.1)	(0.1)	(9)	11	29	19	35	40
Europe	(0.1)	0.1	(0.1)	(0.7)	(0.4)	0.4	18	153	N / M	N / M	N / M	N / M
China	(0.3)	(0.2)	(0.2)	(0.1)	(0.1)	(0.1)	26	61	(88)	12	79	68
International Markets Group	(0.1)	(0.2)	(0.0)	(0.1)	0.1	(0.1)	(163)	N / M	N / M	(107)	178	64
Total Automotive	\$ 1.3	\$ 0.2	\$ (0.2)	\$ (2.1)	\$ 2.6	\$ 1.3	(5) %	(81) %	(109) %	N / M %	99 %	N / M %

EBIT Margin (%)

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

Q3 2019	Q4 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020
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North America	8.6 %	2.8 %	1.6 %	(8.9) %	12.5 %	4.9 %	(0.2) ppts	(4.8) ppts	(7.1) ppts	(16.0) ppts	3.9 ppts	2.1 ppts
South America	(15.9)	(18.4)	(15.5)	(68.3)	(17.1)	(12.2)	(4.1)	(2.1)	1.6	(47.3)	(1.2)	6.2
Europe	(2.3)	1.0	(2.3)	(18.4)	(7.7)	5.8	(0.4)	2.9	(3.4)	(19.9)	(5.5)	4.8
China	(32.0)	(21.5)	(40.7)	(17.0)	(5.7)	(8.3)	(0.6)	12.9	(25.7)	0.0	26.3	13.2
International Markets Group	(4.0)	(7.2)	(1.3)	(14.7)	3.5	(2.5)	(5.4)	(8.6)	(1.5)	(11.8)	7.6	4.7
Total Automotive	3.9 %	0.6 %	(0.6) %	(12.6) %	7.6 %	3.8 %	(0.1) ppts	(2.3) ppts	(6.0) ppts	(16.4) ppts	3.7 ppts	3.2 ppts



Key Metrics

Wholesale Units (000)					
Q4 2019	Q4 2020	2020 B / (W) 2019	2019 FY	2020 FY	2020 B / (W) 2019

Market Share (%)					
Q4 2019	Q4 2020	2020 B / (W) 2019	2019 FY	2020 FY	2020 B / (W) 2019

North America	681	540	(141)	2,765	2,081	(684)	12.8 %	12.1 %	(0.7) ppts	13.2 %	13.2 %	0.0 ppts
South America	74	63	(11)	295	185	(111)	6.9	6.0	(0.9)	7.2	6.2	(1.0)
Europe	341	339	(2)	1,390	1,020	(370)	7.4	7.1	(0.3)	7.3	7.2	(0.1)
China	159	202	43	535	617	83	2.0	2.4	0.4	2.2	2.4	0.2
International Markets Group	98	93	(5)	401	284	(117)	1.9	2.0	0.1	1.9	1.7	(0.2)
Total Automotive	1,354	1,238	(116)	5,386	4,187	(1,199)	5.7 %	5.4 %	(0.3) ppts	6.0 %	5.8 %	(0.2) ppts

Revenue (\$B)					
Q4 2019	Q4 2020	2020 B / (W) 2019	2019 FY	2020 FY	2020 B / (W) 2019

EBIT Margin (%)					
Q4 2019	Q4 2020	2020 B / (W) 2019	2019 FY	2020 FY	2020 B / (W) 2019

North America	\$ 25.3	\$ 22.0	\$ (3.4)	\$ 98.1	\$ 80.0	\$ (18.0)	2.8 %	4.9 %	2.1 ppts	6.7 %	4.5 %	(2.2) ppts
South America	1.0	0.9	(0.1)	3.9	2.5	(1.4)	(18.4)	(12.2)	6.2	(18.1)	(19.9)	(1.8)
Europe	7.0	7.1	0.1	28.1	22.6	(5.5)	1.0	5.8	4.8	0.4	(3.7)	(4.1)
China	1.0	0.8	(0.2)	3.6	3.2	(0.4)	(21.5)	(8.3)	13.2	(21.3)	(15.6)	5.7
International Markets Group	2.4	2.5	0.1	9.9	7.5	(2.3)	(7.2)	(2.5)	4.7	(3.4)	(2.2)	1.2
Total Automotive	\$ 36.7	\$ 33.2	\$ (3.5)	\$ 143.6	\$ 115.9	\$ (27.7)	0.6 %	3.8 %	3.2 ppts	3.4 %	1.4 %	(2.0) ppts



Q4 Results (\$M)

	Q4			Full Year		
	2019	2020	2020 B / (W) 2019	2019	2020	2020 B / (W) 2019
North America	\$ 700	\$ 1,074	\$ 374	\$ 6,612	\$ 3,625	\$ (2,987)
South America	(176)	(105)	71	(704)	(491)	213
Europe	72	414	342	123	(834)	(957)
China	(207)	(66)	141	(771)	(501)	270
International Markets Group*	(174)	(62)	112	(334)	(165)	169
Automotive	\$ 215	\$ 1,255	\$ 1,040	\$ 4,926	\$ 1,633	\$ (3,293)
Mobility	(344)	(326)	18	(1,186)	(1,274)	(88)
Ford Credit	630	912	282	2,998	2,608	(390)
Corporate Other	(16)	(127)	(111)	(359)	(188)	171
Adjusted EBIT	\$ 485	\$ 1,713	\$ 1,228	\$ 6,379	\$ 2,779	\$ (3,600)
Interest on Debt	(255)	(474)	(219)	(1,020)	(1,649)	(629)
Special Items (excl. tax)	(2,666)	(5,049)	(2,383)	(5,999)	(2,246)	3,753
Taxes	764	1,019	255	724	(160)	(884)
Less: Non-Controlling Interests	-	(3)	(3)	37	3	(34)
Net Income / (Loss) Attributable to Ford	\$ (1,672)	\$ (2,788)	\$ (1,117)	\$ 47	\$ (1,279)	\$ (1,326)
Company Adjusted Free Cash Flow (\$B)	\$ 0.5	\$ 1.9	\$ 1.4	\$ 2.8	\$ 0.7	\$ (2.1)
Revenue (\$B)	39.7	36.0	(3.8)	155.9	127.1	(28.8)
Company Adjusted EBIT Margin (%)	1.2 %	4.8 %	3.6 ppts	4.1 %	2.2 %	(1.9) ppts
Net Income / (Loss) Margin (%)	(4.2)	(7.8)	(3.6)	0.0	(1.0)	(1.0)
Adjusted ROIC (Trailing Four Quarters) (%)	7.8	1.0	(6.8)	7.8	1.0	(6.8)
Adjusted EPS	\$ 0.12	\$ 0.34	\$ 0.22	\$ 1.19	\$ 0.41	\$ (0.78)
EPS (GAAP)	(0.42)	(0.70)	(0.28)	0.01	(0.32)	(0.33)

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



Quarterly Results (\$M)

	2019					2020				
	Q1	Q2	Q3	Q4	Full Year	Q1	Q2	Q3	Q4	Full Year
North America	\$ 2,205	\$ 1,696	\$ 2,012	\$ 700	\$ 6,612	\$ 346	\$ (974)	\$ 3,178	\$ 1,074	\$ 3,625
South America	(158)	(205)	(165)	(176)	(704)	(113)	(165)	(108)	(105)	(491)
Europe (excl. Russia)	85	110	(144)	72	123	(143)	(664)	(440)	414	(834)
China	(128)	(155)	(281)	(207)	(771)	(241)	(136)	(58)	(66)	(501)
International Markets Group*	5	(72)	(93)	(174)	(334)	(26)	(150)	72	(62)	(165)
Automotive	\$ 2,009	\$ 1,373	\$ 1,329	\$ 215	\$ 4,926	\$ (177)	\$ (2,089)	\$ 2,644	\$ 1,255	\$ 1,633
Mobility	(288)	(264)	(290)	(344)	(1,186)	(334)	(332)	(281)	(326)	(1,274)
Ford Credit	801	831	736	630	2,998	30	543	1,123	912	2,608
Corporate Other	(75)	(286)	18	(16)	(359)	(151)	(68)	158	(127)	(188)
Adjusted EBIT	\$ 2,447	\$ 1,654	\$ 1,793	\$ 485	\$ 6,379	\$ (632)	\$ (1,946)	\$ 3,644	\$ 1,713	\$ 2,779
Interest on Debt	(245)	(244)	(276)	(255)	(1,020)	(227)	(450)	(498)	(474)	(1,649)
Special Items (excl. tax)	(592)	(1,205)	(1,536)	(2,666)	(5,999)	(287)	3,480	(390)	(5,049)	(2,246)
Taxes	(427)	(55)	442	764	724	(847)	34	(366)	1,019	(160)
Less: Non-Controlling Interests	37	2	(2)	-	37	-	1	5	(3)	3
Net Income / (Loss) Attributable to Ford	\$ 1,146	\$ 148	\$ 425	\$ (1,672)	\$ 47	\$ (1,993)	\$ 1,117	\$ 2,385	\$ (2,788)	\$ (1,279)
Company Adjusted Free Cash Flow (\$B)	\$ 1.9	\$ 0.2	\$ 0.2	\$ 0.5	\$ 2.8	\$ (2.2)	\$ (5.3)	\$ 6.3	\$ 1.9	\$ 0.7
Revenue (\$B)	40.3	38.9	37.0	39.7	155.9	34.3	19.4	37.5	36.0	127.1
Company Adjusted EBIT Margin (%)	6.1 %	4.3 %	4.8 %	1.2 %	4.1 %	(1.8) %	(10.0) %	9.7 %	4.8 %	2.2 %
Net Income / (Loss) Margin (%)	2.8	0.4	1.1	(4.2)	0.0	(5.8)	5.8	6.4	(7.8)	(1.0)
Adjusted ROIC (Trailing Four Quarters) (%)	8.0	8.5	9.0	7.8	7.8	2.5	(3.1)	(0.4)	1.0	1.0
Adjusted EPS	\$ 0.44	\$ 0.28	\$ 0.34	\$ 0.12	\$ 1.19	\$ (0.23)	\$ (0.35)	\$ 0.65	\$ 0.34	\$ 0.41
EPS (GAAP)	0.29	0.04	0.11	(0.42)	0.01	(0.50)	0.28	0.60	(0.70)	(0.32)

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

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

	Q4		Full Year	
	2019	2020	2019	2020
Net income / (Loss) attributable to Ford (GAAP)	\$ (1,672)	\$ (2,788)	\$ 47	\$ (1,279)
Income / (Loss) attributable to non-controlling interests	-	(3)	37	3
Net income / (Loss)	\$ (1,672)	\$ (2,791)	\$ 84	\$ (1,276)
Less: (Provision for) / Benefit from income taxes	764	1,019	724	(160)
Income / (Loss) before income taxes	\$ (2,436)	\$ (3,810)	\$ (640)	\$ (1,116)
Less: Special items pre-tax	(2,666)	(5,049)	(5,999)	(2,246)
Income / (Loss) before special items pre-tax	\$ 230	\$ 1,239	\$ 5,359	\$ 1,130
Less: Interest on debt	(255)	(474)	(1,020)	(1,649)
Adjusted EBIT (Non-GAAP)	<u>\$ 485</u>	<u>\$ 1,713</u>	<u>\$ 6,379</u>	<u>\$ 2,779</u>
Memo:				
Revenue (\$B)	\$ 39.7	\$ 36.0	\$ 155.9	\$ 127.1
Net income / (Loss) margin (GAAP) (%)	(4.2) %	(7.8) %	0.0 %	(1.0) %
Adjusted EBIT margin (%)	1.2 %	4.8 %	4.1 %	2.2 %



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

	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Full Year	
									2019	2020
Net cash provided by / (used in) operating activities (GAAP)	\$ 3,544	\$ 6,463	\$ 4,732	\$ 2,900	\$ (473)	\$ 9,115	\$ 11,088	\$ 4,539	\$ 17,639	\$ 24,269
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	3,010	11,531	20,717
Funded pension contributions	(294)	(106)	(211)	(119)	(175)	(107)	(147)	(141)	(730)	(570)
Global Redesign (including separations)	(136)	(222)	(334)	(219)	(172)	(99)	(105)	(127)	(911)	(503)
Ford Credit tax payments / (refunds) under tax sharing agreement	98	-	-	293	475	569	300	8	391	1,352
Other, net	(120)	175	(124)	68	(15)	(178)	(431)	(214)	(1)	(837)
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)	(1,520)	(7,580)	(5,702)
Ford Credit distributions	675	650	1,100	475	275	275	575	1,290	2,900	2,415
Settlement of derivatives	(26)	86	16	31	(28)	64	(336)	129	107	(171)
Company adjusted free cash flow (Non-GAAP)	\$ 1,907	\$ 174	\$ 207	\$ 498	\$ (2,242)	\$ (5,309)	\$ 6,302	\$ 1,902	\$ 2,785	\$ 652

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

	Q4		Full Year	
	2019	2020	2019	2020
<u>Diluted After-Tax Results (\$M)</u>				
Diluted after-tax results (GAAP)	\$ (1,672)	\$ (2,788)	\$ 47	\$ (1,279)
Less: Impact of pre-tax and tax special items	(2,171)	(4,136)	(4,676)	(2,916)
Less: Non-controlling interests impact of Russia restructuring	-	-	(35)	-
Adjusted net income – diluted (Non-GAAP)	<u>\$ 499</u>	<u>\$ 1,348</u>	<u>\$ 4,758</u>	<u>\$ 1,637</u>
 <u>Basic and Diluted Shares (M)</u>				
Basic shares (average shares outstanding)	3,960	3,977	3,972	3,973
Net dilutive options, unvested restricted stock units and restricted stock	39	36	32	29
Diluted shares	<u>3,999</u>	<u>4,013</u>	<u>4,004</u>	<u>4,002</u>
Earnings / (Loss) per share – diluted (GAAP)*	\$ (0.42)	\$ (0.70)	\$ 0.01	\$ (0.32)
Less: Net impact of adjustments	(0.54)	(1.04)	(1.18)	(0.73)
Adjusted earnings per share – diluted (Non-GAAP)	<u>\$ 0.12</u>	<u>\$ 0.34</u>	<u>\$ 1.19</u>	<u>\$ 0.41</u>

* The Q4 and Full Year 2020 calculation of Earnings Per Share - Diluted (GAAP) excludes the 36M and 29M shares respectively of net dilutive options, unvested restricted stock units and restricted stock due to their antidilutive effect

Effective Tax Rate Reconciliation To Adjusted Effective Tax Rate

	2020		Memo:
	Q4	Full Year	Full Year 2019
<u>Pre-Tax Results (\$M)</u>			
Income / (Loss) before income taxes (GAAP)	\$ (3,810)	\$ (1,116)	\$ (640)
Less: Impact of special items	(5,049)	(2,246)	(5,999)
Adjusted earnings before taxes (Non-GAAP)	<u>\$ 1,239</u>	<u>\$ 1,130</u>	<u>\$ 5,359</u>
<u>Taxes (\$M)</u>			
(Provision for) / Benefit from income taxes (GAAP)	\$ 1,019	\$ (160)	\$ 724
Less: Impact of special items*	913	(670)	1,323
Adjusted (provision for) / benefit from income taxes (Non-GAAP)	<u>\$ 106</u>	<u>\$ 510</u>	<u>\$ (599)</u>
<u>Tax Rate (%)</u>			
Effective tax rate (GAAP)	26.7 %	(14.3) %	113.1 %
Adjusted effective tax rate (Non-GAAP)	(8.6) %	(45.1) %	11.2 %

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

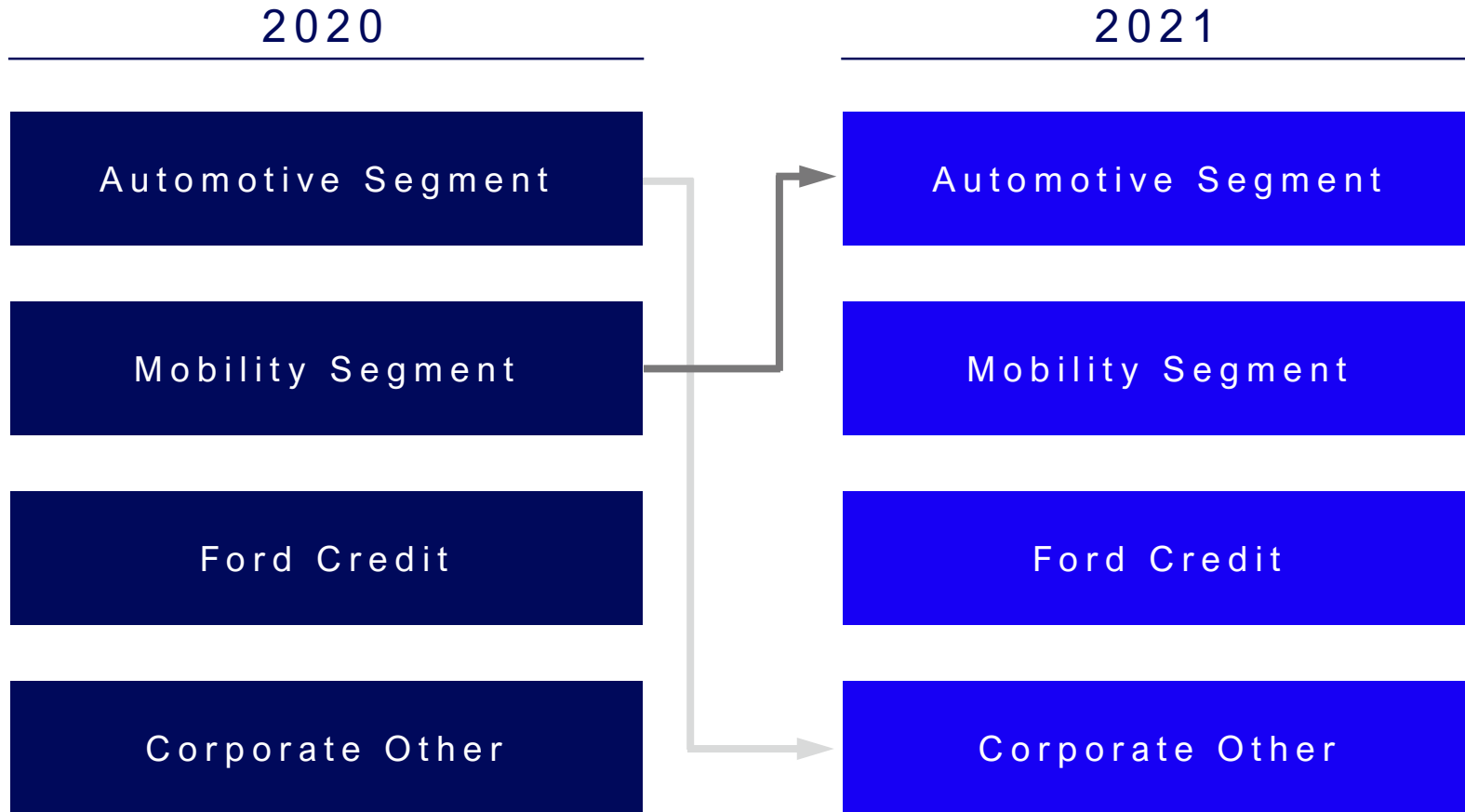
Adjusted ROIC (\$B)

	Four Quarters Ending Q4 2019	Four Quarters Ending Q4 2020
<u>Adjusted Net Operating Profit After Cash Tax</u>		
Net income / (Loss) attributable to Ford	\$ 0.0	\$ (1.3)
Add: Non-controlling interest	0.0	0.0
Less: Income tax	0.7	(0.2)
Add: Cash tax	(0.6)	(0.4)
Less: Interest on debt	(1.0)	(1.6)
Less: Total pension / OPEB income / (cost)	(2.6)	(1.0)
Add: Pension / OPEB service costs	(1.0)	(1.1)
Net operating profit after cash tax	\$ 1.4	\$ 0.1
Less: Special items (excl. pension / OPEB) pre-tax	(3.5)	(0.7)
Adj. net operating profit after cash tax	<u>\$ 4.8</u>	<u>\$ 0.7</u>
<u>Invested Capital</u>		
Equity	\$ 33.2	\$ 30.8
Redeemable non-controlling interest	-	-
Debt (excl. Ford Credit)	15.3	24.0
Net pension and OPEB liability	12.9	13.3
Invested capital (end of period)	<u>\$ 61.4</u>	<u>\$ 68.1</u>
Average invested capital	<u>\$ 61.7</u>	<u>\$ 70.7</u>
ROIC*	2.2 %	0.1 %
Adjusted ROIC (Non-GAAP)**	7.8 %	1.0 %

* 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

2021 Segment Reporting Changes



■ Certain costs for the benefit of the global enterprise previously reported in Automotive will now be reported in Corporate Other

■ Costs and benefits related to connectivity activities previously reported in Mobility will now be reported in Automotive

Memo:
Cash and other centrally managed corporate assets previously reported in Automotive will now be realigned to Corporate Other

Changes Effective With 2021 Reporting; 2019 And 2020 Reporting Will Be Restated To Reflect These Segment Reporting Changes



Results – 2021 Reporting Structure (\$M)

2019						Memo: Full Year Restated B / (W) Reported
	Q1	Q2	Q3	Q4	Full Year	
North America	\$ 2,211	\$ 1,702	\$ 2,018	\$ 707	\$ 6,639	\$ 27
South America	(156)	(203)	(163)	(174)	(696)	8
Europe (excl. Russia)	85	110	(143)	72	124	1
China	(126)	(153)	(279)	(204)	(762)	9
International Markets Group	7	(69)	(90)	(171)	(323)	11
Automotive	\$ 2,023	\$ 1,387	\$ 1,343	\$ 229	\$ 4,982	\$ 56
Mobility	(224)	(199)	(226)	(280)	(929)	257
Ford Credit	801	831	736	630	2,998	-
Corporate Other	(153)	(365)	(61)	(94)	(672)	(313)
Adjusted EBIT	<u>\$ 2,447</u>	<u>\$ 1,654</u>	<u>\$ 1,793</u>	<u>\$ 485</u>	<u>\$ 6,379</u>	<u>\$ -</u>

2020						Memo: Full Year Restated B / (W) Reported
	Q1	Q2	Q3	Q4	Full Year	
North America	\$ 373	\$ (947)	\$ 3,202	\$ 1,082	\$ 3,710	\$ 85
South America	(112)	(165)	(107)	(105)	(489)	2
Europe (excl. Russia)	(149)	(667)	(444)	409	(851)	(17)
China	(241)	(136)	(57)	(65)	(499)	2
International Markets Group	(25)	(149)	73	(62)	(163)	2
Automotive	\$ (154)	\$ (2,063)	\$ 2,665	\$ 1,259	\$ 1,708	\$ 75
Mobility	(285)	(286)	(230)	(259)	(1,060)	213
Ford Credit	30	543	1,123	912	2,608	-
Corporate Other	(223)	(139)	86	(199)	(476)	(288)
Adjusted EBIT	<u>\$ (632)</u>	<u>\$ (1,946)</u>	<u>\$ 3,644</u>	<u>\$ 1,714</u>	<u>\$ 2,779</u>	<u>\$ -</u>

2021 Reporting Segments

We report segment information consistent with the way our management team evaluates the operating results and performance of the Company. Accordingly, we analyze the results of our business through the following segments:

- **Automotive:** Primarily includes the sale of Ford and Lincoln vehicles, service parts and accessories worldwide, together with the associated costs to develop, manufacture, distribute, and service vehicles, parts and accessories. This segment includes revenues and costs related to our electrification vehicle programs and enterprise connectivity. The segment includes the following regional business units: North America, South America, Europe, China (including Taiwan) and the International Markets Group
- **Mobility:** Primarily includes development costs for autonomous vehicles and related businesses, Ford's equity ownership in Argo AI (a developer of autonomous driving systems) and other mobility businesses and investments (including Spin, a micro-mobility service provider)
- **Ford Credit:** Comprised of the Ford Credit business on a consolidated basis, which is primarily vehicle-related financing and leasing activities
- **Corporate Other:** Primarily includes corporate governance expenses, interest income (excluding interest earned on our extended service contract portfolio that is included in our Automotive segment) and gains and losses from our cash, cash equivalents, marketable securities, and other investments and foreign exchange derivative gains and losses associated with intercompany lending. Corporate governance expenses are primarily administrative, delivering benefit on behalf of the global enterprise, and are not allocated to specific Automotive business units or operating segments. These include expenses related to setting and directing global policy, providing oversight and stewardship and promoting the Company's interests. Corporate Other assets include cash, cash equivalents, marketable securities, other investment and other assets managed centrally

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. 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

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

Product Notes

2022 E-Transit (shown on Slide 1)

- Pre-production computer-generated image shown with optional equipment. Available late 2021

2021 Bronco (shown on Slide 3)

- Pre-production computer-generated image shown with optional equipment and aftermarket accessories. Cargo and load capacity limited by weight and distribution. 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

2021 Bronco and Bronco Sport (shown on Slide 5)

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

2021 Bronco Sport (shown on Slide 9)

- Pre-production computer-generated image. Always consult the owner's manual before off-road driving, know your terrain and trail difficulties and use appropriate safety gear

2021 Mustang Mach-E (shown on Slide 9)

- North America's largest public charging network, based on original equipment manufacturers (OEM) / automotive manufacturers that sell all-electric vehicles and have publicly announced charging networks. Department of Energy data used. FordPass, compatible with select smartphone platforms, is available via download. Message and data rates may apply

2021 F-150 (shown on Slide 9)

- F-Series is America's #1 pickup for 44 years, based on 1977 - 2020 CY total sales
- F-Series is America's Best-Selling vehicle for 39 years, based on 1982 - 2020 CY total sales

FordPass (Slide 9)

- Available in The United States, Canada, Germany, United Kingdom, Italy, Spain, France, Netherlands, Portugal, Denmark, Belgium, Poland, Ireland, Luxembourg, Finland, Norway, Switzerland, Romania, Hungary, Greece, Czechia, Austria, Sweden and China

Ford Commercial Solutions (Slide 9)

- Available in The United States, Canada, Germany, United Kingdom, Italy, Spain, France, Netherlands, Portugal, Denmark, Belgium, Poland, Ireland, Luxembourg, Finland, Norway, Switzerland, Romania, Hungary, Greece, Czechia, Austria, Sweden; includes subscriptions for Ford-owned units

2021 Bronco (shown on Slide 10)

- Pre-production computer-generated image shown with optional equipment. 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

2021 F-150 Raptor (shown on Slide 10)

- Always consult the Raptor supplement to the Owner's Manual before off-road driving, know your terrain and trail difficulty, and use appropriate safety gear. Available Summer 2021



Ford Credit Q4 & Full Year 2020 Earnings Review

February 4, 2021



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 most recent Annual Report on Form 10-K, as updated by additional factors in subsequent filings with the United States Securities and Exchange Commission.

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.

Key Takeaways

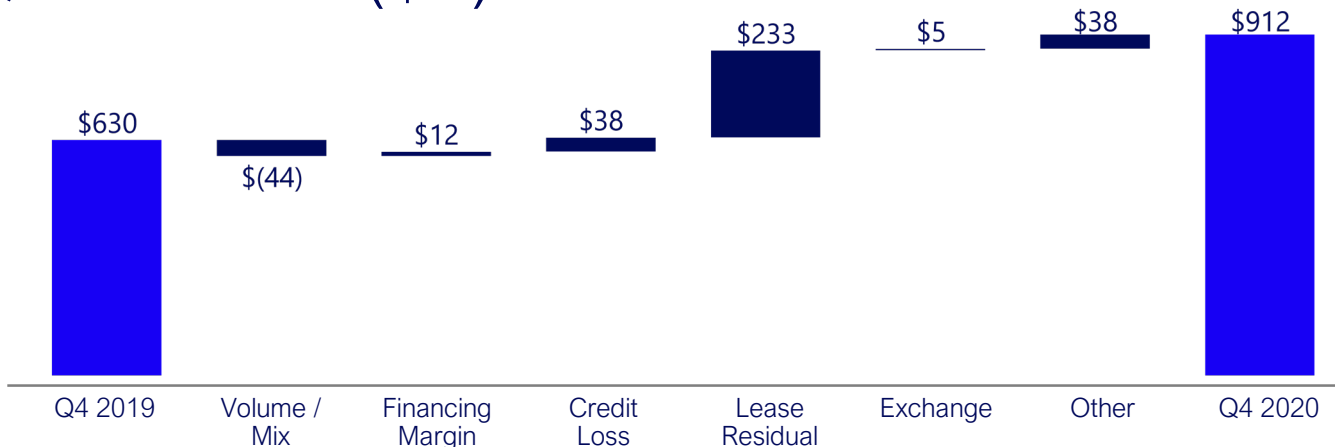
- Strong Q4 EBT of \$912M, best Q4 ever
- Balance sheet remains strong with liquidity at \$35B; continue to access diverse funding sources
- Portfolio performing well – charge-offs and loss-to-receivables (LTR) ratio remain significantly below year-ago levels. Credit loss reserve reflects lifetime losses at about the same level as Q3
- Off-lease auction values remain strong and lease share below industry average through Q4

Key Metrics

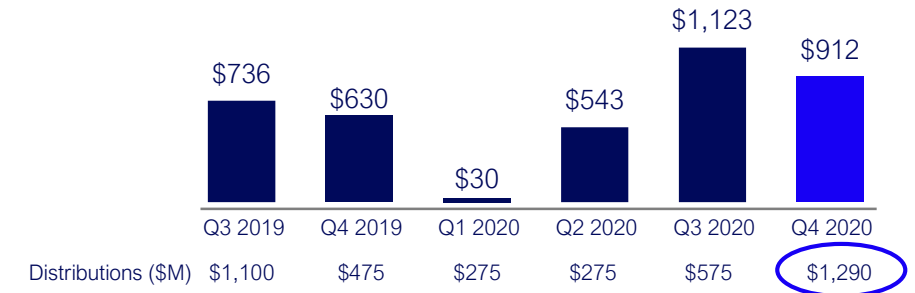
Headlines

- Q4 EBT of \$912M is up \$282M, reflecting strong auction performance
- Portfolio performing well – loss-to-receivables (LTR) remains low and below year-ago levels; auction values improved significantly from a year ago
- Balance sheet and liquidity remain strong

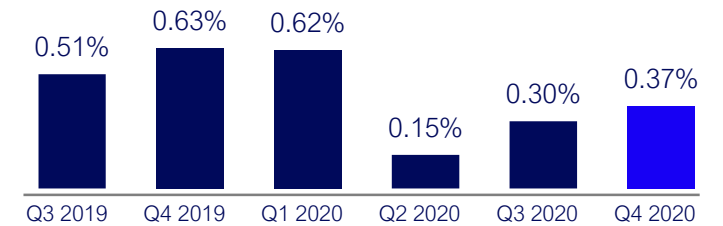
Q4 EBT YoY (\$B)



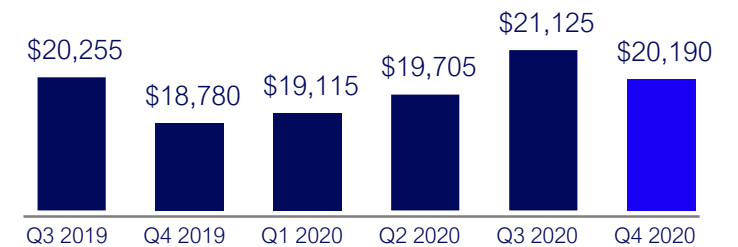
EBT (\$B)



U.S. Retail LTR Ratios (%)



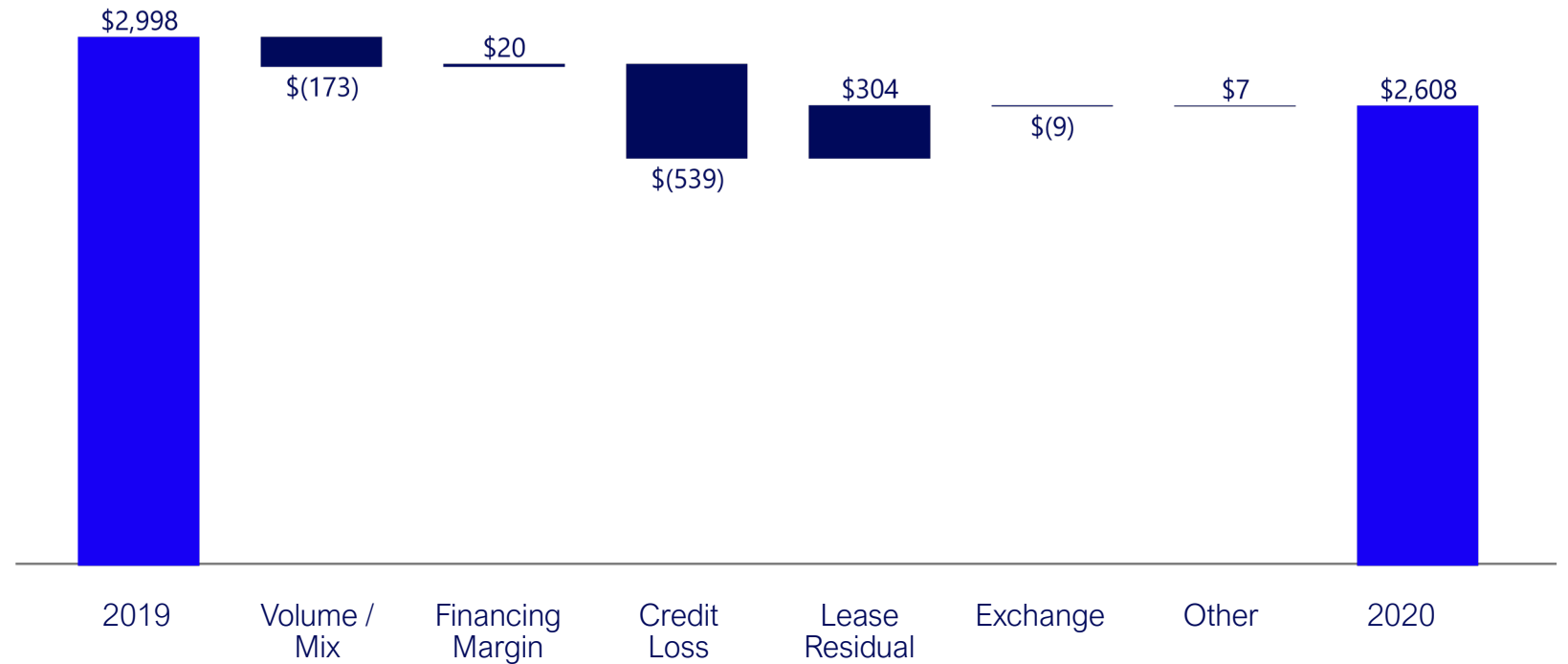
Auction Values (Per Unit)*



* U.S. 36-month off-lease auction values at Q4 2020 mix

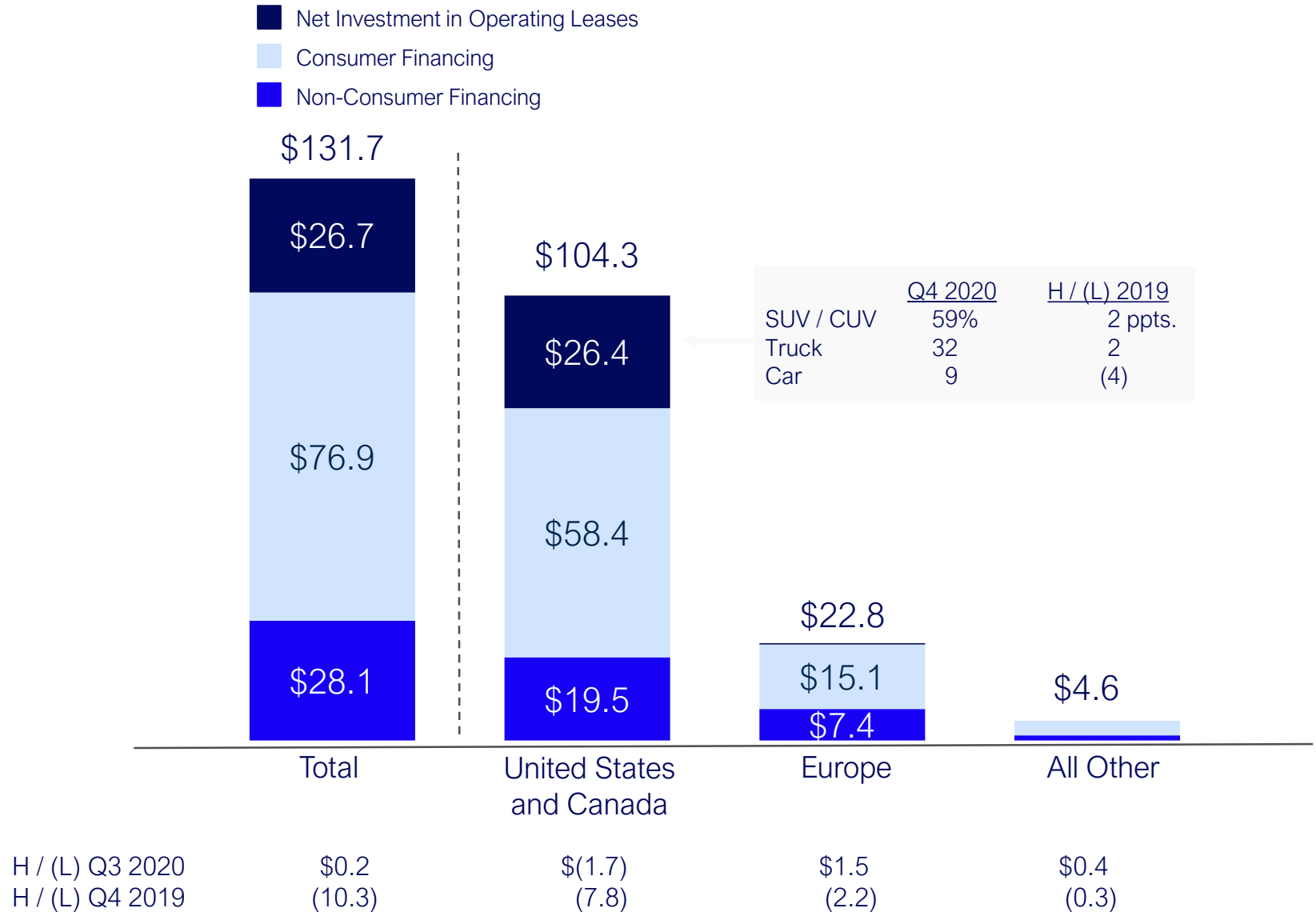
FY 2020 EBT YoY Bridge (\$M)

- FY EBT at \$2.6B, down 13% YoY
- Volume & mix primarily driven by lower receivables
- Credit loss primarily reflects estimates of the impact of COVID-19 in future periods
- Lease residual performance driven by improved auction values



Q4 2020 Net Receivables Mix (\$B)

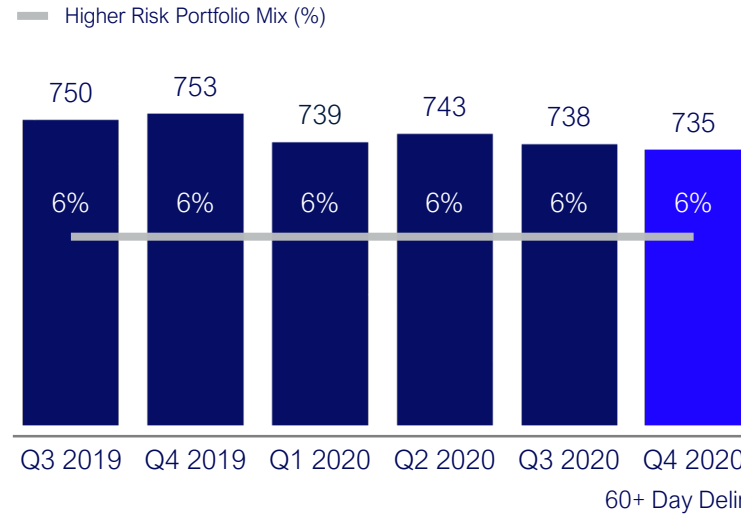
- Receivables declined \$10B YoY, primarily reflecting lower wholesale receivables
- Operating lease portfolio was 20% of total net receivables



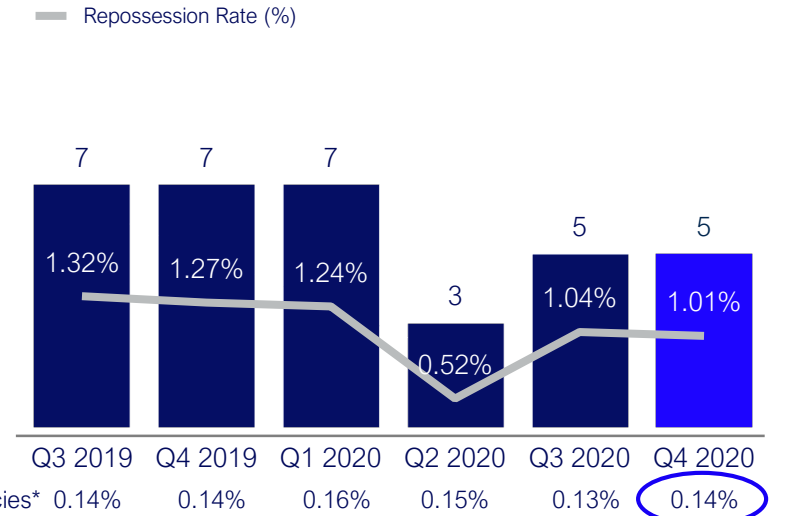
U.S. Origination Metrics And Credit Loss Drivers

- 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

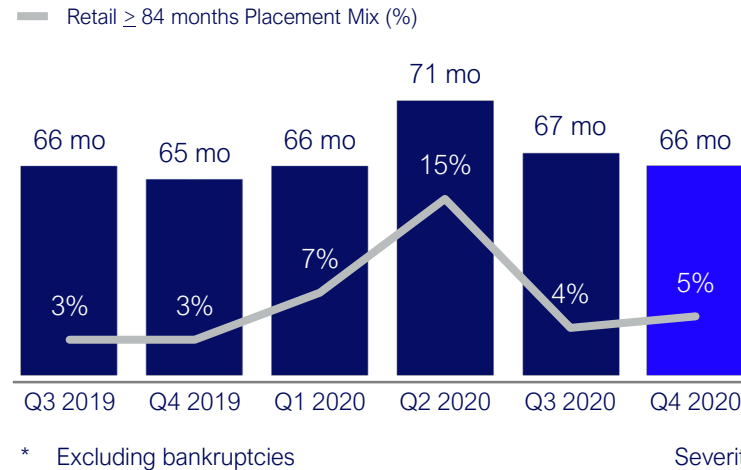
Retail & Lease FICO and Higher Risk Mix (%)



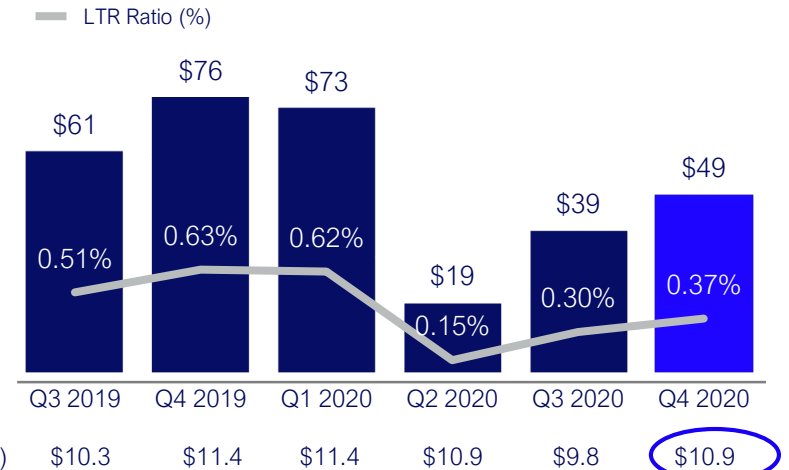
Retail Repossessions (000) and Repossession Rate (%)



Retail Contract Terms



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



* Excluding bankruptcies

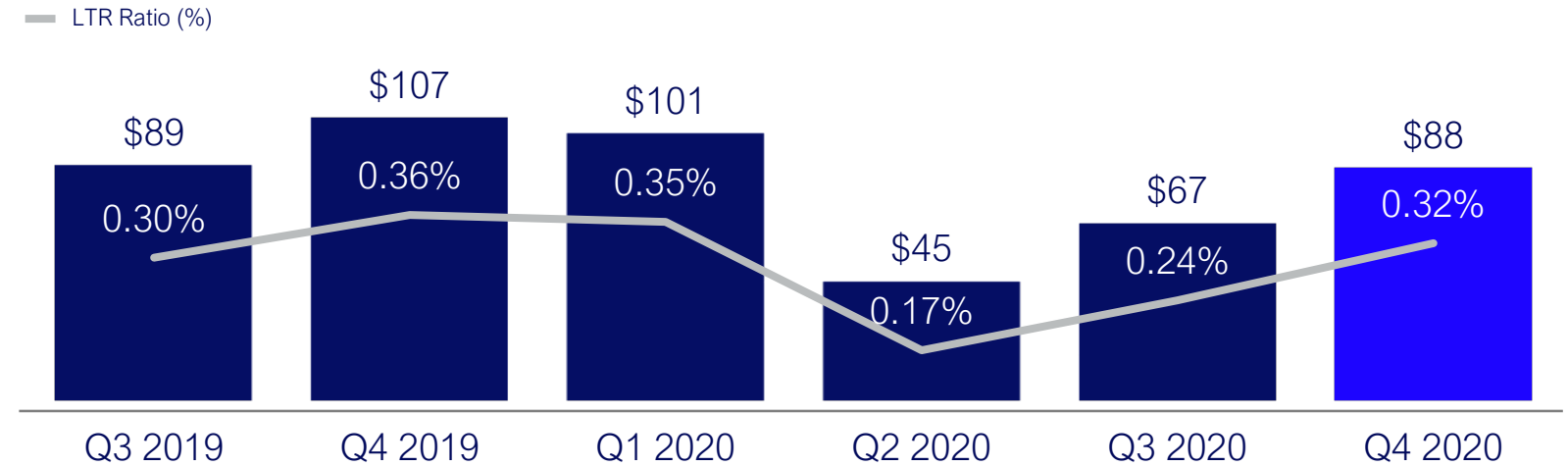
Severity (000)

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

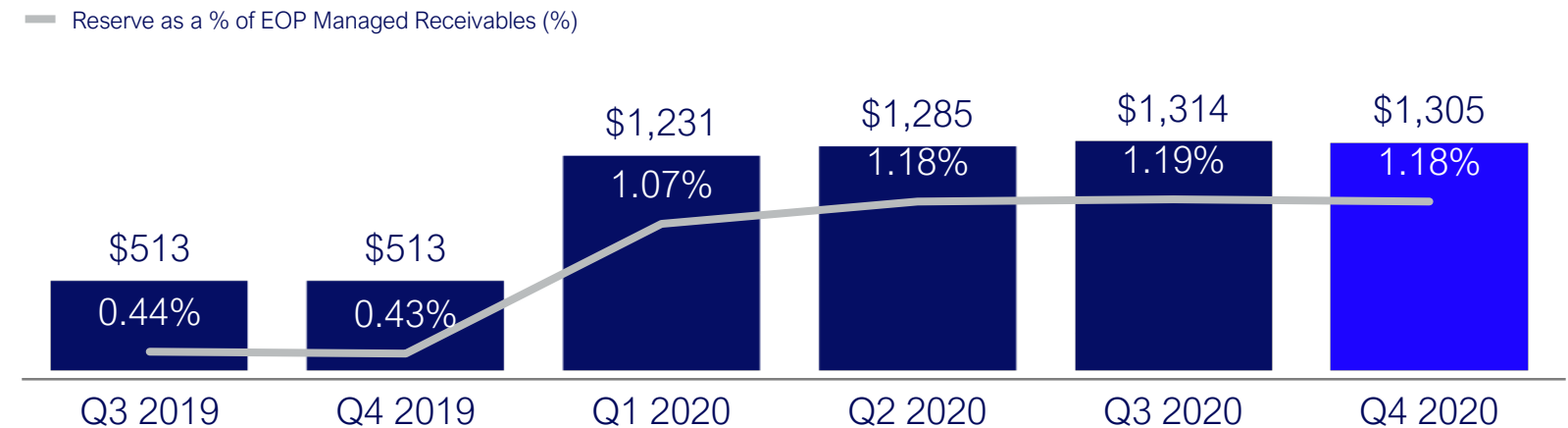
Worldwide Credit Loss Metrics

- Worldwide credit loss metrics remain strong and below year ago levels
- Credit loss reserve reflects lifetime losses at about the same level as Q3

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



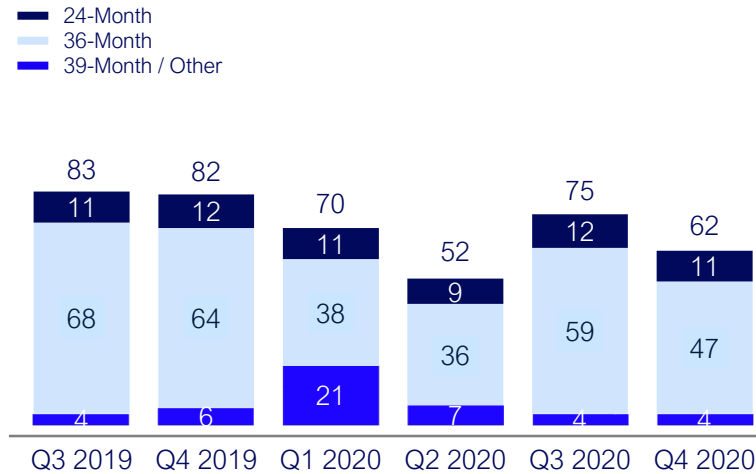
Credit Loss Reserve (\$M) and Reserve as a % of EOP Managed Receivables



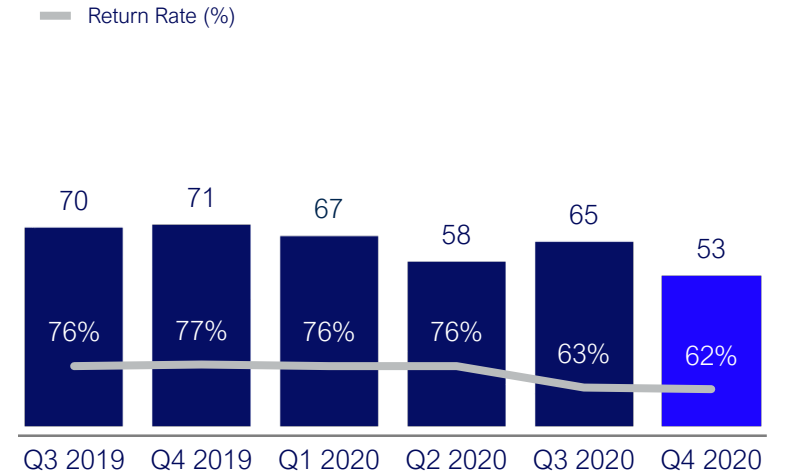
U.S. Lease Metrics

- Lease placement volume and share down YoY
- Lower lease return volume and return rate reflect auction values
- Auction values up 8% YoY; FY auction values up 3% YoY
- Planning for 2021 FY auction values to be lower

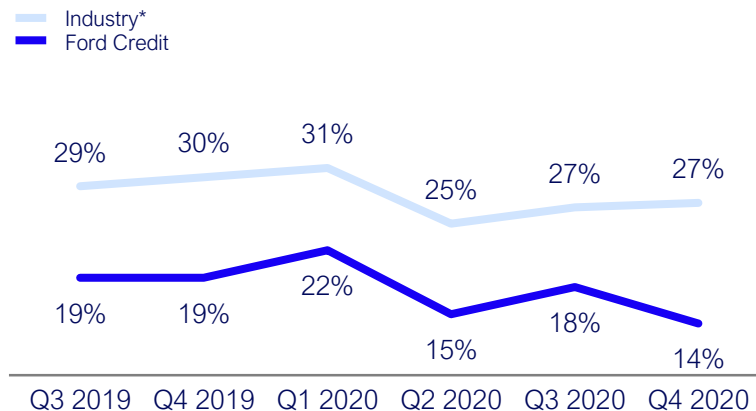
Lease Placement Volume (000)



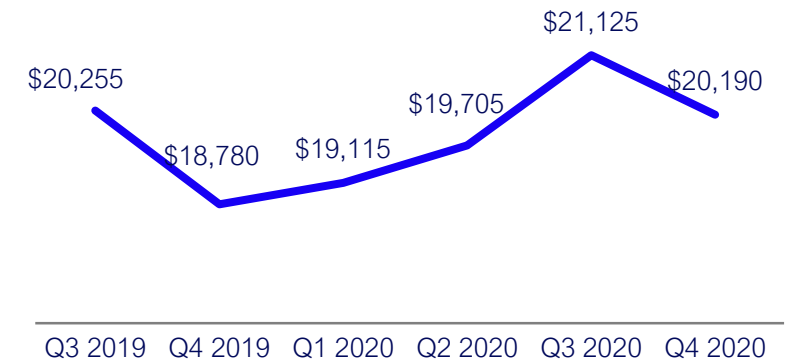
Lease Return Volume (000) and Return Rates (%)



Lease Share of Retail Sales (%)



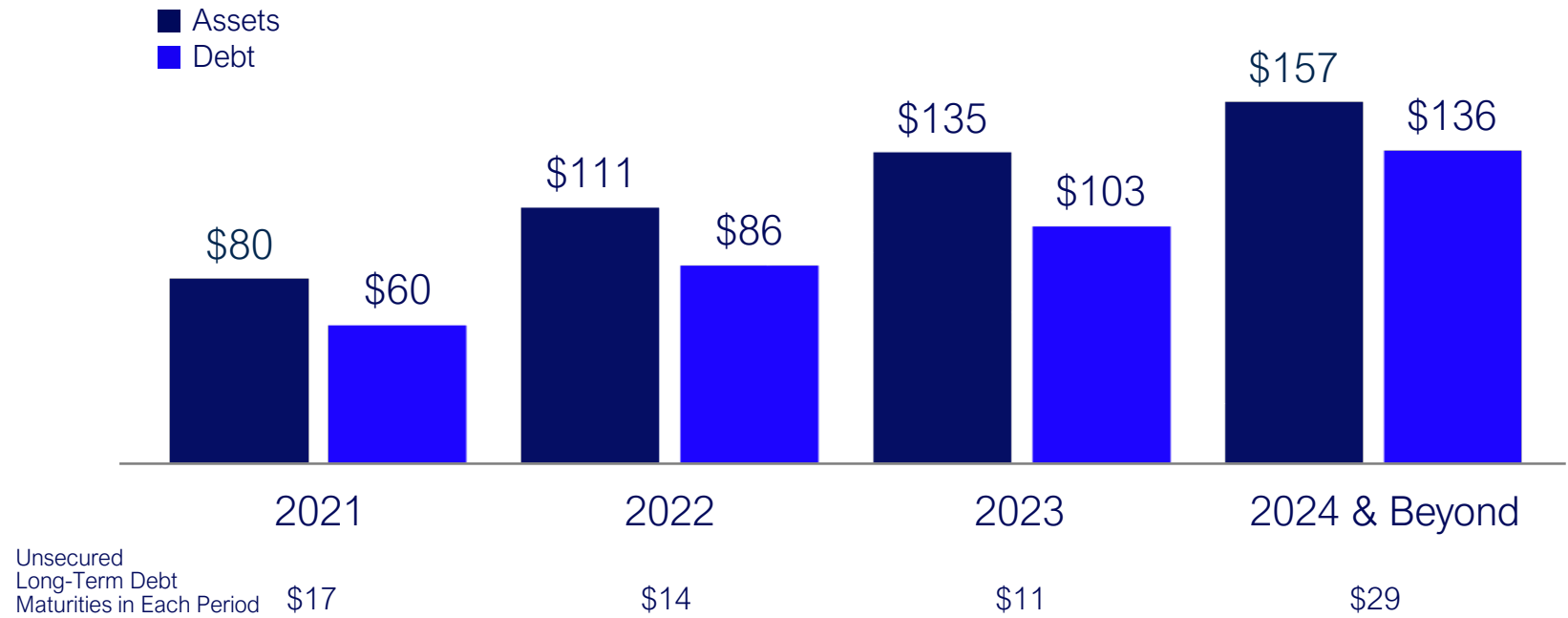
Off-Lease Auction Values (36-month, at Q4 2020 Mix)



* Source: J.D. Power PIN

Cumulative Maturities At December 31, 2020* (\$B)

- Strong balance sheet is inherently liquid with cumulative debt maturities having a longer tenor than asset maturities
- As of December 31, 2020 \$81B of \$157B assets are unencumbered



* See Appendix for assets and debt definitions

Funding Structure – Managed Receivables* (\$B)

- Well capitalized with a strong balance sheet; \$35B in net liquidity
- Funding is diversified across platforms and markets

	2019 <u>Dec 31</u>	2020 <u>Dec 31</u>
Term Debt (incl. Bank Borrowings)	\$ 73	\$ 77
Term Asset-Backed Securities	57	55
Commercial Paper	4	0
Ford Interest Advantage / Deposits	7	6
Other	9	7
Equity	14	14
Adjustments for Cash	(12)	(18)
	<u>\$ 152</u>	<u>\$ 141</u>
Securitized Funding as Pct of Managed Receivables	38%	39%
Net Liquidity	\$ 33	\$ 35

* See Appendix for definitions and reconciliation to GAAP

Public Term Funding Plan*

(\$B)

- Completed \$27B of public issuance in 2020
- Strong balance sheet and substantial liquidity provide funding flexibility

	<u>2019 Actual</u>	<u>2020 Actual</u>	<u>2021 Forecast</u>	<u>Through Feb 3</u>
Unsecured	\$ 17	\$ 14	\$ 7 - 11	\$ -
Securitized ^{**}	14	13	11 - 14	1
Total	<u>\$ 31</u>	<u>\$ 27</u>	<u>\$ 18 - 25</u>	<u>\$ 1</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 most recent Annual Report on Form 10-K, as updated by additional factors in subsequent filings with the United States Securities and Exchange Commission.

Appendix

EBT By Segment	A2
Financing Shares And Contract Placement Volume	A3
Financing Shares And Contract Placement Volume	A4
U.S. Origination Metrics And Credit Loss Drivers	A5
Worldwide Credit Loss Metrics	A6
U.S. Lease Metrics	A7
Total Net Receivables Reconciliation To Managed Receivables	A8
Financial Statement Leverage Reconciliation To Managed Leverage	A9
Liquidity Sources	A10
Non-GAAP Financial Measures That Supplement GAAP Measures	A11
Definitions And Calculations	A12

EBT By Segment* (\$M)

	Q4		Full Year	
	2020	H / (L) 2019	2020	H / (L) 2019
<u>Results</u>				
United States and Canada segment	\$ 842	\$ 271	\$ 2,241	\$ (124)
Europe segment	41	(6)	196	(156)
All Other segment	(0)	(28)	38	(105)
Total segments	\$ 883	\$ 237	\$ 2,475	\$ (385)
Unallocated other	29	45	133	(5)
Earnings before taxes	\$ 912	\$ 282	\$ 2,608	\$ (390)
Taxes	(275)	(86)	(684)	86
Net income	\$ 637	\$ 196	\$ 1,924	\$ (304)
Distributions	\$ 1,290	\$ 815	\$ 2,415	\$ (485)

* See Appendix for definitions

Financing Shares And Contract Placement Volume

	Q4		Full Year	
	2019	2020	2019	2020
<u>Share of Ford Sales*</u>				
United States	50 %	40 %	51 %	56 %
Canada	79	94	66	74
U.K.	40	34	39	40
Germany	47	42	47	41
China	36	42	35	39
<u>Wholesale Share</u>				
United States	75 %	74 %	75 %	74 %
Canada	55	24	57	40
U.K.	100	100	100	100
Germany	93	91	93	92
China	59	64	60	62
<u>Contract Placement Volume - New and Used (000)</u>				
United States	255	194	952	954
Canada	35	36	141	137
U.K.	28	21	139	101
Germany	39	31	165	107
China	28	42	108	119

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



Financing Shares And Contract Placement Volume

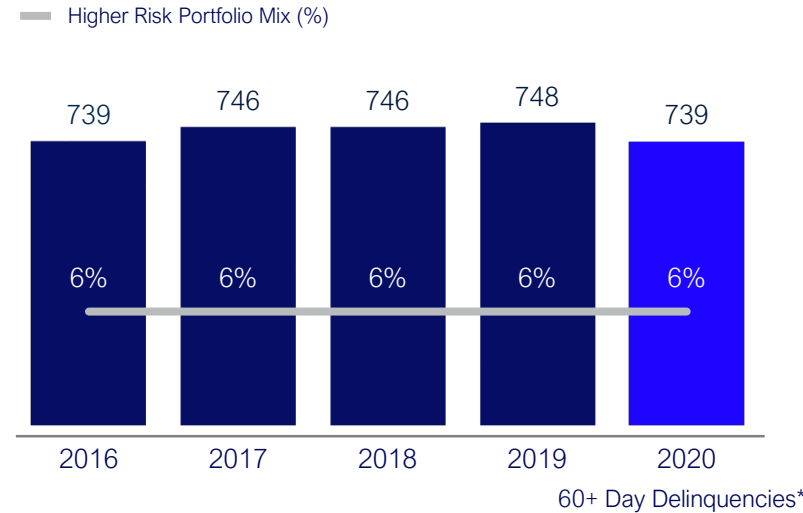
	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
<u>Share of Ford Sales*</u>					
United States	56 %	55 %	58 %	51 %	56 %
Canada	75	77	75	66	74
U.K.	38	35	37	39	40
Germany	47	48	48	47	41
China	19	28	35	35	39
<u>Wholesale Share</u>					
United States	76 %	76 %	76 %	75 %	74 %
Canada	61	61	59	57	40
U.K.	100	100	100	100	100
Germany	93	94	93	93	92
China	58	57	63	60	62
<u>Contract Placement Volume - New and Used (000)</u>					
United States	1,159	1,119	1,151	952	954
Canada	181	183	168	141	137
U.K.	201	174	150	139	101
Germany	149	155	160	165	107
China	192	256	170	108	119

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

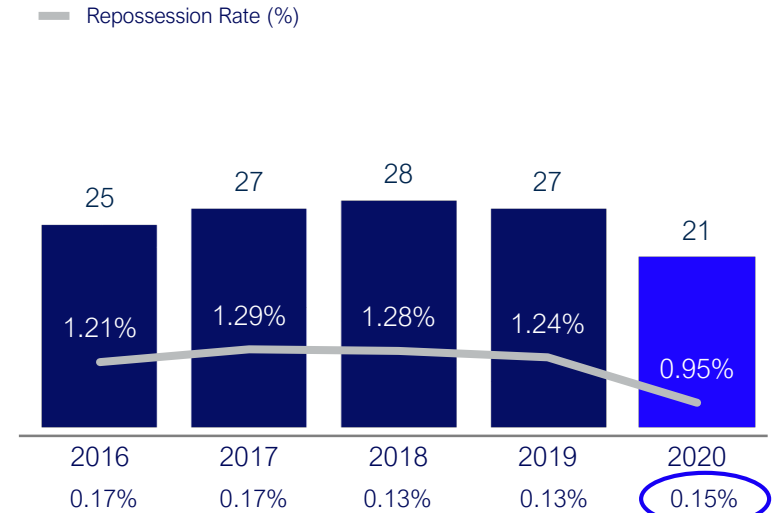
U.S. Origination Metrics And Credit Loss Drivers

- 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
- Extended-term contracts relatively small part of our business
- Longer term contracts increased as a result of 84-month “Built to Lend a Hand” campaign in Q2; Q3 and Q4 returned to historical levels

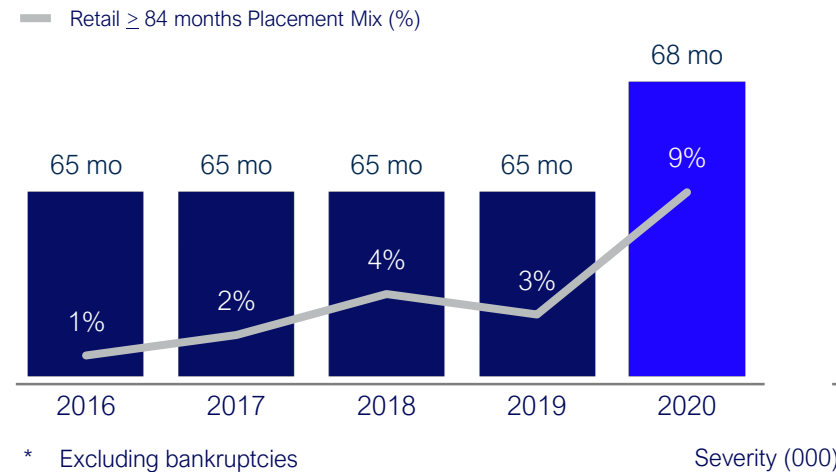
Retail & Lease FICO and Higher Risk Mix (%)



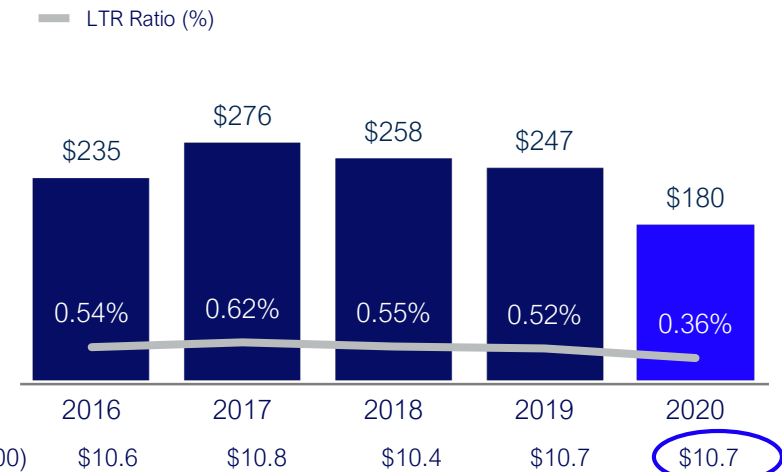
Retail Repossessions (000) and Repossession Rate (%)



Retail Contract Terms



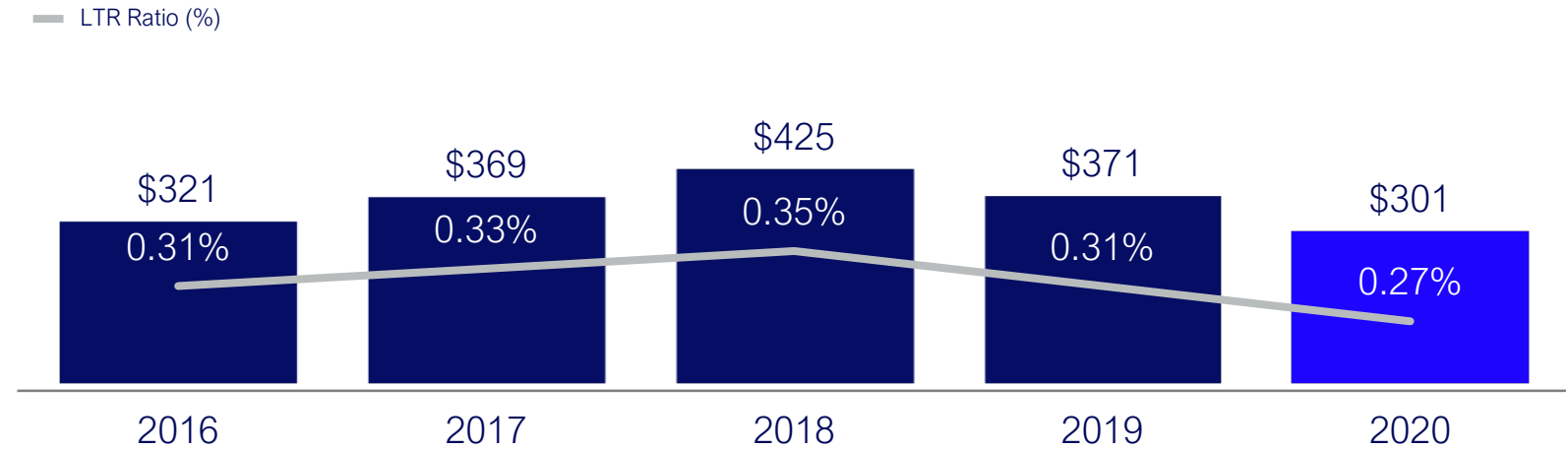
Retail Charge-Offs (\$M) and LTR Ratio (%)



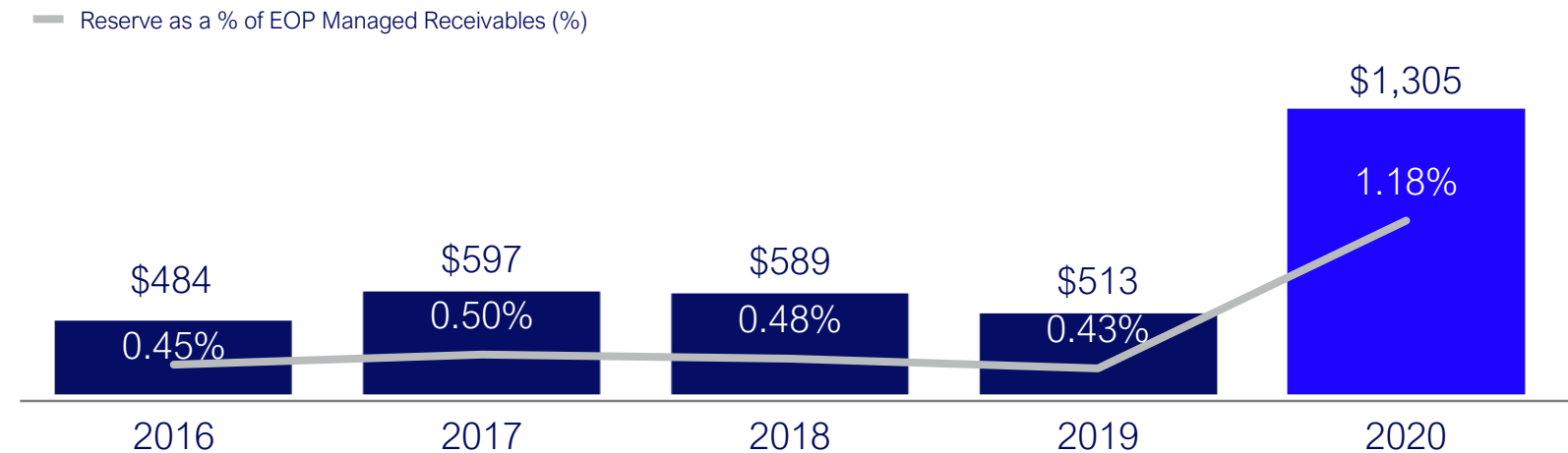
Worldwide Credit Loss Metrics

- Worldwide credit loss metrics remain strong
- Credit loss reserve based on historical losses, portfolio quality, and receivables level
- Increase in credit loss reserve reflects January 1, 2020 adoption of Current Expected Credit Losses (CECL) accounting standard and estimates of the impact of COVID-19 in future periods

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



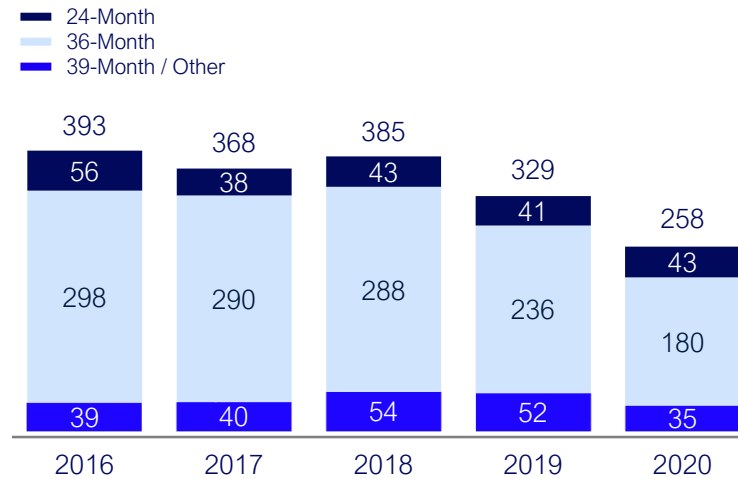
Credit Loss Reserve (\$M) and Reserve as a % of EOP Managed Receivables



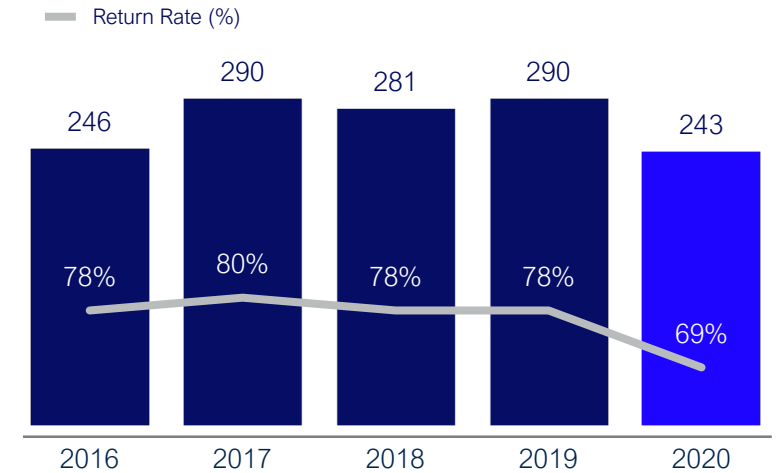
U.S. Lease Metrics

- Lease share below industry, reflecting Ford sales mix
- Auction values up 3%

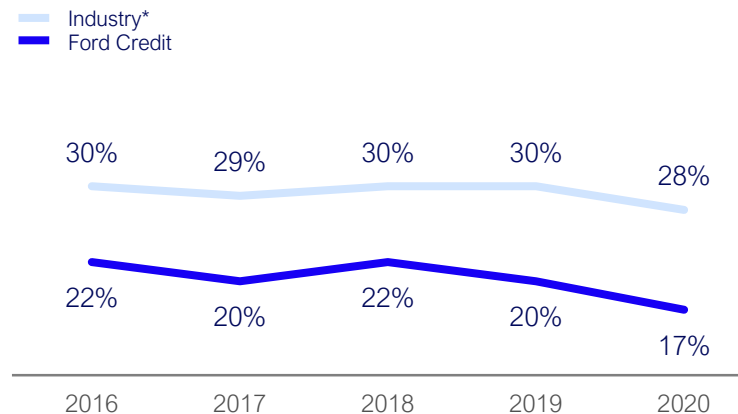
Lease Placement Volume (000)



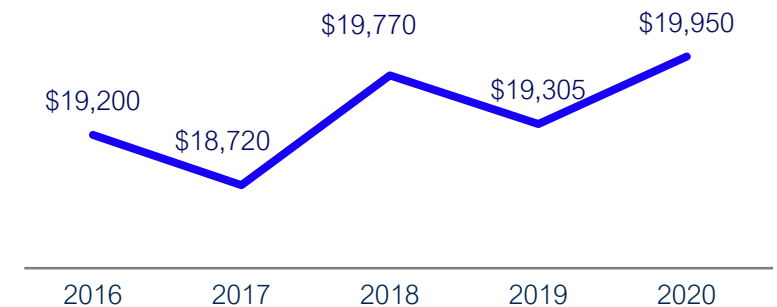
Lease Return Volume (000) and Return Rates (%)



Lease Share of Retail Sales (%)



Off-Lease Auction Values (36-month, at Q4 2020 Mix)



* Source: J.D. Power PIN

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

	2018 Dec 31	2019 Dec 31	2020 Dec 31
Finance receivables, net (GAAP)	\$ 118.8	\$ 114.3	\$ 105.0
Net investment in operating leases (GAAP)	27.4	27.7	26.7
Total net receivables*	<u>\$ 146.3</u>	<u>\$ 142.0</u>	<u>\$ 131.7</u>
Held-for-sale receivables (GAAP)	\$ -	\$ 1.5	\$ 0.0
Unearned interest supplements and residual support	6.8	6.7	6.5
Allowance for credit losses	0.6	0.5	1.3
Other, primarily accumulated supplemental depreciation	1.2	1.0	1.0
Total managed receivables (Non-GAAP)	<u><u>\$ 154.9</u></u>	<u><u>\$ 151.7</u></u>	<u><u>\$ 140.5</u></u>

* See Appendix for definitions

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

	2018 <u>Dec 31</u>	2019 <u>Dec 31</u>	2020 <u>Dec 31</u>
<u>Leverage Calculation</u>			
Debt	\$ 140.1	\$ 140.0	\$ 137.7
Adjustments for cash	(10.2)	(11.7)	(18.5)
Adjustments for derivative accounting	0.2	(0.5)	(1.5)
Total adjusted debt	<u>\$ 130.1</u>	<u>\$ 127.8</u>	<u>\$ 117.7</u>
Equity	\$ 15.0	\$ 14.3	\$ 14.0
Adjustments for derivative accounting	(0.2)	(0.0)	0.1
Total adjusted equity	<u>\$ 14.8</u>	<u>\$ 14.3</u>	<u>\$ 14.1</u>
Financial statement leverage (to 1) (GAAP)	9.4	9.8	9.8
Managed leverage (to 1) (Non-GAAP)	8.8	8.9	8.3

* See Appendix for definitions

Liquidity Sources* (\$B)

	2018 Dec 31	2019 Dec 31	2020 Dec 31
<u>Liquidity Sources</u>			
Cash	\$ 10.2	\$ 11.7	\$ 18.5
Committed asset-backed facilities	35.4	36.6	38.1
Other unsecured credit facilities	3.0	3.0	2.5
Ford corporate credit facility allocation	3.0	3.0	-
Total liquidity sources	\$ 51.6	\$ 54.3	\$ 59.1
<u>Utilization of Liquidity</u>			
Securitization & restricted cash	\$ (3.1)	\$ (3.6)	\$ (3.9)
Committed asset-backed facilities	(20.7)	(17.3)	(16.7)
Other unsecured credit facilities	(0.7)	(0.8)	(0.5)
Ford corporate credit facility allocation	-	-	-
Total utilization of liquidity	\$ (24.5)	\$ (21.7)	\$ (21.1)
Gross liquidity	\$ 27.1	\$ 32.6	\$ 38.0
ABS capacity in excess of eligible receivables and other adjustments	0.1	0.4	(2.6)
Net liquidity available for use	\$ 27.2	\$ 33.0	\$ 35.4

* 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 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 & 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 primarily includes cash 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