

Updated on February 15, 2023 to include slide 23

# Q4 & Full Year 2022 Earnings Review



February 2, 2023



## Ford F-Series, The Leader In Trucks:

- America's Best-Selling Truck 46 Years In A Row
- America's Best-Selling Vehicle 41 Years In A Row
- F-150 Lightning - North American Truck Of The Year
- F-150 Lightning - MotorTrend Truck Of The Year
- F-150 Lightning - America's Best-Selling EV Truck Since Its Launch
- All-New Super Duty – New Lineup Offers Best-In-Class Towing, Payload And Power

\* See Next Slide For Vehicle Information



# 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 subsequent filings with the United States Securities and Exchange Commission.

## **GAAP AND NON-GAAP FINANCIAL MEASURES**

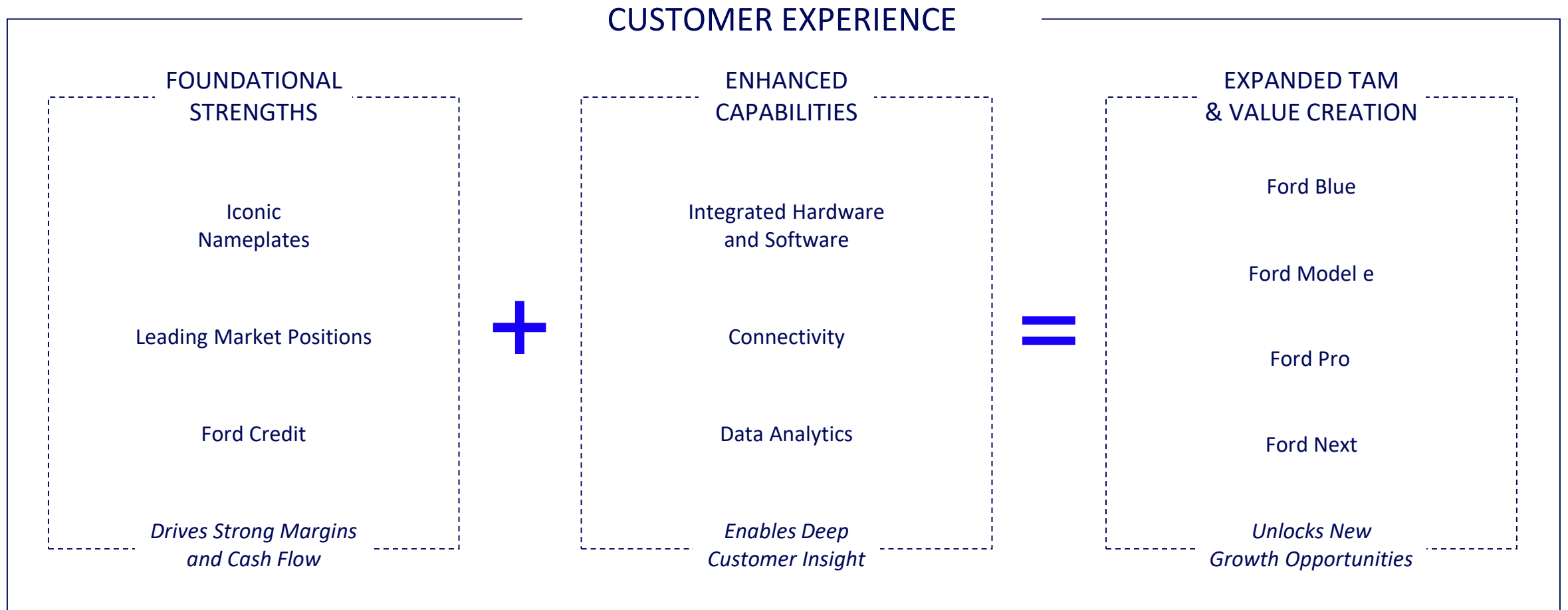
This presentation includes financial measures calculated in accordance with Generally Accepted Accounting Principles (“GAAP”) and non-GAAP financial measures. The non-GAAP financial measures are intended to be considered supplemental information to their comparable GAAP financial measures. The non-GAAP 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. Visit [ford.com](http://ford.com) for vehicle information.

# Ford+ Investment Thesis

Disruptive Technology Allows Us to Leverage Foundational Strengths to Build New Capabilities – Enriching Customer Experiences and Deepening Loyalty





# Executing Our Investment Thesis To Deliver Ford+

FOUNDATIONAL  
STRENGTHS



ENHANCED  
CAPABILITIES



EXPANDED TAM  
& VALUE CREATION

## Iconic Nameplates



Launching seventh-generation Mustang and all-new Super Duty in 2023

## Integrated Hardware & Software



Demonstrating real progress with BlueCruise; 42M+ hands-free highway miles driven as of YE; using data to continually improve user experience

## Electrification



Launching the all-new one tonne E-Transit Custom in 2023, an EV version of Europe's best-selling van

## Ford Credit



Continuing to launch new digital service enhancements and expand product offerings for commercial customers

## Connectivity



Continuously improving the customer ownership experience; over 7M Ford Power-Up software updates delivered so far

## Ford Pro



North American leader in class 1-7 commercial full-size truck and vans, nearly double the share of our closest competitor

# Executing Our Investment Thesis To Deliver Ford+ 2022 Highlights

Disruptive Technology Allows Us to Leverage Foundational Strengths to Build New Capabilities –  
Enriching Customer Experiences and Deepening Loyalty

## CUSTOMER EXPERIENCE

- ICE / Hybrid: Delivering the freshest and most-appealing lineup in the industry with Broncos, Mavericks, Rangers etc., along with derivatives like Raptor and Tremor
- Electrification: #2 EV brand in the U.S.; more than 60% of sales to customers new to Ford; sales growth rate about 2x the rate of the overall EV segment; scaling to 600K units of global capacity by the end of 2023
- Commercial: Commanding leadership in North America and Europe; fast-growing, high-margin software business, driving productivity, telematics, charging and fleet management; expanding sales of parts and services



# Q4 Financial Results

Revenue

**\$44.0B**

Up \$6.3B

Adj. EBIT

**\$2.6B**

Up \$0.5B

Adj. EBIT Margin

**5.8%**

Up 0.4 ppts

Adj. FCF

**\$2.4B**

Up \$0.1B

Adj. EPS

**\$0.51**

Up \$0.25

2022 Mustang Mach-E

Full Year

**\$158.1B**

Up \$21.7B

**\$10.4B**

Up \$0.4B

**6.6%**

Down 0.7 ppts

**\$9.1B**

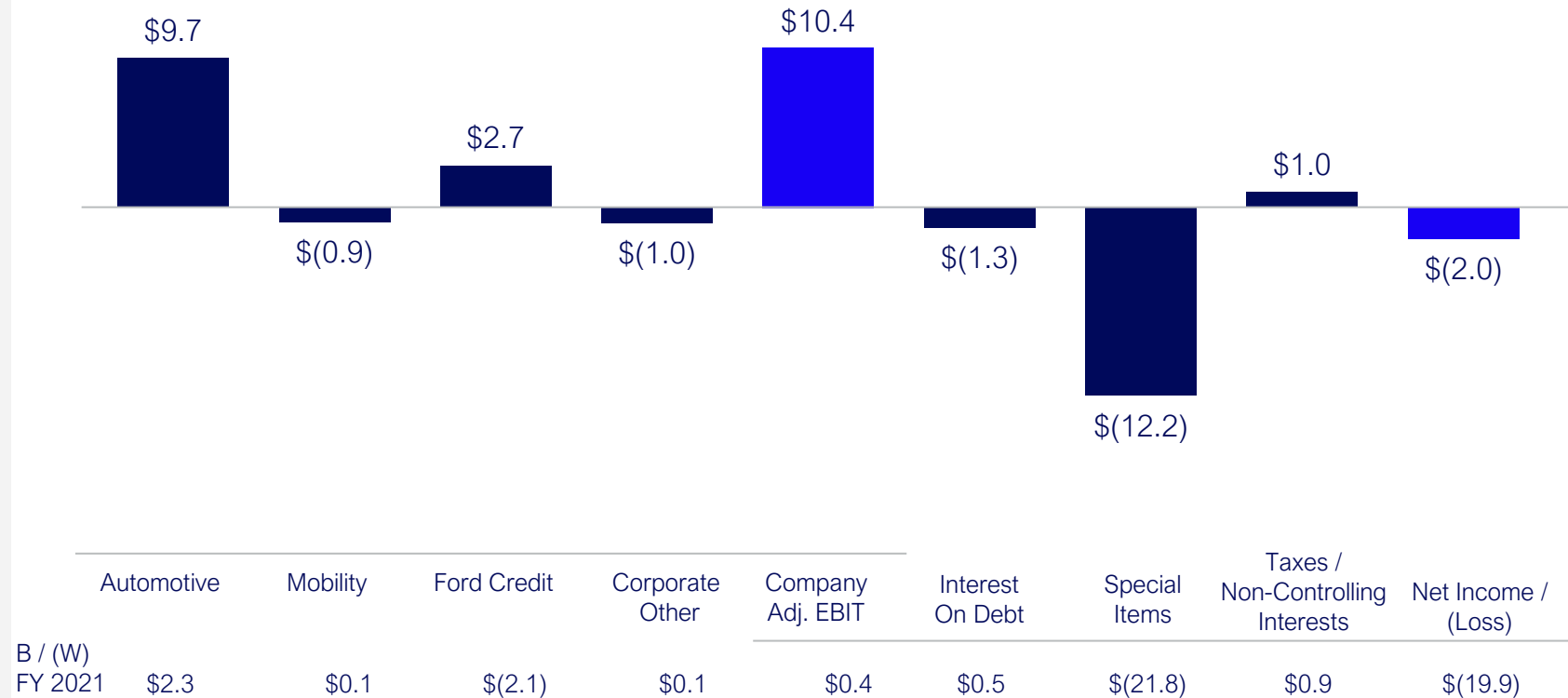
Up \$4.5B

**\$1.88**

Up \$0.29

# Full Year 2022 Results (\$B)

- Company Adjusted EBIT driven by strong Automotive and Ford Credit results
- Special Items include Rivian mark-to-market net loss of \$7.4B and a \$2.7B impairment on Argo investment



# Full Year 2022 Adjusted EBIT (\$B)

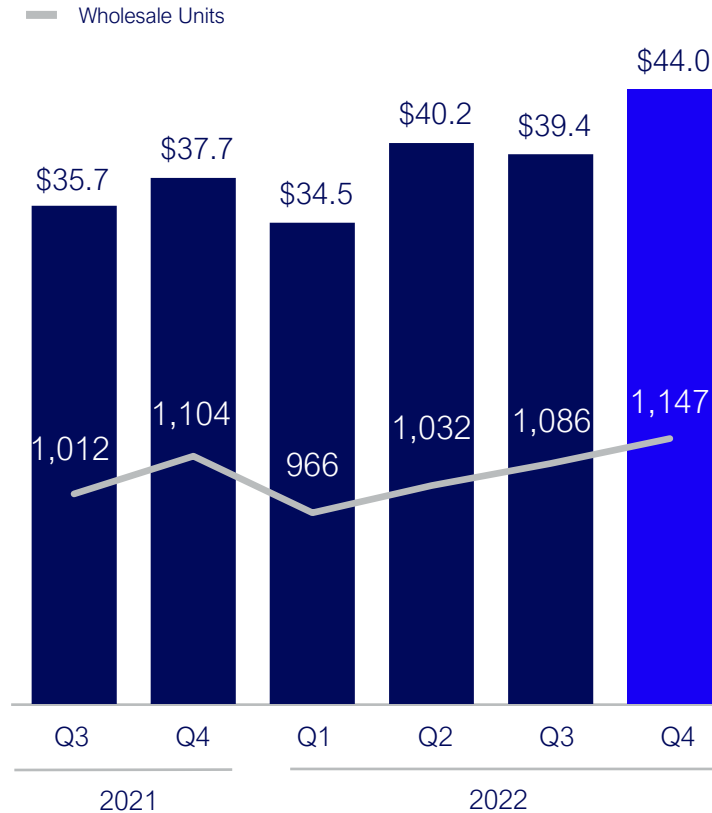
	North America	South America	Europe	China	IMG	Total Auto	Total Company	
FY 2021	\$ 7.4	\$ (0.1)	\$ (0.2)	\$ (0.3)	\$ 0.6	\$ 7.4	\$ 10.0	
YoY Change:								
Volume / Mix	\$ 4.0	\$ (0.1)	\$ 0.5	\$ (0.3)	\$ 0.2	\$ 4.3	\$ 4.3	
Net Pricing	6.6	0.9	2.8	(0.0)	0.6	10.9	10.9	
Cost	(8.3)	(0.4)	(2.8)	0.0	(0.5)	(12.0)	(12.0)	Commodities \$(4.5) Material / Freight (4.5) Structural (2.1) Pension / OPEB (0.5) Warranty (0.3)
Exchange	0.2	(0.0)	(0.6)	(0.0)	(0.2)	(0.5)	(0.5)	
JVs / Other	<u>(0.7)</u>	<u>0.1</u>	<u>0.2</u>	<u>0.0</u>	<u>(0.2)</u>	<u>(0.4)</u>	<u>(0.4)</u>	JVs \$ 0.1 Other (0.5)
Total Automotive	\$ 1.8	\$ 0.5	\$ 0.2	\$ (0.2)	\$ 0.0	\$ 2.3	\$ 2.3	
Mobility							0.1	
Ford Credit							(2.1)	
Corporate Other							<u>0.1</u>	
Total Change							<u>\$ 0.4</u>	
FY 2022	\$ 9.2	\$ 0.4	\$ 0.0	\$ (0.6)	\$ 0.6	\$ 9.7	<u>\$ 10.4</u>	



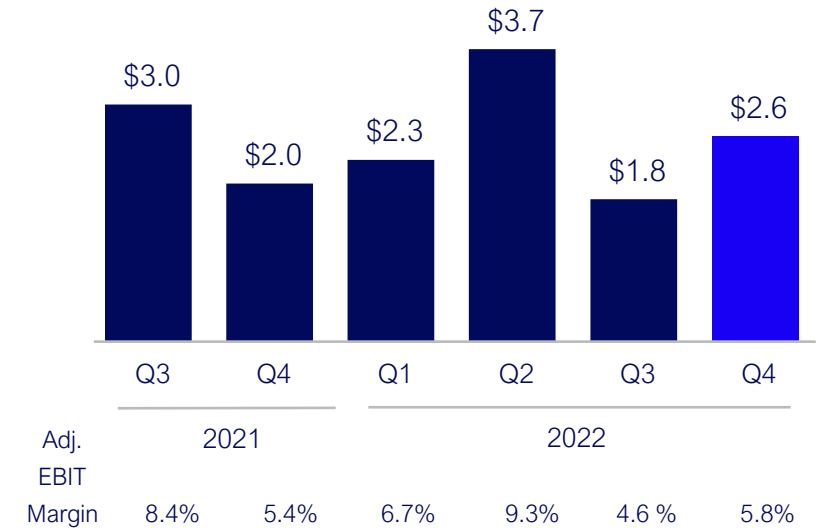
# Q4 Revenue And Adjusted EBIT

- Q4 wholesales up 4%, driven by improvement in supply chain constraints and EV scaling
- Revenue up 17%, driven by increased volume and higher net pricing, offset partially by weaker currencies
- Adjusted EBIT up \$0.5B, driven by higher net pricing and volume improvement, offset partially by inflationary cost increases and lower Ford Credit profits

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



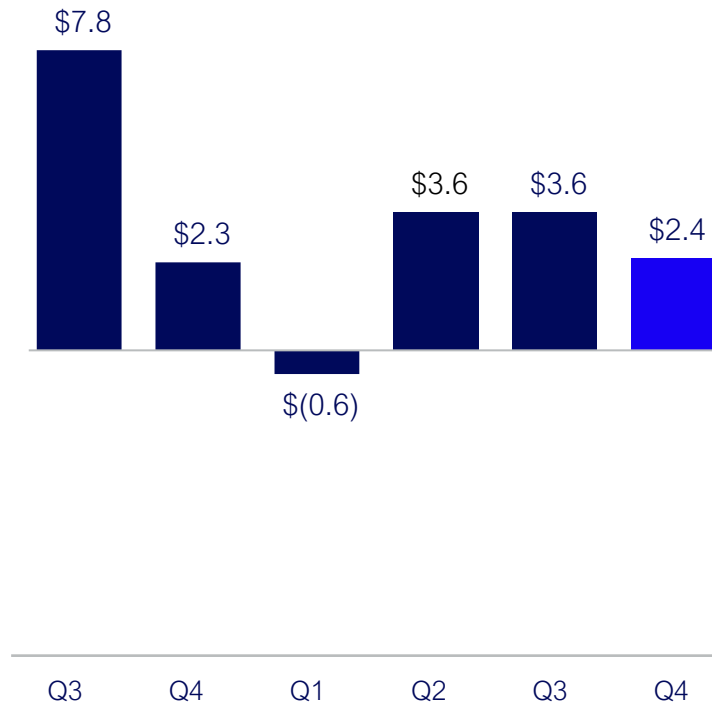
Adjusted EBIT (\$B) & EBIT Margin (%)



# Q4 Cash Flow, Cash Balance And Liquidity (\$B)

- Q4 Adjusted FCF of \$2.4B, driven by automotive EBIT
- Strong cash and liquidity available to invest in growth

### Adjusted Free Cash Flow



### Cash Balance & Liquidity



Ford Credit Distributions Incl. Above

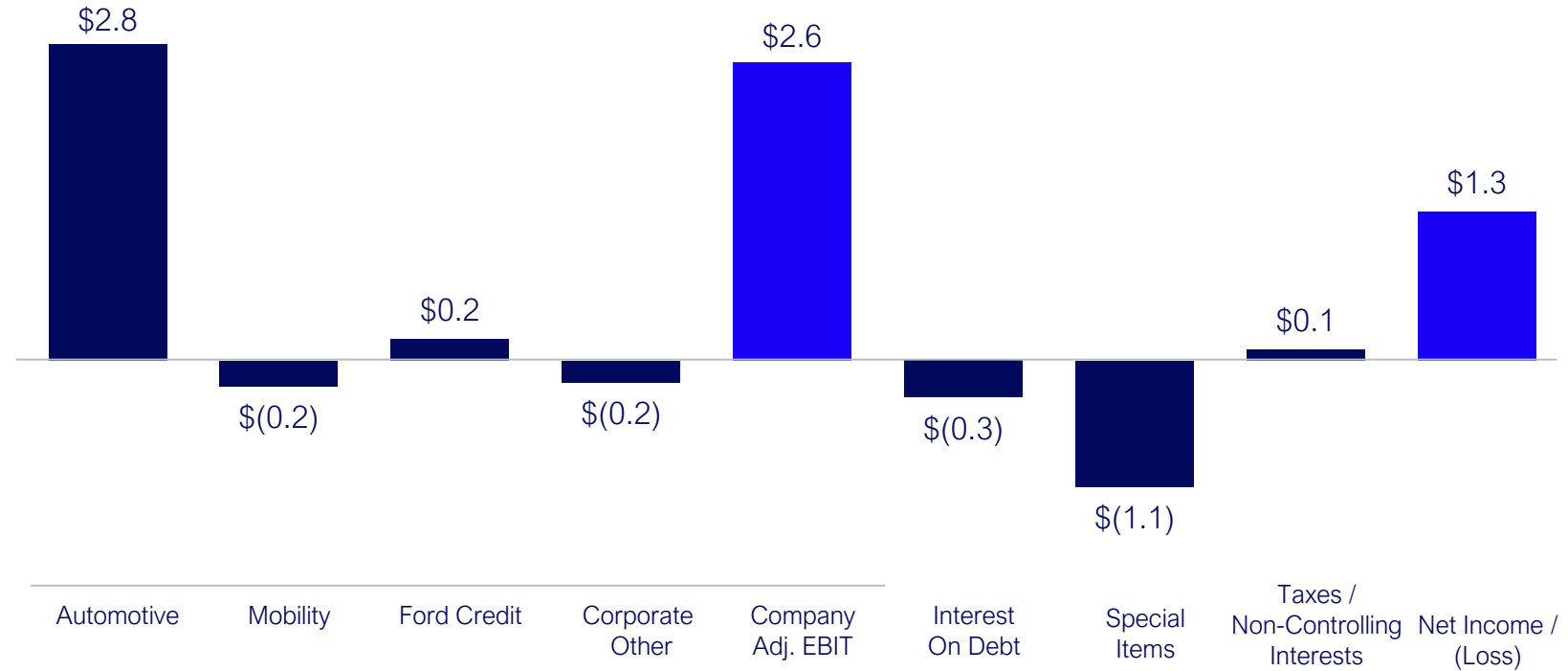
Year	Q3	Q4	Q1	Q2	Q3	Q4
2021	\$1.5	\$1.0				
2022			\$1.0	\$0.6	\$0.5	\$-

Year	Q3	Q4	Q1	Q2	Q3	Q4
2021	\$5.9	\$16.1				
2022			\$8.7	\$9.4	\$11.8	\$12.3

\* At December 31, 2021 and December 31, 2022, Rivian common shares were valued at \$103.69 and \$18.43, respectively, per share. Our investment is marked to market on a recurring basis and gains and losses could be material in any period. In the fourth quarter of 2022, we sold 14.3 million of our Rivian common shares

# Q4 2022 Results (\$B)

- Company Adjusted EBIT driven by Automotive results
- Special Items driven by pensions and joint venture asset impairments in China



B / (W)

	Automotive	Mobility	Ford Credit	Corporate Other	Company Adj. EBIT	Interest On Debt	Special Items	Taxes / Non-Controlling Interests	Net Income / (Loss)
Q4 2021	\$1.1	\$0.1	\$(0.9)	\$0.1	\$0.5	\$0.1	\$(10.7)	\$(0.9)	\$(11.0)
Q3 2022	1.1	0.0	(0.4)	0.1	0.8	0.0	1.5	(0.2)	2.1



# Q4 2022 Adjusted EBIT (\$B)

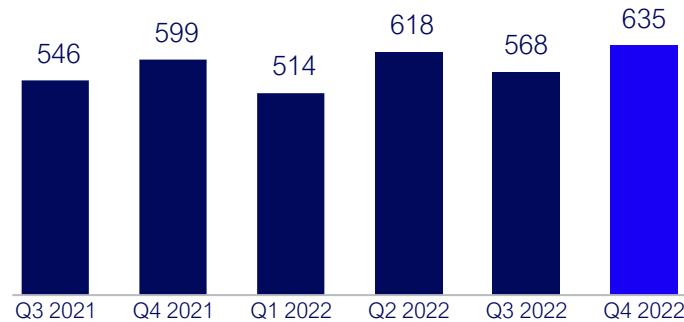
	North America	South America	Europe	China	IMG	Total Auto	Total Company	
Q4 2021	\$ 1.8	\$ 0.0	\$ (0.2)	\$ (0.2)	\$ 0.1	\$ 1.6	\$ 2.0	
YoY Change:								
Volume / Mix	\$ 0.9	\$ (0.0)	\$ 0.3	\$ (0.1)	\$ 0.2	\$ 1.4	\$ 1.4	
Net Pricing	2.2	0.2	0.8	(0.0)	0.2	3.4	3.4	
Cost	(1.6)	(0.2)	(1.0)	0.0	(0.2)	(2.9)	(2.9)	Material / Freight \$(1.8) Structural (0.5) Commodities (0.4) Warranty (0.1) Pension / OPEB (0.1)
Exchange	0.0	(0.0)	(0.3)	(0.0)	(0.1)	(0.4)	(0.4)	
JVs / Other	(0.3)	0.0	(0.0)	0.0	(0.0)	(0.3)	(0.3)	JVs \$ 0.1 Other (0.3)
Total Automotive	\$ 1.2	\$ 0.1	\$ (0.2)	\$ (0.1)	\$ 0.2	\$ 1.1	\$ 1.1	
Mobility							0.1	
Ford Credit							(0.9)	
Corporate Other							0.1	
Total Change							\$ 0.5	
Q4 2022	\$ 3.0	\$ 0.1	\$ (0.4)	\$ (0.2)	\$ 0.2	\$ 2.8	\$ 2.6	

# North America

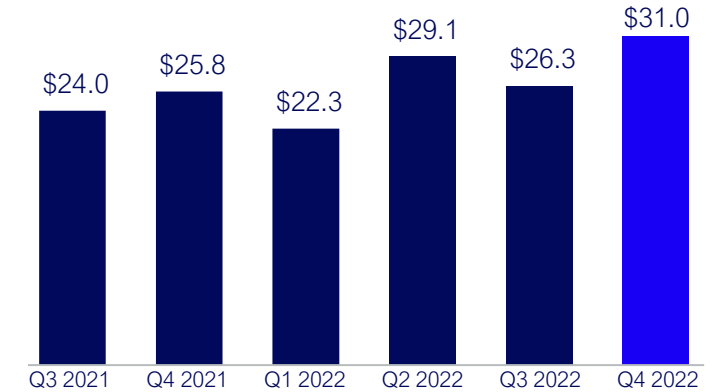
Leadership in trucks and Ford Pro commercial vehicles; plus, utilities and iconic nameplates

- FY EBIT of \$9.2B, up \$1.8B
- America's best-selling commercial van lineup for the 44th consecutive year
- Q4 EV sales in the U.S. grew at about 2x the rate of the overall segment

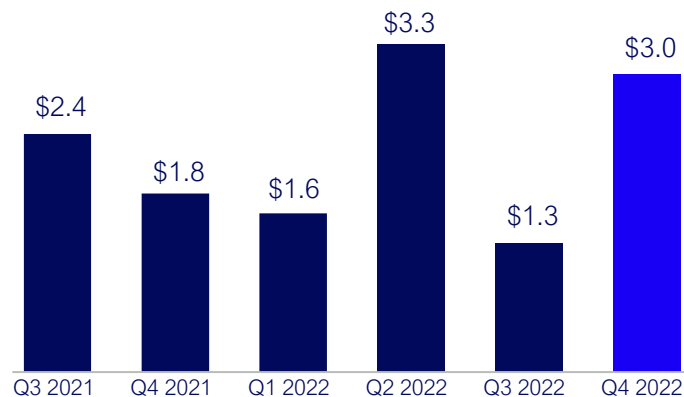
Wholesale Units (000)



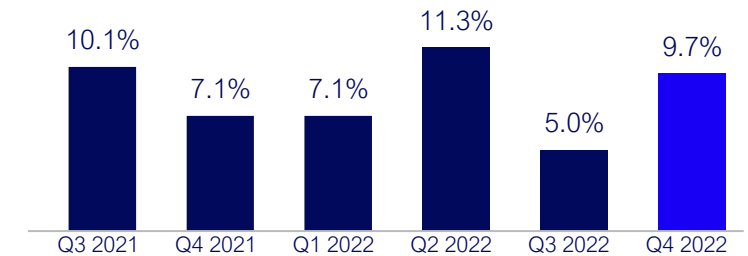
Revenue (\$B)



EBIT (\$B)



EBIT Margin (%)

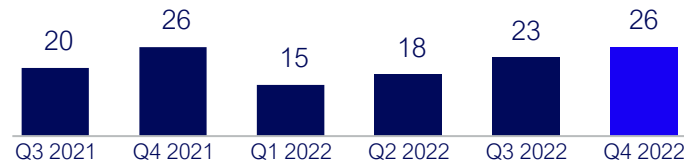


# South America

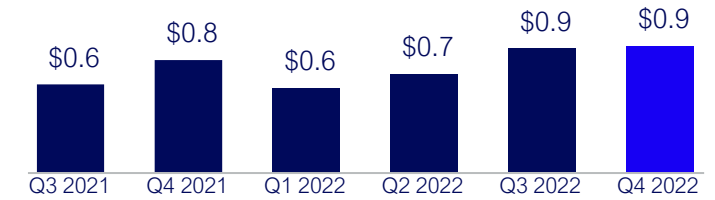
Lean, de-risked and asset-light business, focused on key franchises like Ranger and Transit

- FY EBIT of \$0.4B, up \$0.5B
- First FY profit in 10 years; region de-risked and expected to be sustainably profitable
- Q4 Ranger share of segment improved to 12.0%; #2 mid-size pickup in the region

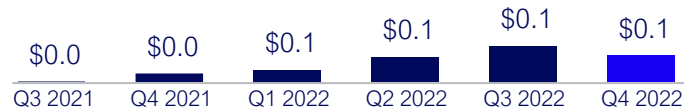
Wholesale Units (000)



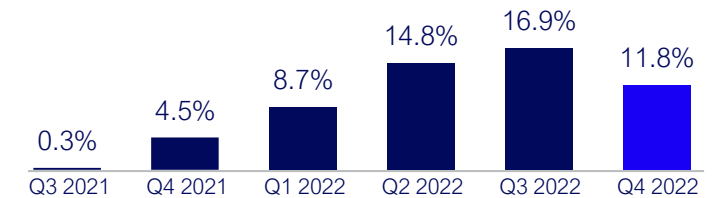
Revenue (\$B)



EBIT (\$B)



EBIT Margin (%)



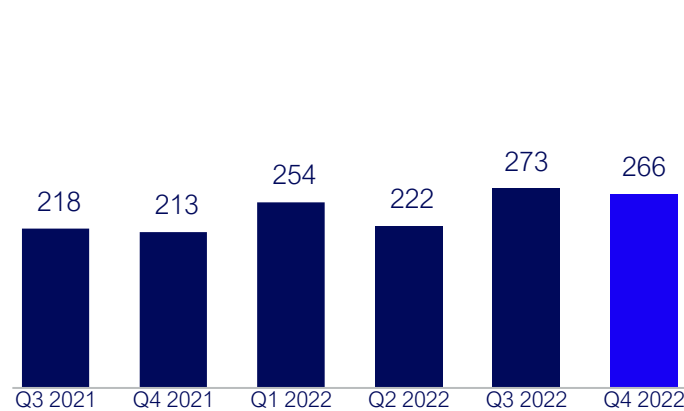


# Europe

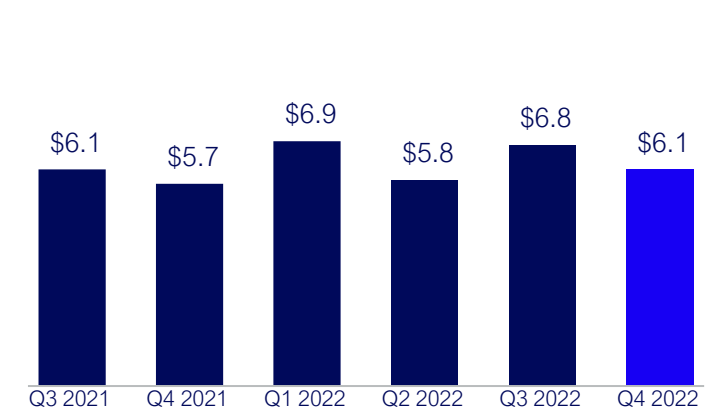
Commercial vehicle strength with Ford Pro, focused passenger portfolio with key imports

- FY EBIT of \$47M, up \$201M
- #1 European commercial vehicle brand for 8 straight years, a first for any OEM
- Q4 growth of 40% in Ford Pro's paid Telematics subscriptions

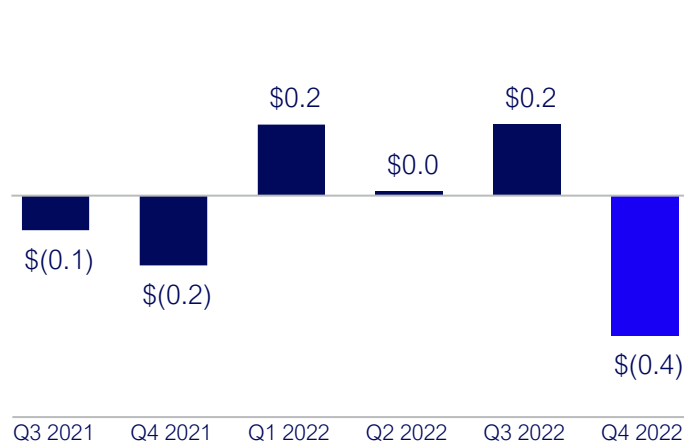
Wholesale Units (000)\*



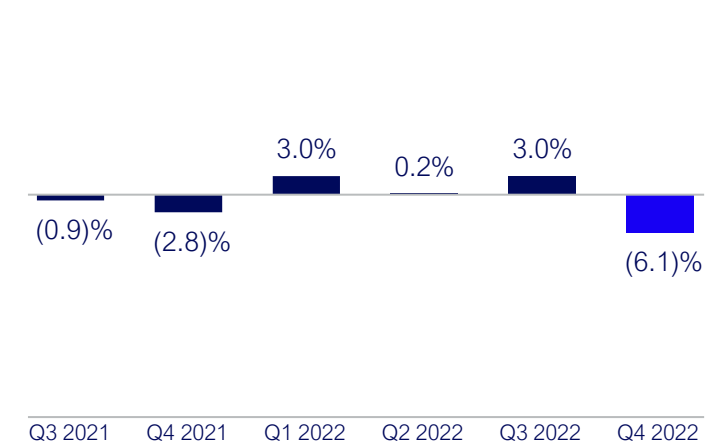
Revenue (\$B)



EBIT (\$B)



EBIT Margin (%)



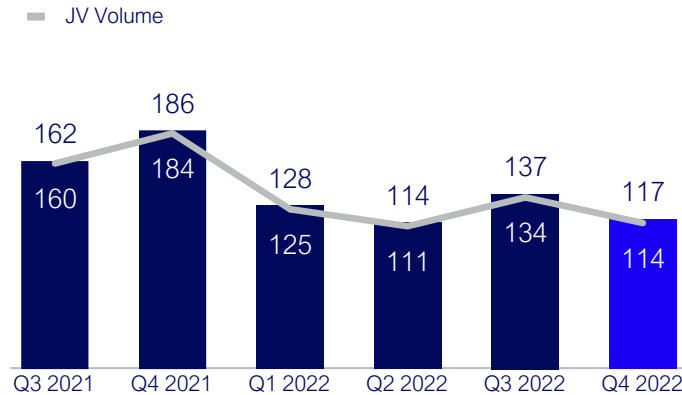
\* Includes Ford brand vehicles produced and sold by our unconsolidated affiliate in Türkiye (19K units in Q4 2021 and 29K units in Q4 2022). Revenue does not include these sales

# China

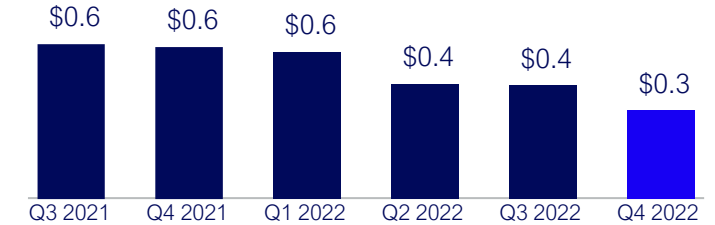
Focused on strength in Lincoln brand, commercial vehicles and Ford utility portfolio

- FY EBIT of \$(0.6)B, down \$0.2B, as investments in EVs continue to increase
- Lincoln - profit pillar for the region

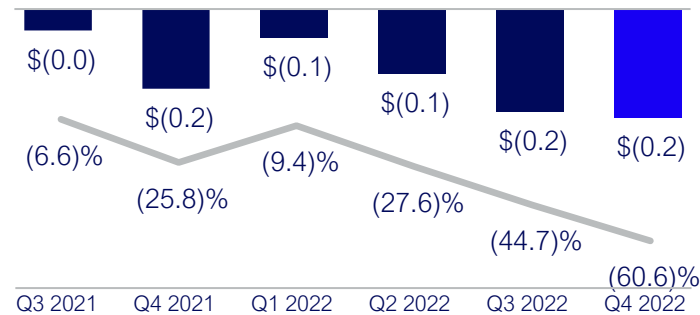
Wholesale Units (000)\*



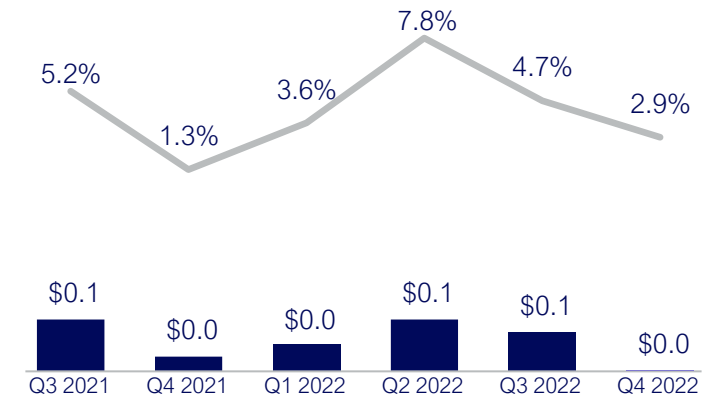
Revenue (\$B)



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



JV Equity Income (\$B) and Equity Income (%)



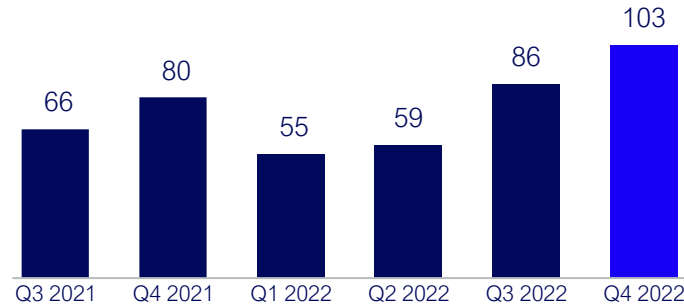
\* Wholesale units include Ford and Lincoln brand and Jiangling Motors Corporation (JMC) brand vehicles produced and sold in China by our unconsolidated affiliates and Ford brand vehicles produced in Taiwan by Lio Ho Group. Revenue does not include these sales

# International Markets Group

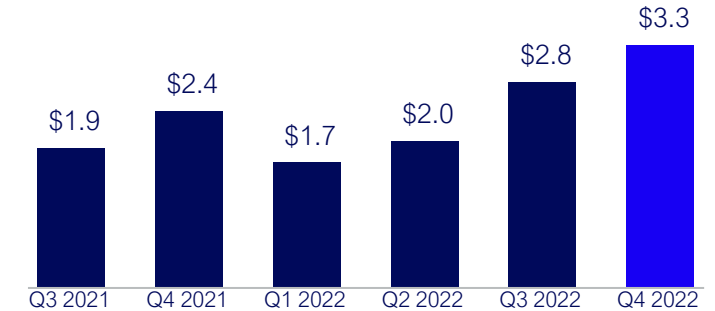
## Portfolio strengths of Ranger pickup and Everest

- FY EBIT of \$0.6B unchanged
- FY profit driven by the launch of all-new Ranger and the exit of India
- Record Ranger share of 18.3% in Q4

Wholesale Units (000)\*



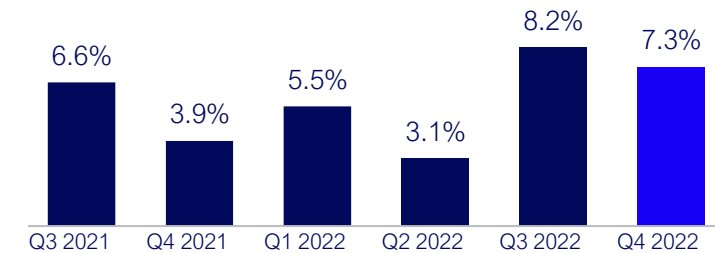
Revenue (\$B)



EBIT (\$B)



EBIT Margin (%)





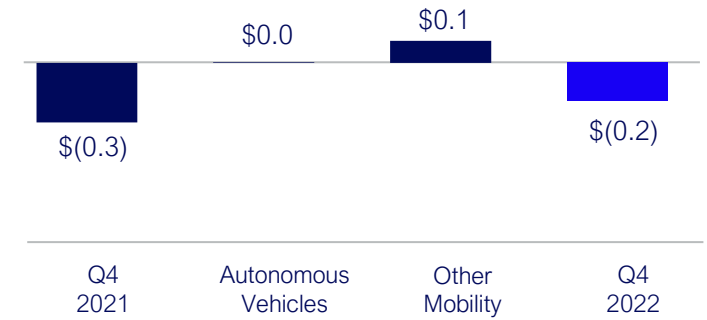
# Mobility

- FY EBIT of \$(0.9)B, improved \$0.1B
- Winding down Argo

EBIT (\$B)



Q4 EBIT YoY (\$B)

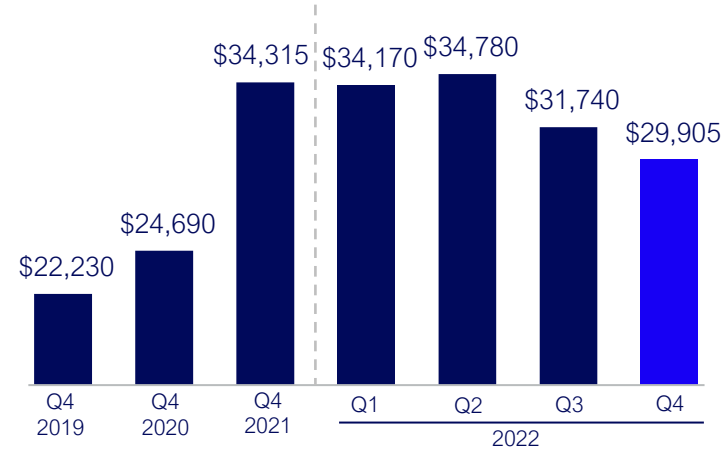


# Ford Credit

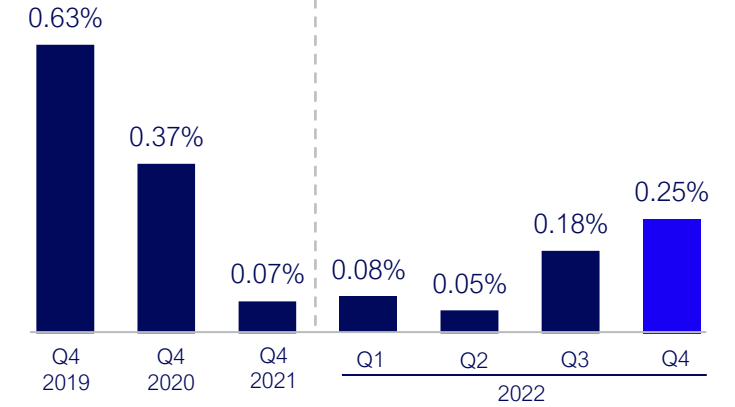
Best-in-class finance company is a strategic asset and competitive advantage

- FY EBT of \$2.7B, down \$2.1B, reflecting lower credit loss and lease residual reserve releases, lower financing margin, and lower lease return rates
- Credit losses remain low; delinquencies have normalized to pre-pandemic levels, but strong equity values have resulted in low actual losses
- Expect auction values to continue to decline in 2023 as the supply of new vehicle inventory improves

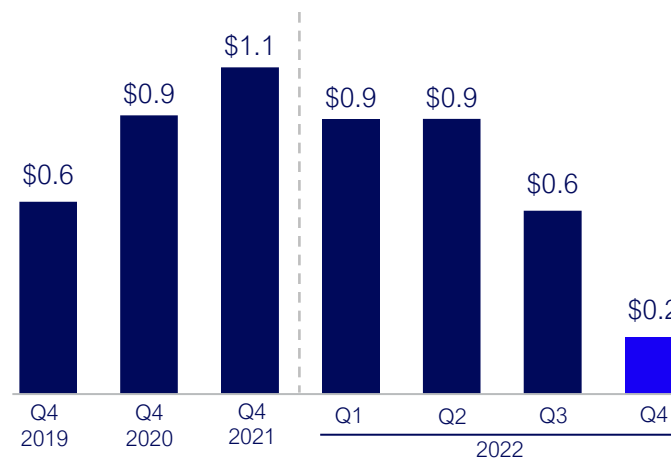
Auction Values (Per Unit)\*



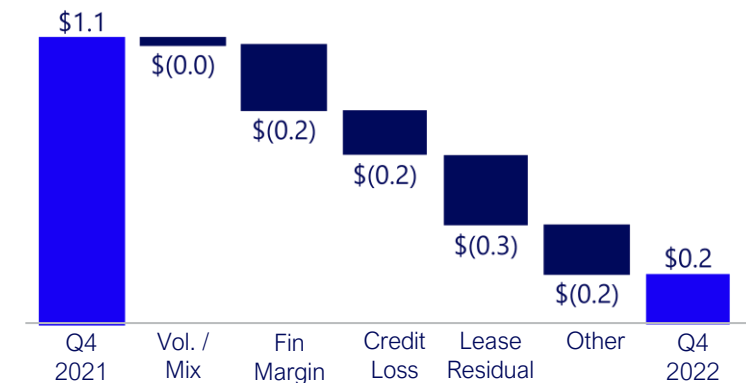
U.S. Retail Loss-to-Receivables ("LTR") Ratio (%)



EBT (\$B)



Q4 EBT YoY (\$B)



# Cash Flow And Balance Sheet (\$B)

	Fourth Quarter		Full Year	
	2021	2022	2021	2022
Company Adj. EBIT excl. Ford Credit	\$ 1.0	\$ 2.4	\$ 5.3	\$ 7.8
Capital spending	\$ (1.8)	\$ (2.0)	\$ (6.2)	\$ (6.5)
Depreciation and tooling amortization	1.3	1.3	5.1	5.2
Net Spending	\$ (0.5)	\$ (0.7)	\$ (1.1)	\$ (1.3)
Receivables	\$ 0.5	\$ (0.3)	\$ (0.2)	\$ (1.0)
Inventory	1.4	1.6	(1.8)	(2.5)
Trade payables	(0.8)	(2.1)	0.3	3.7
Changes in Working Capital	\$ 1.1	\$ (0.8)	\$ (1.7)	\$ 0.2
Ford Credit distributions	1.0	-	7.5	2.1
Interest on debt and cash taxes	(0.8)	(0.5)	(2.3)	(1.7)
All Other and timing differences (a)	0.5	2.1	(3.1)	1.9
Company Adjusted FCF	\$ 2.3	\$ 2.4	\$ 4.6	\$ 9.1
Global Redesign (incl. Separations)	(0.3)	(0.3)	(1.9)	(0.4)
Changes in debt	(5.4)	(0.5)	(3.7)	(0.4)
Funded pension contributions	(0.2)	(0.1)	(0.8)	(0.6)
Shareholder distributions	(0.4)	(1.1)	(0.4)	(2.5)
All Other (b)	9.0	(0.2)	7.9	(9.5)
Change in Cash	\$ 5.0	\$ 0.2	\$ 5.7	\$ (4.3)

	Balance Sheet	
	2021 Dec. 31	2022 Dec. 31
<u>Company Excl. Ford Credit</u>		
Cash and marketable securities	\$ 36.5	\$ 32.3
Liquidity	52.4	48.0
Debt	(20.4)	(19.9)
Cash Net of Debt	16.1	12.3
<u>Pension Funded Status</u>		
Funded Plans	\$ 5.8	\$ 4.1
Unfunded Plans	(6.1)	(4.3)
Total Global Pension	\$ (0.3)	\$ (0.2)
Total Funded Status OPEB	\$ (6.0)	\$ (4.5)

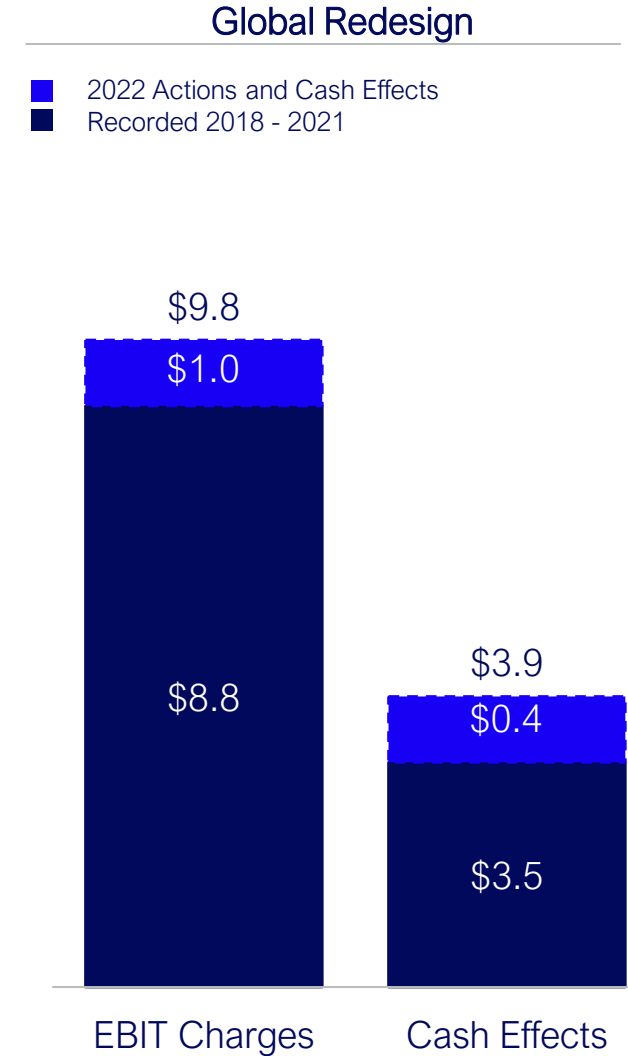
## Q4 Adjusted FCF Of \$2.4B, Driven By Automotive EBIT

- a. Includes differences between accrual-based EBIT and associated cash flows (e.g., pension and OPEB income or expense; compensation payments; marketing incentive and warranty payments to dealers)
- b. Includes a \$10.6B gain in full year 2021 and a \$7.4B loss in full year 2022 on our Rivian investment



# Special Items (\$B)

	Fourth Quarter		Full Year	
	2021	2022	2021	2022
<u>Global Redesign</u>				
China	\$ (0.0)	\$ (0.3)	\$ 0.2	\$ (0.4)
India	(0.1)	(0.0)	(0.5)	(0.3)
South America	(0.1)	0.1	(0.8)	0.1
Separations and Other (not included above)	(0.2)	(0.1)	(0.6)	(0.3)
Subtotal Global Redesign	\$ (0.5)	\$ (0.4)	\$ (1.7)	\$ (1.0)
<u>Other Items</u>				
Gain / (loss) on Rivian investment	\$ 8.2	\$ (0.1)	\$ 9.1	\$ (7.4)
AV Strategy including Argo Impairment	-	(0.1)	-	(2.8)
Debt extinguishment premium	(1.7)	-	(1.7)	(0.1)
Other	0.1	(0.1)	0.1	(0.5)
Subtotal Other Items	\$ 6.6	\$ (0.3)	\$ 7.5	\$ (10.8)
<u>Pension and OPEB Gain / (Loss)</u>				
Pension and OPEB remeasurement	\$ 3.5	\$ 0.1	\$ 3.9	\$ 0.0
Pension Settlements & Curtailments	(0.0)	(0.4)	(0.1)	(0.4)
Subtotal Pension and OPEB Gain / (Loss)	\$ 3.5	\$ (0.4)	\$ 3.8	\$ (0.4)
Total EBIT Special Items	\$ 9.6	\$ (1.1)	\$ 9.6	\$ (12.2)
Cash effect of Global Redesign (incl. separations)	\$ (0.3)	\$ (0.3)	\$ (1.9)	\$ (0.4)



## Q4 EBIT Special Items Of \$(1.1)B Driven By Pensions And Joint Venture Asset Impairments In China

# 2023 Outlook (\$B)

## Headwinds

- Expected mild U.S. recession, moderate Europe recession
- Higher incentives across the industry as supply and demand come back into balance
- Ford Credit EBT of ~\$1.3B, down \$1.4B
- Continued strong dollar
- About \$2B lower past service pension income
- Continued investments in growth, including in customer experience, connected services, and capex

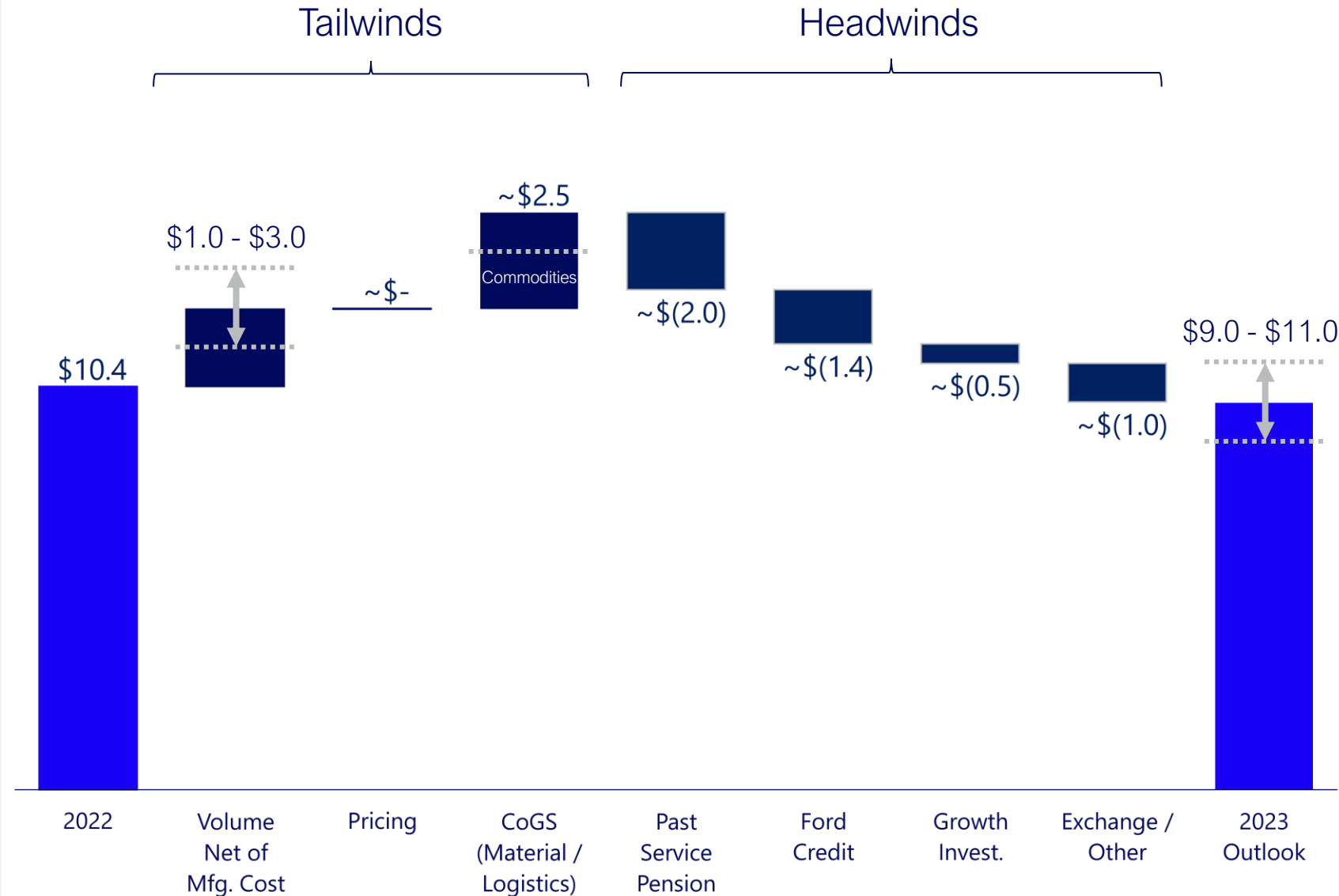
## Tailwinds

- Improvement in supply chain and industry volumes (U.S. SAAR ~15M units, Europe SAAR ~13M)
- Launch of all-new Super Duty
- Lower cost of goods sold, including efficiencies in materials, commodities, logistics and other parts of our industrial platform

	2023 Outlook	2022 Actual
Adjusted EBIT	\$9B to \$11B	\$10.4
Adjusted FCF	~\$6B	\$9.1
Capital Spending	\$8B to \$9B	\$6.5

# 2023 Outlook (\$B, YoY Change)

- + Volume: Industry, supply chain
- ~ Pricing:
  - + All-new Super Duty
  - Lower ATPs
- + Material:
  - + Production stability
  - + Commodities
- Ford Credit:
  - More normalized credit losses and auction values, non-reoccurrence of derivative gains and higher borrowing costs
  - Low-double-digit target for return on equity
  - ~ Continued smaller balance sheet
- Growth investments:
  - + Argo wind down
  - Customer experience, EV capacity expansion



# What To Expect

▶ **March 23:**  
● **Teach In Event**

Operating and financial reporting of new business segments: Ford Blue, Ford Model e and Ford Pro

▶ **May 2:**  
● **Q1 2023 Earnings**

First quarter reported with three new business segments

▶ **May 22:**  
● **Capital Markets Day**

Full day immersive event in Dearborn, Michigan, including operating targets/KPIs for total company and business segments





# 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 specifications, and a shortage of or inability to acquire key components, such as semiconductors, or raw materials, such as lithium, cobalt, nickel, graphite, and manganese, can disrupt Ford’s production of vehicles;
- To facilitate access to the raw materials necessary for the production of electric vehicles, Ford has entered into, and expects to continue to enter into, multi-year commitments to raw material suppliers that subject Ford to risks associated with lower future demand for such materials as well as costs that fluctuate and are difficult to accurately forecast;
- Ford’s long-term competitiveness depends on the successful execution of Ford+;
- Ford’s vehicles could be affected by defects that result in 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, restructurings, or new business strategies;
- Operational systems, security systems, vehicles, and services could be affected by cyber incidents, ransomware attacks, and other disruptions and impact Ford and Ford Credit as well as their suppliers and dealers;
- Ford’s production, as well as Ford’s suppliers’ production, and/or the ability to deliver products to consumers could be disrupted by labor issues, natural or man-made disasters, adverse effects of climate change, financial distress, production difficulties, capacity limitations, 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 digital, software, and physical services are subject to market acceptance and face significant competition from existing and new entrants in the automotive and digital and software services industries and its reputation may be harmed if it is unable to achieve the initiatives it has announced;
- Ford’s results are dependent on sales of larger, more profitable vehicles, particularly in the United States;
- With a global footprint, Ford’s results could be adversely affected by economic or geopolitical developments, including protectionist trade policies such as tariffs, or other events;
- Industry sales volume can be volatile and could decline if there is a financial crisis, recession, 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;
- Inflationary pressure and fluctuations in commodity and energy prices, foreign currency exchange rates, interest rates, and market value of Ford or Ford Credit’s investments, including marketable securities, can have a significant effect on results;
- Ford and Ford Credit’s access to debt, securitization, or derivative markets around the world at competitive rates or in sufficient amounts could be affected by credit rating downgrades, market volatility, market disruption, regulatory requirements, or other factors;
- The impact of government incentives on Ford’s business could be significant, and Ford’s receipt of government incentives could be subject to reduction, termination, or clawback;
- Ford Credit could experience higher-than-expected credit losses, lower-than-anticipated residual values, or higher-than-expected return volumes for leased vehicles;
- Economic and demographic experience for pension and OPEB plans (e.g., discount rates or investment returns) could be worse than Ford has assumed;
- Pension and other postretirement liabilities could adversely affect Ford’s liquidity and financial condition;
- Ford and Ford Credit could experience unusual or significant litigation, governmental investigations, or adverse publicity arising out of alleged defects in products, services, perceived environmental impacts, or otherwise;
- Ford may need to substantially modify its product plans and facilities to comply with safety, emissions, fuel economy, autonomous driving technology, environmental, and other regulations;
- Ford and Ford Credit could be affected by the continued development of more stringent privacy, data use, 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 subsequent filings with the United States Securities and Exchange Commission.

# Advancing The Ford+ Plan: Electrification





# Advancing The Ford+ Plan: Iconic Nameplates





# Advancing The Ford+ Plan: Iconic Nameplates





# Advancing The Ford+ Plan: Iconic Nameplates







# Appendix



2023 Transit Trail Van





# Key Metrics

	Wholesale Units (000)						Market Share (%)					
	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022
North America	546	599	514	618	568	635	11.2 %	14.3 %	12.0 %	12.9 %	12.8 %	12.4 %
South America	20	26	15	18	23	26	2.4	2.4	2.2	2.0	2.0	2.0
Europe	218	213	254	222	273	266	6.2	6.1	6.6	6.4	6.6	6.3
China	162	186	128	114	137	117	2.5	2.5	2.2	2.3	2.0	1.9
International Markets Group	66	80	55	59	86	103	1.8	1.7	1.2	1.2	1.4	1.8
<b>Total Automotive</b>	<b>1,012</b>	<b>1,104</b>	<b>966</b>	<b>1,032</b>	<b>1,086</b>	<b>1,147</b>	<b>4.9 %</b>	<b>5.4 %</b>	<b>4.8 %</b>	<b>5.3 %</b>	<b>4.9 %</b>	<b>5.0 %</b>

	Revenue (\$B)						Revenue Change (%)					
	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022
North America	\$ 24.0	\$ 25.8	\$ 22.3	\$ 29.1	\$ 26.3	\$ 31.0	(5) %	17 %	(3) %	94 %	10 %	20 %
South America	0.6	0.8	0.6	0.7	0.9	0.9	(1)	(8)	33	29	41	18
Europe	6.1	5.7	6.9	5.8	6.8	6.1	7	(19)	(2)	3	11	7
China	0.6	0.6	0.6	0.4	0.4	0.3	(41)	(27)	(32)	(20)	(27)	(42)
International Markets Group	1.9	2.4	1.7	2.0	2.8	3.3	(7)	(7)	(23)	(21)	47	42
<b>Total Automotive</b>	<b>\$ 33.2</b>	<b>\$ 35.3</b>	<b>\$ 32.1</b>	<b>\$ 37.9</b>	<b>\$ 37.2</b>	<b>\$ 41.8</b>	<b>(4) %</b>	<b>6 %</b>	<b>(4) %</b>	<b>57 %</b>	<b>12 %</b>	<b>18 %</b>

# Key Metrics

## EBIT (\$B)

	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022
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## EBIT Change (%)

	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022
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North America	\$ 2.4	\$ 1.8	\$ 1.6	\$ 3.3	\$ 1.3	\$ 3.0	(24) %	68 %	(46) %	N/M %	(46) %	65 %
South America	0.0	0.0	0.1	0.1	0.1	0.1	102	134	169	N/M	N/M	N/M
Europe	(0.1)	(0.2)	0.2	0.0	0.2	(0.4)	88	(139)	(39)	103	N/M	(136)
China	(0.0)	(0.2)	(0.1)	(0.1)	(0.2)	(0.2)	32	(130)	N/M	2	N/M	(36)
International Markets Group	0.1	0.1	0.1	0.1	0.2	0.2	73	N/M	(52)	(70)	83	165
<b>Total Automotive</b>	<b>\$ 2.5</b>	<b>\$ 1.6</b>	<b>\$ 1.9</b>	<b>\$ 3.3</b>	<b>\$ 1.7</b>	<b>\$ 2.8</b>	<b>(8) %</b>	<b>30 %</b>	<b>(44) %</b>	<b>N/M %</b>	<b>(31) %</b>	<b>70 %</b>

## EBIT Margin (%)

	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022
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## EBIT Margin Change (ppts)

	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022
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North America	10.1 %	7.1 %	7.1 %	11.3 %	5.0 %	9.7 %	(2.5) ppts	2.2 ppts	(5.7) ppts	10.0 ppts	(5.1) ppts	2.6 ppts
South America	0.3	4.5	8.7	14.8	16.9	11.8	17.4	16.7	25.4	30.7	16.6	7.3
Europe	(0.9)	(2.8)	3.0	0.2	3.0	(6.1)	6.9	(8.6)	(1.8)	5.3	3.9	(3.3)
China	(6.6)	(25.8)	(9.4)	(27.6)	(44.7)	(60.6)	(0.9)	(17.6)	(7.6)	(5.3)	(38.1)	(34.8)
International Markets Group	6.6	3.9	5.5	3.1	8.2	7.3	3.0	6.3	(3.4)	(5.2)	1.6	3.4
<b>Total Automotive</b>	<b>7.4 %</b>	<b>4.7 %</b>	<b>5.9 %</b>	<b>8.8 %</b>	<b>4.6 %</b>	<b>6.7 %</b>	<b>(0.3) ppts</b>	<b>0.9 ppts</b>	<b>(4.2) ppts</b>	<b>9.2 ppts</b>	<b>(2.8) ppts</b>	<b>2.0 ppts</b>

# Key Metrics

	Wholesale Units (000)						Market Share (%)					
	Q4 2021	Q4 2022	2022 B / (W) 2021	2021 FY	2022 FY	2022 B / (W) 2021	Q4 2021	Q4 2022	2022 B / (W) 2021	2021 FY	2022 FY	2022 B / (W) 2021
North America	599	635	36	2,006	2,335	328	14.3 %	12.4 %	(1.9) ppts	12.0 %	12.5 %	0.5 ppts
South America	26	26	1	81	83	2	2.4	2.0	(0.3)	2.6	2.1	(0.5)
Europe	213	266	52	891	1,014	123	6.1	6.3	0.3	6.4	6.5	0.1
China	186	117	(69)	649	495	(154)	2.5	1.9	(0.5)	2.4	2.1	(0.3)
International Markets Group	80	103	23	315	304	(11)	1.7	1.8	0.1	1.8	1.4	(0.4)
<b>Total Automotive</b>	<b>1,104</b>	<b>1,147</b>	<b>43</b>	<b>3,942</b>	<b>4,231</b>	<b>289</b>	<b>5.4 %</b>	<b>5.0 %</b>	<b>(0.4) ppts</b>	<b>5.1 %</b>	<b>5.0 %</b>	<b>(0.1) ppts</b>

	Revenue (\$B)						EBIT Margin (%)					
	Q4 2021	Q4 2022	2022 B / (W) 2021	2021 FY	2022 FY	2022 B / (W) 2021	Q4 2021	Q4 2022	2022 B / (W) 2021	2021 FY	2022 FY	2022 B / (W) 2021
North America	\$ 25.8	\$ 31.0	\$ 5.2	\$ 87.8	\$ 108.7	\$ 20.9	7.1 %	9.7 %	2.6 ppts	8.4 %	8.4 %	- ppts
South America	0.8	0.9	0.1	2.4	3.1	0.7	4.5	11.8	7.3	(5.1)	13.4	18.5
Europe	5.7	6.1	0.4	24.5	25.6	1.1	(2.8)	(6.1)	(3.3)	(0.6)	0.2	0.8
China	0.6	0.3	(0.2)	2.5	1.8	(0.8)	(25.8)	(60.6)	(34.8)	(12.8)	(32.3)	(19.5)
International Markets Group	2.4	3.3	1.0	9.0	9.8	0.9	3.9	7.3	3.4	6.9	6.4	(0.5)
<b>Total Automotive</b>	<b>\$ 35.3</b>	<b>\$ 41.8</b>	<b>\$ 6.5</b>	<b>\$ 126.2</b>	<b>\$ 149.0</b>	<b>\$ 22.8</b>	<b>4.7 %</b>	<b>6.7 %</b>	<b>2.0 ppts</b>	<b>5.9 %</b>	<b>6.5 %</b>	<b>0.6 ppts</b>

# Q4 Results (\$M)

	Fourth Quarter			Full Year		
	2021	2022	2022 B / (W) 2021	2021	2022	2022 B / (W) 2021
North America	\$ 1,822	\$ 3,007	\$ 1,185	\$ 7,377	\$ 9,176	\$ 1,799
South America	36	110	74	(121)	413	534
Europe	(159)	(374)	(215)	(154)	47	201
China	(150)	(205)	(55)	(327)	(572)	(245)
International Markets Group	92	243	151	622	628	6
Automotive	\$ 1,641	\$ 2,781	\$ 1,140	\$ 7,397	\$ 9,692	\$ 2,295
Mobility	(342)	(219)	123	(1,030)	(926)	104
Ford Credit	1,055	191	(864)	4,717	2,657	(2,060)
Corporate Other	(312)	(189)	123	(1,084)	(1,008)	76
Adjusted EBIT	\$ 2,042	\$ 2,564	\$ 522	\$ 10,000	\$ 10,415	\$ 415
Interest on Debt	(438)	(318)	120	(1,803)	(1,259)	544
Special Items (excl. tax)	9,614	(1,080)	(10,694)	9,583	(12,172)	(21,755)
Taxes	1,055	93	(962)	130	864	734
Less: Non-Controlling Interests	(9)	(30)	(21)	(27)	(171)	(144)
Net Income / (Loss) Attributable to Ford	\$ 12,282	\$ 1,289	\$ (10,993)	\$ 17,937	\$ (1,981)	\$ (19,918)
Company Adjusted Free Cash Flow (\$B)	\$ 2.3	\$ 2.4	\$ 0.1	\$ 4.6	\$ 9.1	\$ 4.5
Revenue (\$B)	37.7	44.0	6.3	136.3	158.1	21.7
Company Adjusted EBIT Margin (%)	5.4 %	5.8 %	0.4 pts	7.3 %	6.6 %	(0.7) pts
Net Income / (Loss) Margin (%)	32.6	2.9	(29.7)	13.2	(1.3)	(14.5)
Adjusted ROIC (Trailing Four Quarters) (%)	9.8	11.2	1.4	9.8	11.2	1.4
Adjusted EPS	\$ 0.26	\$ 0.51	\$ 0.25	\$ 1.59	\$ 1.88	\$ 0.29
EPS (GAAP)	3.03	0.32	(2.71)	4.45	(0.49)	(4.94)



# Quarterly Results (\$M)

	2021					2022				
	Q1	Q2	Q3	Q4	Full Year	Q1	Q2	Q3	Q4	Full Year
North America	\$ 2,943	\$ 192	\$ 2,420	\$ 1,822	\$ 7,377	\$ 1,591	\$ 3,269	\$ 1,309	\$ 3,007	\$ 9,176
South America	(73)	(86)	2	36	(121)	50	104	149	110	413
Europe	341	(284)	(52)	(159)	(154)	207	10	204	(374)	47
China	(15)	(123)	(39)	(150)	(327)	(53)	(121)	(193)	(205)	(572)
International Markets Group	201	204	125	92	622	96	60	229	243	628
Automotive	\$ 3,397	\$ (97)	\$ 2,456	\$ 1,641	\$ 7,397	\$ 1,891	\$ 3,322	\$ 1,698	\$ 2,781	\$ 9,692
Mobility	(207)	(210)	(271)	(342)	(1,030)	(242)	(221)	(244)	(219)	(926)
Ford Credit	962	1,623	1,077	1,055	4,717	928	939	599	191	2,657
Corporate Other	(240)	(263)	(269)	(312)	(1,084)	(251)	(318)	(250)	(189)	(1,008)
Adjusted EBIT	\$ 3,912	\$ 1,053	\$ 2,993	\$ 2,042	\$ 10,000	\$ 2,326	\$ 3,722	\$ 1,803	\$ 2,564	\$ 10,415
Interest on Debt	(473)	(453)	(439)	(438)	(1,803)	(308)	(312)	(321)	(318)	(1,259)
Special Items (excl. tax)	503	135	(669)	9,614	9,583	(5,866)	(2,619)	(2,607)	(1,080)	(12,172)
Taxes	(680)	(182)	(63)	1,055	130	729	(153)	195	93	864
Less: Non-Controlling Interests	-	(8)	(10)	(9)	(27)	(9)	(29)	(103)	(30)	(171)
Net Income / (Loss) Attributable to Ford	\$ 3,262	\$ 561	\$ 1,832	\$ 12,282	\$ 17,937	\$ (3,110)	\$ 667	\$ (827)	\$ 1,289	\$ (1,981)
Company Adjusted Free Cash Flow (\$B)	\$ (0.4)	\$ (5.1)	\$ 7.8	\$ 2.3	\$ 4.6	\$ (0.6)	\$ 3.6	\$ 3.6	\$ 2.4	\$ 9.1
Revenue (\$B)	36.2	26.8	35.7	37.7	136.3	34.5	40.2	39.4	44.0	158.1
Company Adjusted EBIT Margin (%)	10.8 %	3.9 %	8.4 %	5.4 %	7.3 %	6.7 %	9.3 %	4.6 %	5.8 %	6.6 %
Net Income / (Loss) Margin (%)	9.0	2.1	5.1	32.6	13.2	(9.0)	1.7	(2.1)	2.9	(1.3)
Adjusted ROIC (Trailing Four Quarters) (%)	6.6	10.3	9.7	9.8	9.8	7.8	11.6	10.7	11.2	11.2
Adjusted EPS	\$ 0.70	\$ 0.13	\$ 0.51	\$ 0.26	\$ 1.59	\$ 0.38	\$ 0.68	\$ 0.30	\$ 0.51	\$ 1.88
EPS (GAAP)	0.81	0.14	0.45	3.03	4.45	(0.78)	0.16	(0.21)	0.32	(0.49)

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

	Fourth Quarter		Full Year	
	2021	2022	2021	2022
Net income / (loss) attributable to Ford (GAAP)	\$ 12,282	\$ 1,289	\$ 17,937	\$ (1,981)
Income / (Loss) attributable to non-controlling interests	(9)	(30)	(27)	(171)
Net income / (loss)	\$ 12,273	\$ 1,259	\$ 17,910	\$ (2,152)
Less: (Provision for) / Benefit from income taxes *	1,055	93	130	864
Income / (Loss) before income taxes	\$ 11,218	\$ 1,166	\$ 17,780	\$ (3,016)
Less: Special items pre-tax	9,614	(1,080)	9,583	(12,172)
Income / (Loss) before special items pre-tax	\$ 1,604	\$ 2,246	\$ 8,197	\$ 9,156
Less: Interest on debt	(438)	(318)	(1,803)	(1,259)
Adjusted EBIT (Non-GAAP)	\$ 2,042	\$ 2,564	\$ 10,000	\$ 10,415
Memo:				
Revenue (\$B)	\$ 37.7	\$ 44.0	\$ 136.3	\$ 158.1
Net income / (loss) margin (GAAP) (%)	32.6 %	2.9 %	13.2 %	(1.3) %
Adjusted EBIT margin (%)	5.4	5.8	7.3	6.6



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

	Q4 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Full Year	
						2021	2022
<u>Net cash provided by / (used in) operating activities (GAAP)</u>	\$ 3,531	\$ (1,084)	\$ 2,947	\$ 3,812	\$ 1,178	\$ 15,787	\$ 6,853
<u>Less: Items Not Included in Company Adjusted Free Cash Flows</u>							
Ford Credit operating cash flows	998	(419)	(1,340)	(439)	(3,218)	15,293	(5,416)
Funded pension contributions	(171)	(174)	(154)	(130)	(109)	(773)	(567)
Global Redesign (including separations) *	(310)	(176)	(137)	(179)	(343)	(1,855)	(835)
Ford Credit tax payments / (refunds) under tax sharing agreement	11	-	-	22	125	15	147
Other, net	(146)	(20)	20	(150)	92	(421)	(58)
<u>Add: Items Included in Company Adjusted Free Cash Flows</u>							
Company excluding Ford Credit capital spending	(1,759)	(1,349)	(1,503)	(1,613)	(2,046)	(6,183)	(6,511)
Ford Credit distributions	1,000	1,000	600	500	-	7,500	2,100
Settlement of derivatives	(55)	64	(36)	26	(144)	(255)	(90)
Company adjusted free cash flow (Non-GAAP)	<u>\$ 2,335</u>	<u>\$ (580)</u>	<u>\$ 3,619</u>	<u>\$ 3,601</u>	<u>\$ 2,441</u>	<u>\$ 4,590</u>	<u>\$ 9,081</u>

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

	Fourth Quarter		Full Year	
	2021	2022	2021	2022
<u>Diluted After-Tax Results (\$M)</u>				
Diluted after-tax results (GAAP)	\$ 12,282	\$ 1,289	\$ 17,937	\$ (1,981)
Less: Impact of pre-tax and tax special items	11,220	(780)	11,507	(9,599)
Adjusted net income – diluted (Non-GAAP)	<u>\$ 1,062</u>	<u>\$ 2,069</u>	<u>\$ 6,430</u>	<u>\$ 7,618</u>
<u>Basic and Diluted Shares (M)</u>				
Basic shares (average shares outstanding)	3,999	4,004	3,991	4,014
Net dilutive options, unvested restricted stock units, unvested restricted stock shares, and convertible debt	56	43	43	42
Diluted shares	<u>4,055</u>	<u>4,047</u>	<u>4,034</u>	<u>4,056</u>
Earnings / (Loss) per share – diluted (GAAP) *	\$ 3.03	\$ 0.32	\$ 4.45	\$ (0.49)
Less: Net impact of adjustments	2.77	(0.19)	2.86	(2.37)
Adjusted earnings per share – diluted (Non-GAAP)	<u>\$ 0.26</u>	<u>\$ 0.51</u>	<u>\$ 1.59</u>	<u>\$ 1.88</u>

# Effective Tax Rate Reconciliation To Adjusted Effective Tax Rate

	2022		Memo:
	Q4	Full Year	Full Year 2021
<u>Pre-Tax Results (\$M)</u>			
Income / (Loss) before income taxes (GAAP)	\$ 1,166	\$ (3,016)	\$ 17,780
Less: Impact of special items	(1,080)	(12,172)	9,583
Adjusted earnings before taxes (Non-GAAP)	<u>\$ 2,246</u>	<u>\$ 9,156</u>	<u>\$ 8,197</u>
<u>Taxes (\$M)</u>			
(Provision for) / Benefit from income taxes (GAAP)	\$ 93	\$ 864	\$ 130
Less: Impact of special items *	300	2,573	1,924
Adjusted (provision for) / benefit from income taxes (Non-GAAP)	<u>\$ (207)</u>	<u>\$ (1,709)</u>	<u>\$ (1,794)</u>
<u>Tax Rate (%)</u>			
Effective tax rate (GAAP)	(8.0) %	28.6 %	(0.7) %
Adjusted effective tax rate (Non-GAAP)	9.2	18.7	21.9

# Adjusted ROIC (\$B)

## Adjusted Net Operating Profit / (Loss) After Cash Tax

Net income / (loss) attributable to Ford
Add: Non-controlling interest
Less: Income tax
Add: Cash tax
Less: Interest on debt
Less: Total pension / OPEB income / (cost)
Add: Pension / OPEB service costs
Net operating profit / (loss) after cash tax
Less: Special items (excl. pension / OPEB) pre-tax
Adj. net operating profit / (loss) after cash tax

	Four Quarters Ending Q4 2021	Four Quarters Ending Q4 2022
\$	17.9	\$ (2.0)
	(0.0)	(0.2)
	0.1	0.9
	(0.6)	(0.8)
	(1.8)	(1.3)
	4.9	0.4
	(1.1)	(1.0)
\$	13.0	\$ (3.9)
	5.9	(11.7)
\$	7.1	\$ 7.8

## Invested Capital

Equity
Debt (excl. Ford Credit)
Net pension and OPEB liability
Invested capital (end of period)
Average invested capital
ROIC (a)
Adjusted ROIC (Non-GAAP) (b)

\$	48.6	\$	43.2
	20.4		19.9
	6.4		4.7
\$	75.4	\$	67.8
\$	72.1	\$	70.0
	18.0 %		(5.6) %
	9.8 %		11.2 %

# Non-GAAP Financial Measures That Supplement GAAP Measures

We use both GAAP and non-GAAP financial measures for operational and financial decision making, and to assess Company and segment business performance. The non-GAAP measures listed below are intended to be considered by users as supplemental information to their equivalent GAAP measures, to aid investors in better understanding our financial results. We believe that these non-GAAP measures provide useful perspective on underlying operating results and trends, and a means to compare our period-over-period results. These non-GAAP measures should not be considered as a substitute for, or superior to, measures of financial performance prepared in accordance with GAAP. These non-GAAP measures may not be the same as similarly titled measures used by other companies due to possible differences in method and in items or events being adjusted.

- Company Adjusted EBIT (Most Comparable GAAP Measure: Net income / (Loss) attributable to Ford) – Earnings Before Interest and Taxes (EBIT) excludes interest on debt (excl. Ford Credit Debt), taxes and pre-tax special items. This non-GAAP measure is useful to management and investors because it focuses on underlying operating results and trends, and improves comparability of our period-over-period results. Our management ordinarily excludes special items from its review of the results of the operating segments for purposes of measuring segment profitability and allocating resources. Pre-tax special items consist of (i) pension and OPEB remeasurement gains and losses, (ii) gains and losses on investments in equity securities, (iii) 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 (iv) other items that we do not necessarily consider to be indicative of earnings from ongoing operating activities. When we provide guidance for adjusted EBIT, we do not provide guidance on a net income basis because the GAAP measure will include potentially significant special items that have not yet occurred and are difficult to predict with reasonable certainty, including gains and losses on pension and OPEB remeasurements and on investments in equity securities.
- Company Adjusted EBIT Margin (Most Comparable GAAP Measure: Company Net Income / (Loss) Margin) – Company Adjusted EBIT Margin is Company Adjusted EBIT divided by Company revenue. This non-GAAP measure is useful to management and investors because it allows users to evaluate our operating results aligned with industry reporting.
- Adjusted Earnings / (Loss) Per Share (Most Comparable GAAP Measure: Earnings / (Loss) Per Share) – Measure of Company's diluted net earnings / (loss) per share adjusted for impact of pre-tax special items (described above), tax special items and restructuring impacts in noncontrolling interests. The measure provides investors with useful information to evaluate performance of our business excluding items not indicative of earnings from ongoing operating activities. When we provide guidance for adjusted earnings / (loss) per share, we do not provide guidance on an earnings / (loss) per share basis because the GAAP measure will include potentially significant special items that have not yet occurred and are difficult to predict with reasonable certainty prior to year-end, including pension and OPEB 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 Company excluding Ford Credit capital spending, Ford Credit distributions to its parent, and settlement of derivatives. The measure excludes cash outflows for funded pension contributions, 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 / (loss) after-cash tax from the last four quarters, divided by the average invested capital over the last four quarters. This calculation provides management and investors with useful information to evaluate the Company’s after-cash tax operating return on its invested capital for the period presented. Adjusted net operating profit / (loss) after-cash tax measures operating results less special items, interest on debt (excl. Ford Credit Debt), and certain pension / OPEB costs. Average invested capital is the sum of average balance sheet equity, debt (excl. Ford Credit Debt), and net pension / OPEB liability.



# Definitions And Calculations

## Wholesale Units and Revenue

- Wholesale unit volumes include all Ford and Lincoln badged units (whether produced by Ford or by an unconsolidated affiliate) that are sold to dealerships or others, units manufactured by Ford that are sold to other manufacturers, units distributed by Ford for other manufacturers, and local brand units produced by our China joint venture, Jiangling Motors Corporation, Ltd. (“JMC”), that are sold to dealerships or others, and from the second quarter of 2021, Ford badged vehicles produced in Taiwan by Lio Ho Group. 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 (including cash held for sale); excludes Ford Credit's cash, cash equivalents, marketable securities and restricted cash

## Market Factors

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

## Earnings Before Taxes (EBT)

- Reflects Income before income taxes

## Records

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