

Q4 & Full Year 2021 Earnings Review (February 3, 2022)



BUILT FOR AMERICA
BUILT Ford PROUD
40,000,000th
F-Series Truck
40 Years as America's
Best-Selling Vehicle
BUILT Ford TOUGH
UAW Ford

C7E36R

C7E34R

C7W83

/35L



2022 F-150 Tremor

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 for vehicle information.

REPORTING CHANGES

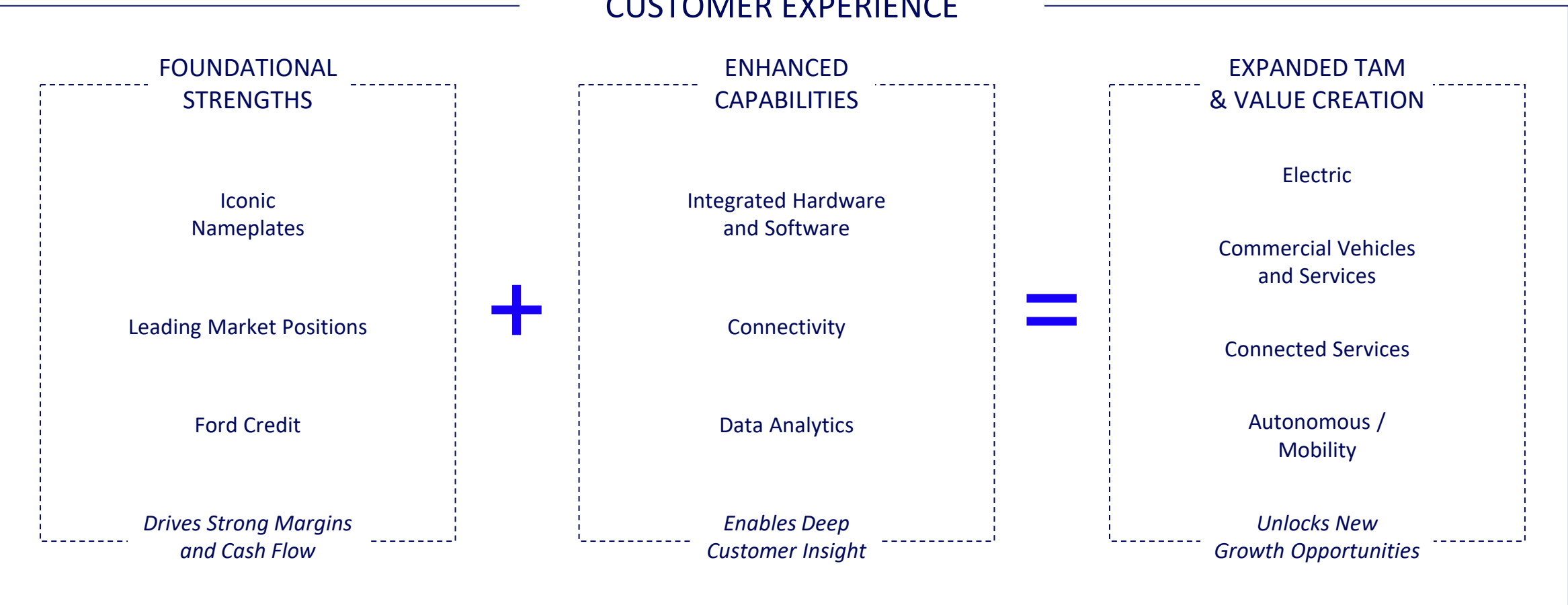
Effective with Q4 2021 reporting, we revised our definition of “pre-tax special items” to include gains and losses on investments in equity securities. This action will help ensure that Adjusted EBIT focuses on underlying operating results and trends, and improves comparability of our period-over-period results. Prior period amounts have been recast to conform to this presentation; see slide A6 for details.

Effective with 2021 reporting, certain costs for the benefit of the global enterprise previously reported in Automotive are now reported in Corporate Other, and costs and benefits related to connectivity previously reported in Mobility are now reported in Automotive. Prior period results have been updated to be consistent with 2021 reporting.

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

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



Maverick and Bronco named North America Truck and SUV of the Year, respectively

Integrated Hardware & Software



Launched BlueCruise and Alexa services to enrich the customer driving experience

Electric



Direct-to-customer model in China for Mustang Mach-E: online and through 25 Ford Select city stores

Ford Credit



#1 Ranking in U.S. customer satisfaction study (mass-market by J.D. Power)

Connectivity



Ford has built almost 1M OTA-capable vehicles; will be a leading volume player in OTA by the end of 2022 – expect to scale to 30M+ by 2028

Ford Pro



Ford Pro Intelligence – new suite of digital services that support commercial customer’s total fleet operation

Executing Our Investment Thesis – 2021 Highlights

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

CUSTOMER EXPERIENCE

EXPANDED TAM
& VALUE CREATION

Electric

Commercial Vehicles
and Services

Connected Services

Autonomous /
Mobility

*Unlocks New
Growth Opportunities*



- Announced plan for at least 40% global BEV mix by 2030
- Announced plan for 240GWh global battery capacity by end of the decade
- Unveiled F-150 Lightning to unprecedented demand – increasing size of Rouge Electric Vehicle Center to reach annual production of 150K units by 2023
- \$11.4B investment in BlueOval City and BlueOval SK Battery Park to build the next-generation electric F-Series pickups and advanced batteries
- Broke ground on \$1B Electrification Center in Cologne; JV in Turkey investing \$2.4B to produce electrified Transit vans and battery packs
- On path to double annual BEV capacity to 600K by 2023; challenging to be #1 BEV in U.S.
- Collaboration with Redwood Materials for closed-loop battery recycling

Fourth Quarter Financial Results

Revenue

\$37.7B

Up \$1.7B

Adj. EBIT

\$2.0B

Up \$0.3B

Adj. EBIT Margin

5.4%

Up 0.6 pts

Adj. FCF

\$2.3B

Up \$0.5B

Adj. EPS

\$0.26

Down \$0.08



2021 Mustang Mach-E GT

Full Year

\$136.3B

Up \$9.2B

\$10.0B

Up \$7.5B

7.3%

Up 5.3 pts

\$4.6B

Up \$3.3B

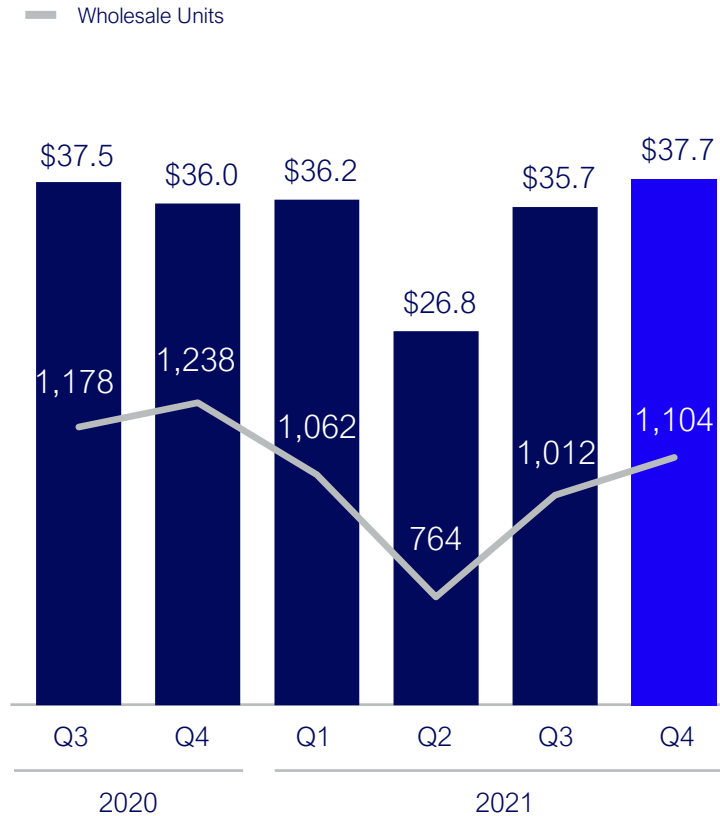
\$1.59

Up \$1.23

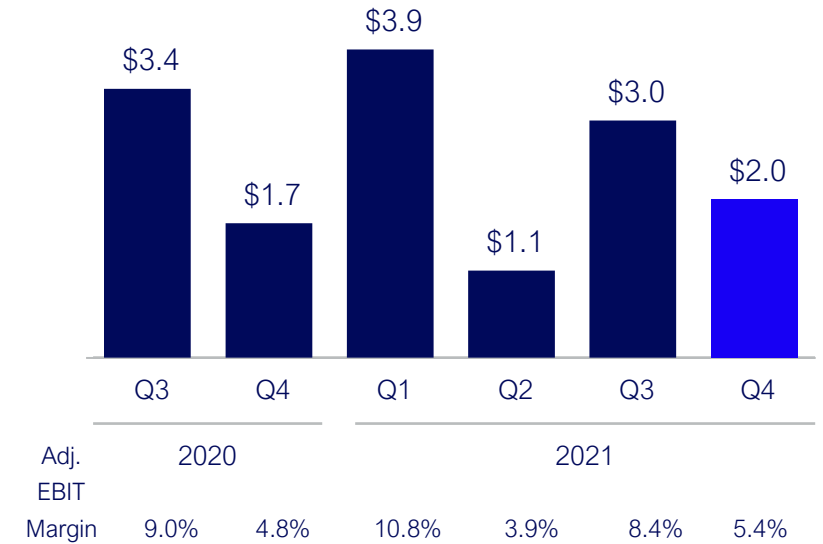
Q4 Revenue And Adjusted EBIT

- Q4 wholesales down 11%, driven by supply chain disruption
- Revenue up 5%, driven by higher net pricing and mix improvement, offset partially by lower volume
- Adjusted EBIT up \$0.3B, driven by higher net pricing, offset partially by increased commodities prices and lower volume

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



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

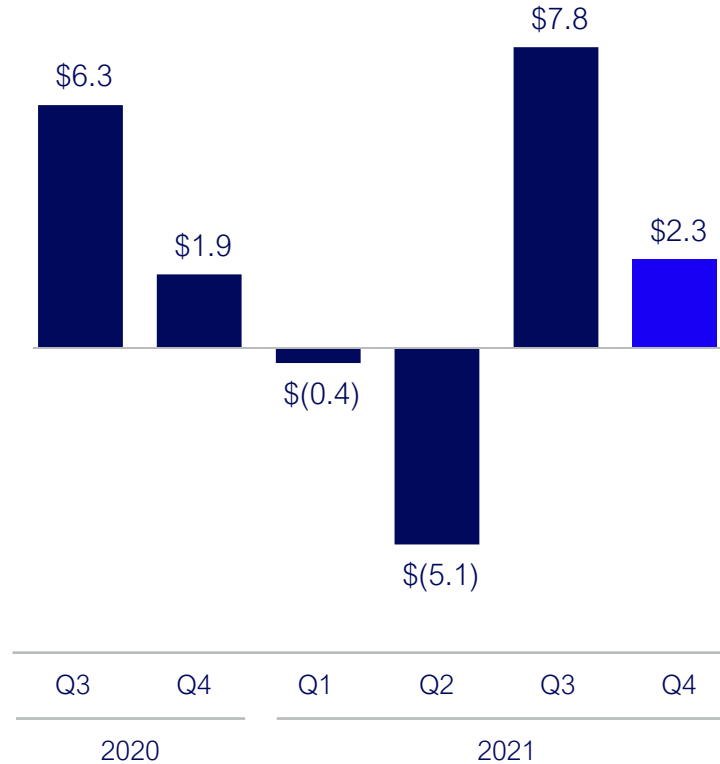


Q4 Cash Flow, Cash Balance And Liquidity (\$B)

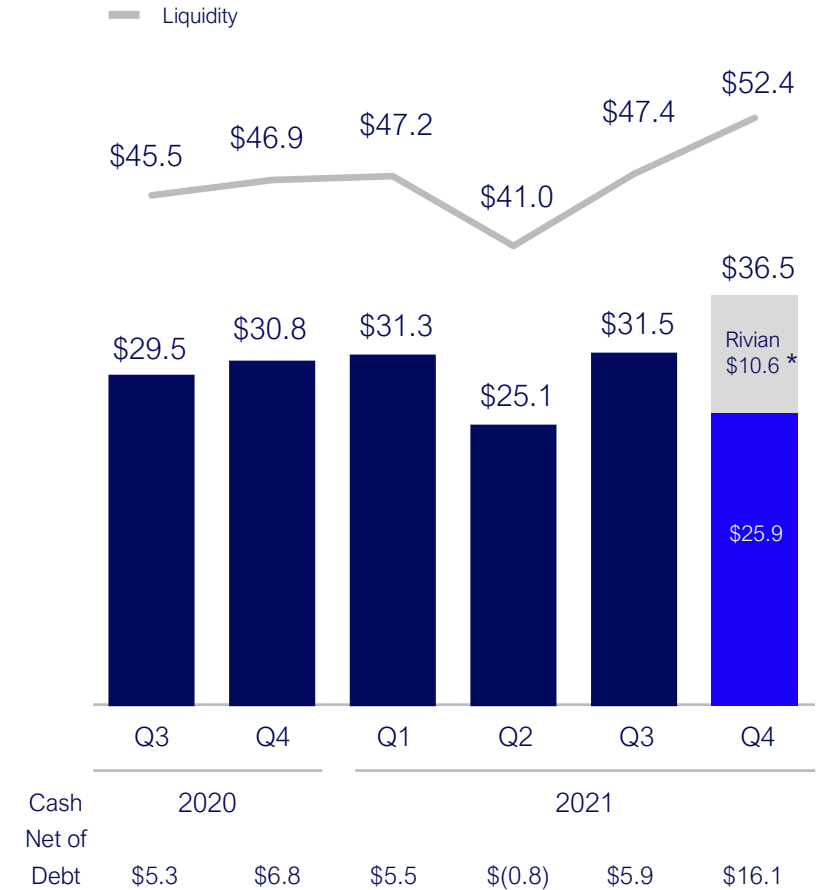
Q4 Adjusted FCF of \$2.3B driven by:

- Favorable working capital due to lower inventory levels
- Automotive EBIT
- Ford Credit distributions
- Favorable timing differences

Adjusted Free Cash Flow



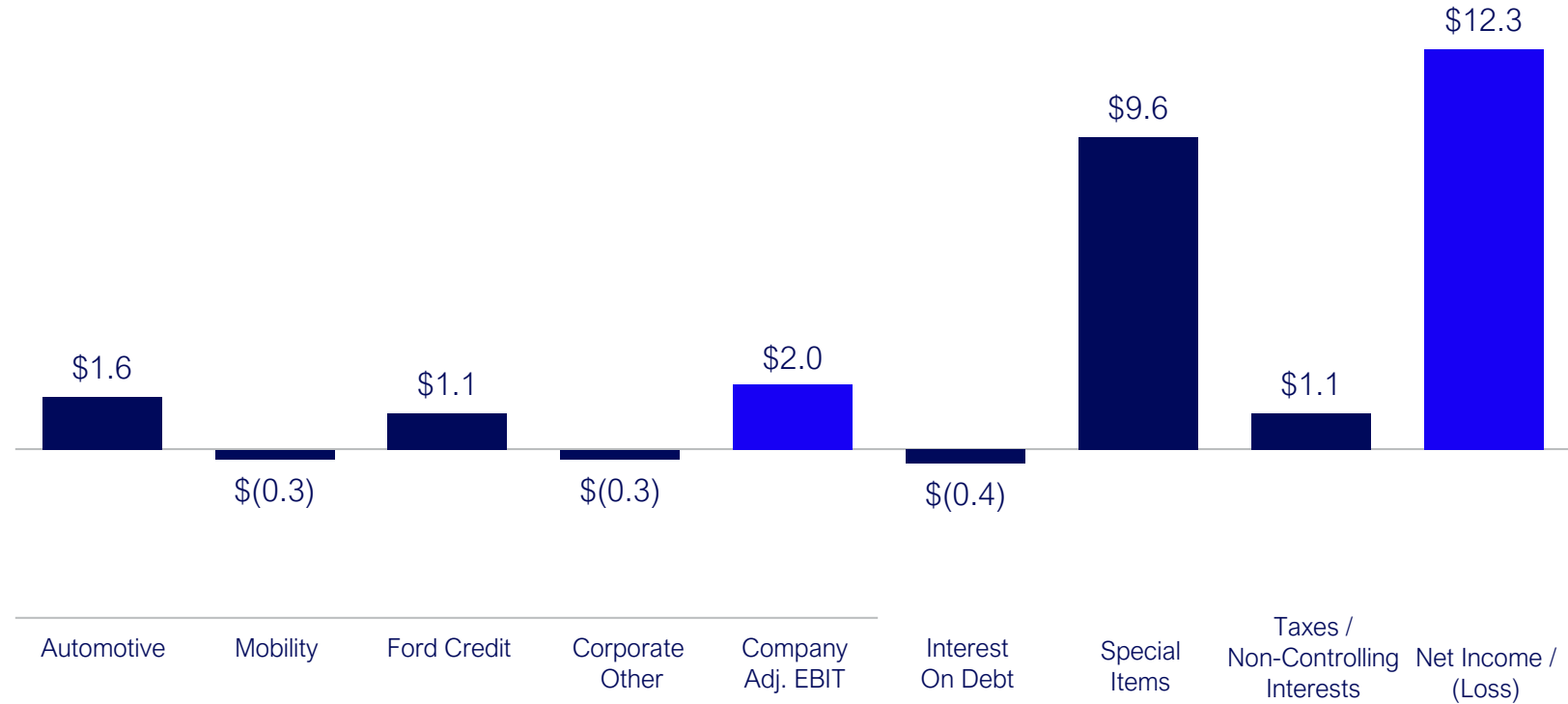
Cash Balance & Liquidity



* At December 31, 2021, Rivian common shares were valued at \$103.69 per share. Our investment is marked to market on a recurring basis and gains and losses could be material in any period. At February 2, 2022, Rivian common shares were valued at \$64.32 per share

Q4 2021 Results (\$B)

- Company Adjusted EBIT driven by strong Automotive and Ford Credit results
- Special Items include Rivian IPO and mark-to-market net gain of \$8.2B consistent with our policy change to treat gains / (losses) on our investments in equity securities as special items

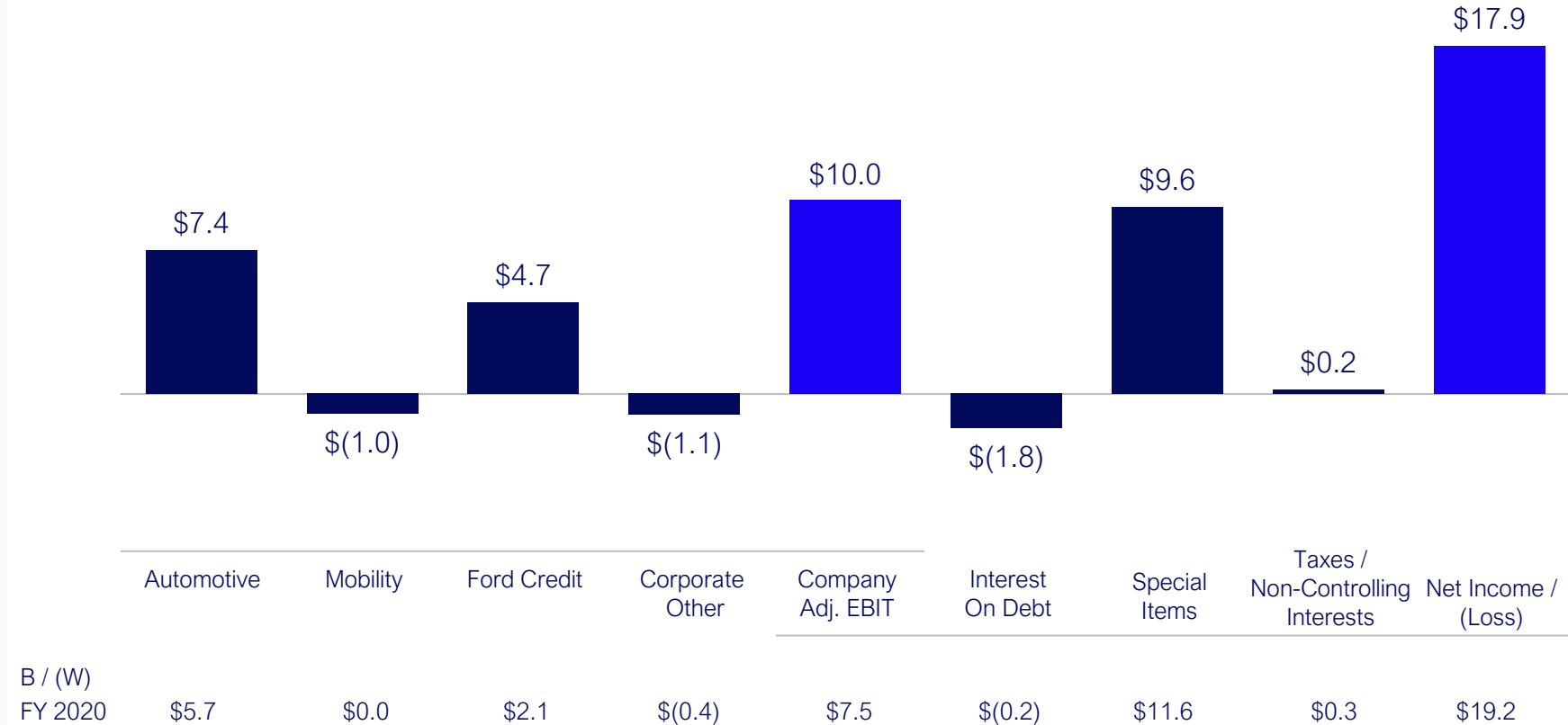


B / (W)

	Automotive	Mobility	Ford Credit	Corporate Other	Company Adj. EBIT	Interest On Debt	Special Items	Taxes / Non-Controlling Interests	Net Income / (Loss)
Q4 2020	\$0.4	\$(0.1)	\$0.1	\$(0.1)	\$0.3	\$0.0	\$14.7	\$0.0	\$15.1
Q3 2021	(0.8)	(0.1)	(0.0)	(0.0)	(1.0)	0.0	10.3	1.1	10.5

Full Year 2021 Results (\$B)

- Company Adjusted EBIT driven by strong Automotive and Ford Credit results
- Special Items include Rivian IPO and mark-to-market net gain of \$9.1B



Q4 2021 Adjusted EBIT (\$B)

	North America	South America	Europe	China	IMG	Total Auto	Total Company	
Q4 2020	\$ 1.1	\$ (0.1)	\$ 0.4	\$ (0.1)	\$ (0.1)	\$ 1.3	\$ 1.7	
YoY Change:								
Volume / Mix	\$ 0.1	\$ (0.1)	\$ (0.6)	\$ (0.1)	\$ 0.0	\$ (0.7)	\$ (0.7)	
Net Pricing	1.8	0.2	0.4	0.0	0.1	2.5	2.5	
Cost	(1.3)	0.0	(0.2)	(0.0)	(0.0)	(1.4)	(1.4)	Material / Freight \$(0.2)
Exchange	0.1	(0.0)	(0.1)	0.0	0.1	0.0	0.0	Warranty 0.4
JVs / Other	0.0	0.0	(0.0)	(0.1)	0.0	(0.0)	(0.0)	Commodities (1.4)
Total Automotive	\$ 0.7	\$ 0.1	\$ (0.6)	\$ (0.1)	\$ 0.2	\$ 0.4	\$ 0.4	Structural (0.3)
Mobility							(0.1)	Pension / OPEB 0.1
Ford Credit							0.1	
Corporate Other							(0.1)	
Total Change							\$ 0.3	JVs \$(0.1)
Q4 2021	\$ 1.8	\$ 0.0	\$ (0.2)	\$ (0.2)	\$ 0.1	\$ 1.6	\$ 2.0	Other 0.1

Full Year 2021 Adjusted EBIT (\$B)

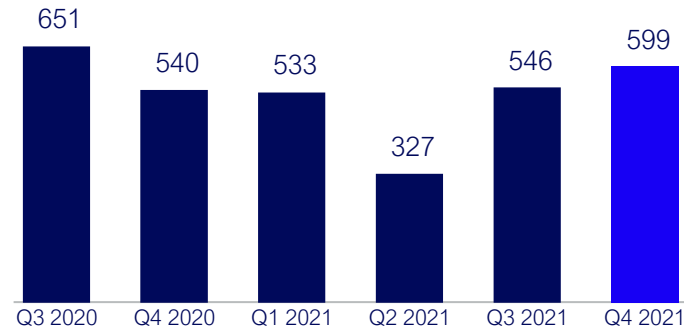
	North America	South America	Europe	China	IMG	Total Auto	Total Company	
FY 2020	\$ 3.7	\$ (0.5)	\$ (0.9)	\$ (0.5)	\$ (0.2)	\$ 1.7	\$ 2.5	
YoY Change:								
Volume / Mix	\$ (1.7)	\$ (0.2)	\$ (0.9)	\$ (0.2)	\$ 0.1	\$ (2.9)	\$ (2.9)	
Net Pricing	7.9	0.6	0.9	0.1	0.2	9.7	9.7	
Cost	(2.7)	(0.0)	0.5	0.0	0.0	(2.2)	(2.2)	Material / Freight \$(0.4)
Exchange	0.2	0.0	(0.1)	0.1	0.3	0.5	0.5	Warranty 1.4
JVs / Other	(0.1)	(0.0)	0.3	0.2	0.1	0.5	0.5	Commodities (3.0)
Total Automotive	\$ 3.7	\$ 0.4	\$ 0.7	\$ 0.2	\$ 0.8	\$ 5.7	\$ 5.7	Structural (0.6)
Mobility							0.0	Pension / OPEB 0.5
Ford Credit							2.1	JVs \$ 0.3
Corporate Other							(0.4)	Other 0.2
Total Change							\$ 7.5	
FY 2021	\$ 7.4	\$ (0.1)	\$ (0.2)	\$ (0.3)	\$ 0.6	\$ 7.4	\$ 10.0	

North America

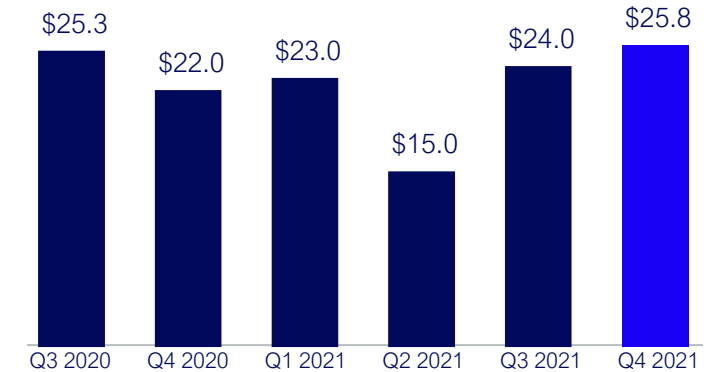
Leadership in trucks and Ford Pro commercial vehicles; plus, utilities and iconic nameplates

- FY EBIT margin of 8.4% - best performance since '17
- Strong pricing / mix more than offset higher commodities and lower volume due to semiconductor constraints
- Launch of BlueCruise and Alexa services to enrich “always-on” customer experience and grow subscription revenue
- Launched E-Transit in Jan. '22; F-150 Lightning launch on track for Spring
- Ended '21 with robust customer orders; continued momentum of freshest product lineup, including BEVs

Wholesale Units (000)



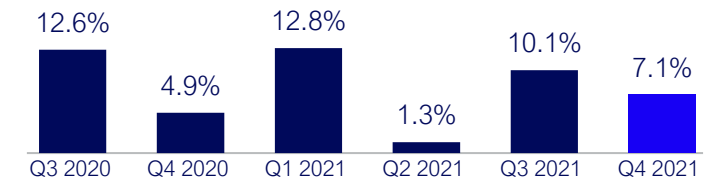
Revenue (\$B)



EBIT (\$B)



EBIT Margin (%)

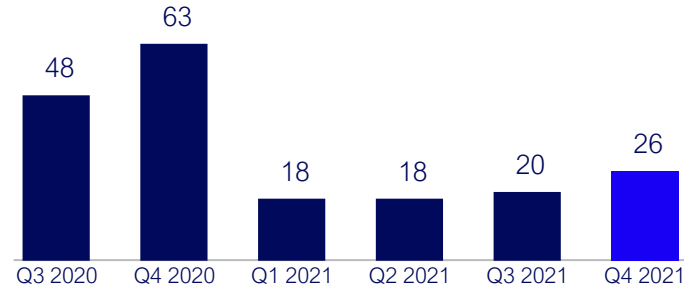


South America

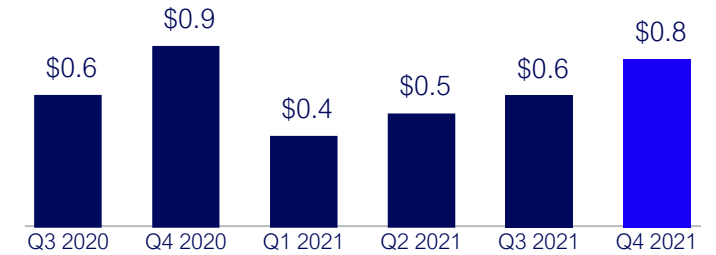
Lean, de-risked and asset-light business, focused on key franchises like Ranger and Transit

- Restructuring of legacy business complete; reduced full year losses by 75%
- Strengthened truck and commercial vehicle portfolio, and enhanced customer experience, supports sustained profitability
- Ready for launch of next-generation Ranger in '23

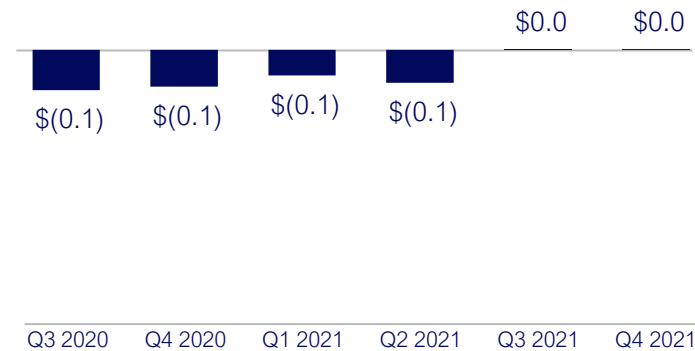
Wholesale Units (000)



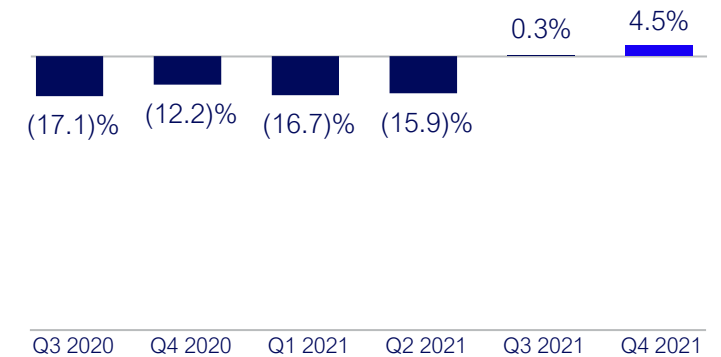
Revenue (\$B)



EBIT (\$B)



EBIT Margin (%)

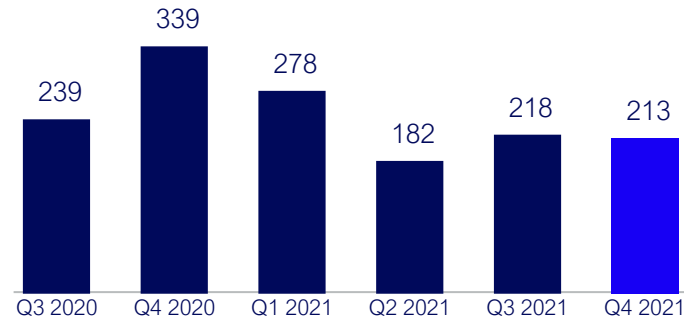


Europe

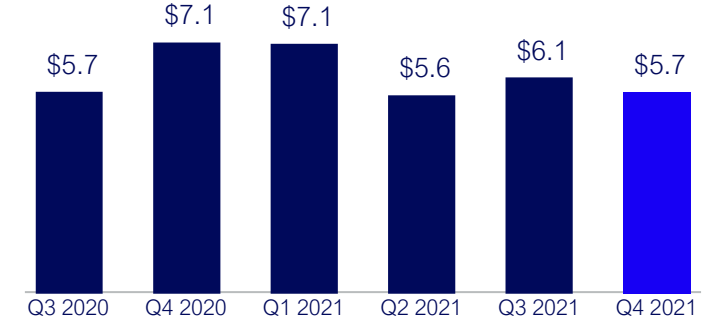
Commercial vehicle strength with Ford Pro, focused passenger portfolio with key imports

- Reduced full year losses by 82% despite lower volume due to semiconductor constraints
- No. 1 commercial vehicle brand in Europe for 7th consecutive year; Transit order bank extremely robust
- Strong Mustang Mach-E sales and order bank momentum
- '22 focus: growing Ford Pro

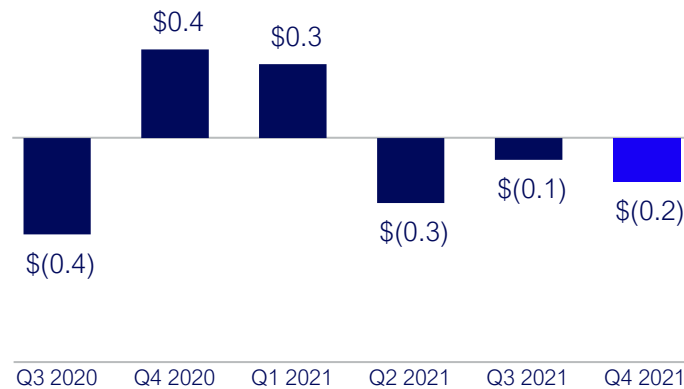
Wholesale Units (000)*



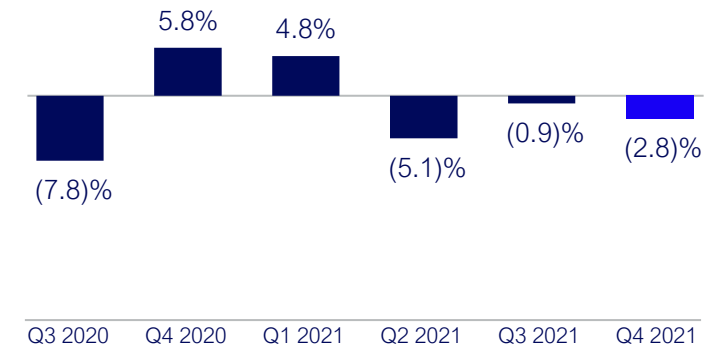
Revenue (\$B)



EBIT (\$B)



EBIT Margin (%)



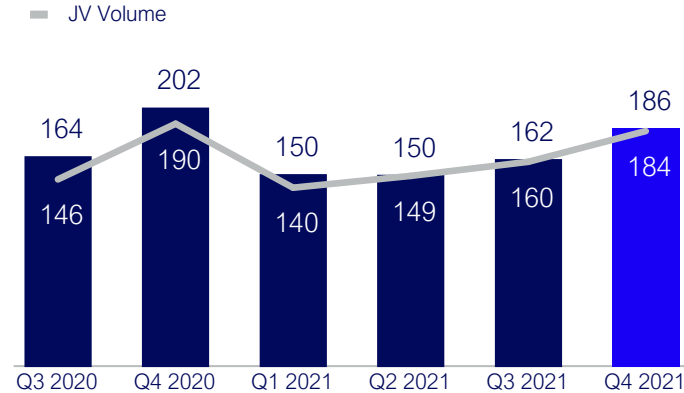
* Includes Ford brand vehicles produced and sold by our unconsolidated affiliate in Turkey (26K units in Q4 2020 and 19K units in Q4 2021). Revenue does not include these sales

China

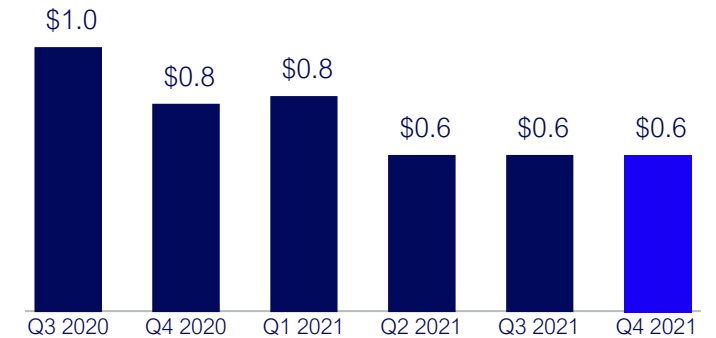
Focused on strength in Lincoln brand, commercial vehicles and Ford utility portfolio

- Continued improvement in profit trajectory - reduced full year losses by 34%
- Full year Lincoln sales up almost 50%; capturing share of the premium segment. Strong orders for the all-new Zephyr launching in '22. China now #1 Lincoln market globally
- Delivering locally manufactured Mustang Mach-E via a direct-to-customer model; enhanced BEV ownership experience with seamless access to 400K charging stations across 349 cities
- '22 focus: further strengthen Lincoln brand, scale BEVs, and enhance customer experience to deliver significant improvement in EBIT

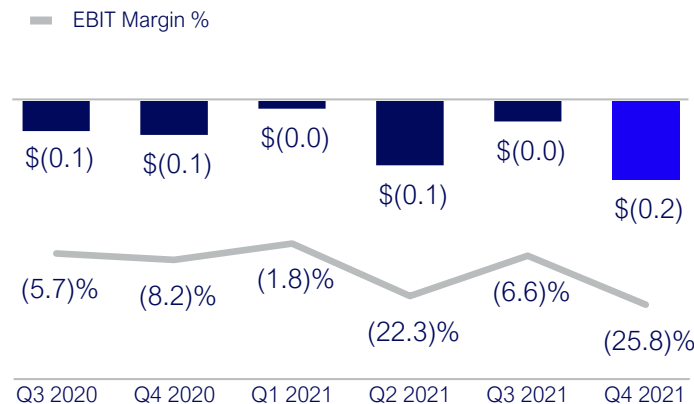
Wholesale Units (000)*



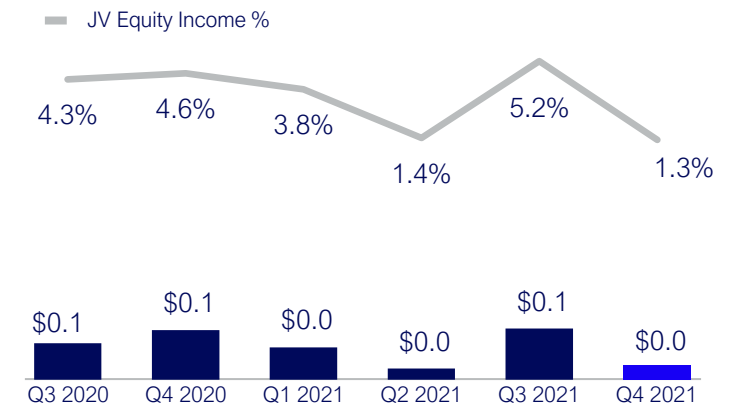
Revenue (\$B)



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



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



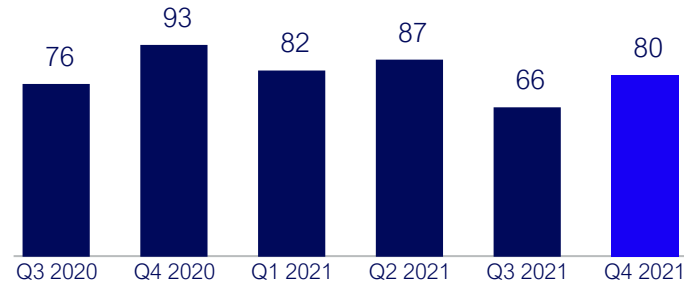
* Wholesale units includes Ford and Lincoln brand and Jiangling Motors Corporation (JMC) brand vehicles produced and sold in China by our unconsolidated affiliates; and from Q2 2021 Ford brand vehicles produced in Taiwan by Lio Ho Group. Revenue does not include any of these sales

International Markets Group

Portfolio strengths of Ranger pickup and Everest

- Delivered solid profits; Ranger, lynchpin for region, increased share 1.1 ppts to 14.9%
- Investing nearly \$2B in South Africa and Thailand to modernize Ranger production
- '22 focus: launch of next-generation Ranger across four assembly plants, complete India restructuring, enhance customer experiences to further strengthen profitability

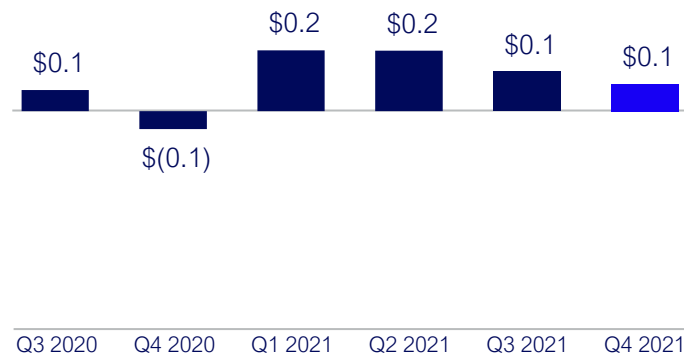
Wholesale Units (000)*



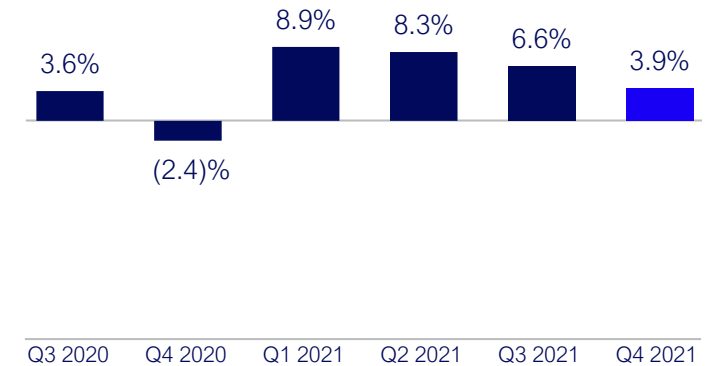
Revenue (\$B)



EBIT (\$B)



EBIT Margin (%)



* Includes Ford brand vehicles produced and sold by our unconsolidated affiliate in Russia (5K units in Q4 2020 and 8K units in Q4 2021). Revenue does not include these sales

Mobility

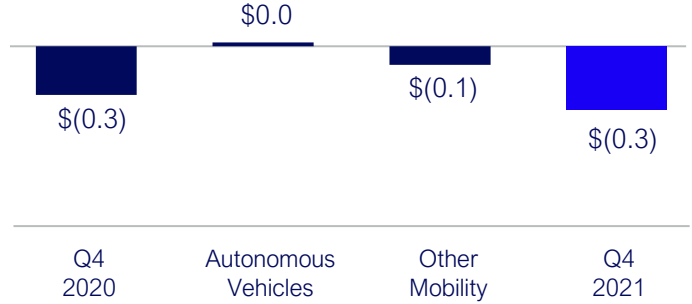
Focused on large scale commercial deployment of autonomous vehicles for moving people and goods

- Confident in Argo AI's progress on delivering a Level 4 autonomous vehicle solution; fully support Argo AI's access to public funding
- Steady progress towards the scaled commercialization of moving people and goods
- Rationalizing investment portfolio and focusing on autonomous development

EBIT (\$B)



Q4 EBIT YoY (\$B)

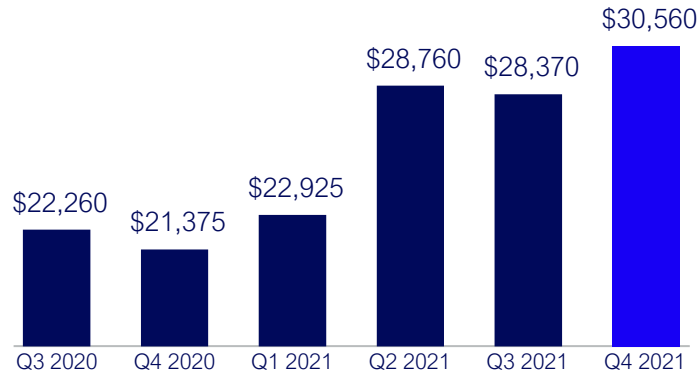


Ford Credit

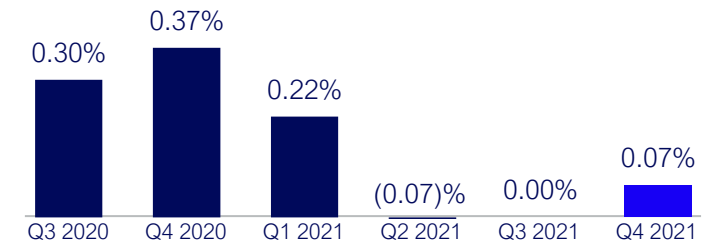
Best-in-class finance company is a strategic asset and competitive advantage

- Delivered another year of strong financial results and #1 for J.D. Power's U.S. mass-market financing satisfaction
- In Q4, new customer innovations such as FinSimple commercial lines of credit drove a 23% YoY increase in U.S. commercial vehicle financing
- Expect auction values to remain strong in '22 as supply constraints persist
- Expect lower EBT in '22, primarily reflecting the non-recurrence of reserve releases

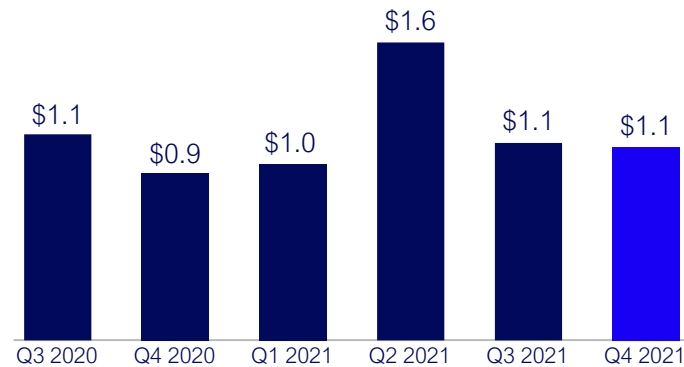
Auction Values (Per Unit)*



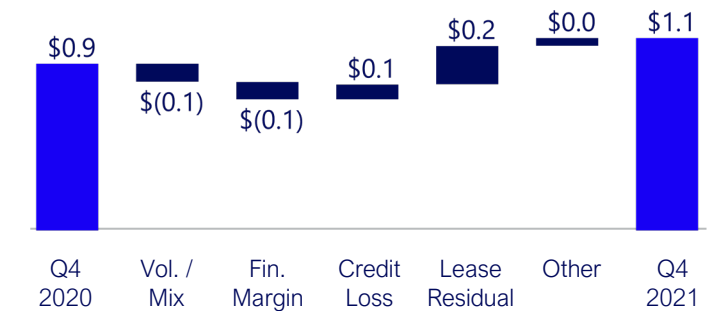
U.S. Retail LTR Ratio (%)



EBT (\$B)



Q4 EBT YoY (\$B)



* U.S. 36-month off-lease auction values at Q4 2021 mix

Cash Flow And Balance Sheet (\$B)

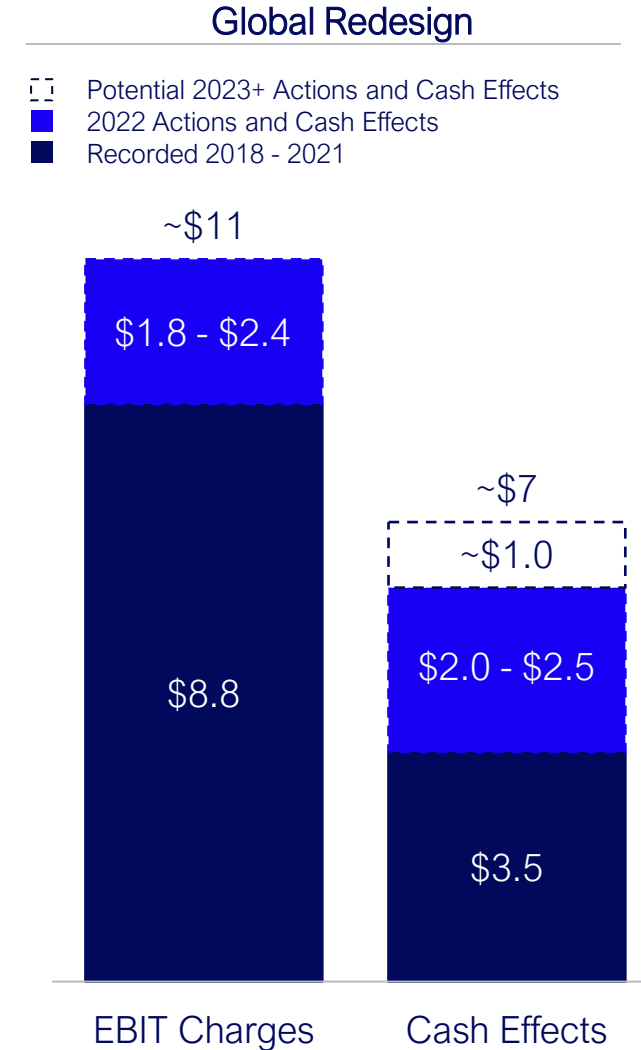
	Fourth Quarter		Full Year		Balance Sheet	
	2020	2021	2020	2021	2020 Dec. 31	2021 Dec. 31
Company Adj. EBIT excl. Ford Credit	\$ 0.8	\$ 1.0	\$ (0.1)	\$ 5.3	<u>Company Excl. Ford Credit</u>	
Capital spending	\$ (1.5)	\$ (1.8)	\$ (5.7)	\$ (6.2)	Company Cash Balance (c)	\$ 30.8 \$ 36.5
Depreciation and tooling amortization	1.3	1.3	5.3	5.1	Liquidity (c)	46.9 52.4
Net Spending	\$ (0.3)	\$ (0.5)	\$ (0.4)	\$ (1.1)	Debt	(24.0) (20.4)
Receivables	\$ 0.0	\$ 0.5	\$ 0.4	\$ (0.2)	Cash Net of Debt	6.8 16.1
Inventory	0.3	1.4	0.3	(1.8)	<u>Pension Funded Status</u>	
Trade payables	(0.2)	(0.8)	1.3	0.3	Funded Plans	\$ 0.3 \$ 5.8
Changes in Working Capital	\$ 0.1	\$ 1.1	\$ 2.0	\$ (1.7)	Unfunded Plans	(7.0) (6.1)
Ford Credit distributions	1.3	1.0	3.3	7.5	Total Global Pension	<u>\$ (6.7)</u> <u>\$ (0.3)</u>
Interest on debt and cash taxes	(0.7)	(0.8)	(1.8)	(2.3)	Total Funded Status OPEB	\$ (6.6) \$ (6.0)
All Other and timing differences (a)	0.6	0.5	(1.7)	(3.1)		
Company Adjusted FCF	\$ 1.9	\$ 2.3	\$ 1.3	\$ 4.6		
Global Redesign (incl. Separations)	(0.1)	(0.3)	(0.5)	(1.9)		
Changes in debt	(0.4)	(5.4)	8.4	(3.7)		
Funded pension contributions	(0.1)	(0.2)	(0.6)	(0.8)		
Shareholder distributions	(0.0)	(0.4)	(0.6)	(0.4)		
All Other (b)	0.1	9.1	0.5	7.9		
Change in Cash	<u>\$ 1.3</u>	<u>\$ 5.0</u>	<u>\$ 8.5</u>	<u>\$ 5.7</u>		

Q4 Adjusted FCF Of \$2.3B, Driven By Working Capital Improvement, EBIT And Ford Credit Distributions

- a. Includes timing differences between accrual-based EBIT and associated cash flows (e.g., marketing incentive and warranty payments to dealers, pension and OPEB income or expense) and non-cash investment gains or losses
- b. 2021 includes our investment in Rivian of \$10.6B and cash premium paid of \$(1.6)B associated with repurchasing and redeeming \$7.6B of higher coupon debt
- c. At December 31, 2021, includes Rivian shares of \$10.6B, which were valued at \$103.69 per share. Our investment is marked to market on a recurring basis and gains and losses could be material in any period.
- At February 2, 2022, Rivian common shares were valued at \$64.32 per share

Special Items (\$B)

	Fourth Quarter		Full Year	
	2020	2021	2020	2021
<u>Global Redesign</u>				
South America	\$ (2.4)	\$ (0.1)	\$ (2.5)	\$ (0.8)
Europe	(0.3)	(0.2)	(0.7)	(0.5)
Russia	(0.0)	(0.0)	0.0	0.0
China (including Taiwan)	(0.0)	(0.0)	(0.1)	0.2
India	(0.0)	(0.1)	(0.0)	(0.5)
Separations and Other (not included above)	(0.1)	(0.0)	(0.1)	(0.1)
Subtotal Global Redesign	\$ (2.9)	\$ (0.5)	\$ (3.4)	\$ (1.7)
<u>Other Items</u>				
Gain on transaction with Argo AI	\$ -	\$ -	\$ 3.5	\$ -
Gain on Rivian IPO and mark-to-market	-	8.2	0.1	9.1
Gains and losses on investments in equity securities (excl. Rivian)	(0.0)	0.1	0.1	0.1
Debt extinguishment premium	-	(1.7)	-	(1.7)
Takata field service action	(0.6)	-	(0.6)	-
Ford Credit - Brazil and Argentina	-	0.0	-	0.0
Other	(0.0)	-	(0.2)	(0.0)
Subtotal Other Items	\$ (0.6)	\$ 6.6	\$ 2.9	\$ 7.5
<u>Pension and OPEB Gain / (Loss)</u>				
Pension and OPEB remeasurement	\$ (1.6)	\$ 3.5	\$ (1.4)	\$ 3.9
Pension settlements & curtailments	(0.0)	(0.0)	(0.1)	(0.1)
Subtotal Pension and OPEB Gain / (Loss)	\$ (1.6)	\$ 3.5	\$ (1.5)	\$ 3.8
Total EBIT Special Items	\$ (5.1)	\$ 9.6	\$ (2.0)	\$ 9.6
Cash effect of Global Redesign (incl. separations)	\$ (0.1)	\$ (0.3)	\$ (0.5)	\$ (1.9)



Total EBIT Special Items Of \$9.6B Reflect Rivian Gain And Pension Remeasurement, Offset Partially By Debt Extinguishment Premiums And Global Redesign

2022 Outlook (\$B)

	2022 Outlook	2021 Actual
Adjusted EBIT	\$11.5 - \$12.5	\$10.0
Adjusted FCF	\$5.5 - \$6.5	\$4.6
Capital Spending	\$7.0 - \$8.0	\$6.2
Pension Contributions	\$0.6 - \$0.8	\$0.8
Global Redesign EBIT Charges	\$1.8 - \$2.4	\$1.7
Global Redesign Cash Effects	\$2.0 - \$2.5	\$1.9



2022 Maverick Lariat

Perspectives On 2022

OPERATING ENVIRONMENT

Supply constraints to remain fluid reflecting a variety of factors – semiconductors, COVID

- Full year wholesales up ~10% - 15% YoY
- Q1 volume lower YoY and sequentially on supply factors

Pricing environment expected to remain strong – interplay between volume and pricing to remain dynamic

Inflationary pressure impacting broad range of costs

Commodity headwinds of \$1.5B - \$2.0B

PRODUCT PORTFOLIO

Continued strong enthusiasm and demand for new and iconic nameplates – award winning Bronco and Maverick and BEV lineup including Mustang Mach-E, E-Transit and F-150 Lightning

FORD+ PRIORITIES

Relentless execution of Ford+ priorities, including customer-facing technology, connectivity and electrification

SCALING BEV

Production capacity and battery supply increases underway for new iconic Mustang Mach-E, E-Transit and F-150 Lightning in response to exceptional customer demand

BUSINESS UNITS

Higher profits in North America and operations outside North America to be collectively profitable – full benefits of our Global Redesign now evident

Ford Credit strong, but profits lower than 2021; Mobility and Corporate Other about flat YoY

2022 EBIT Guidance \$11.5B - \$12.5B; An Increase Of 15% To 25% Compared With 2021

Accelerating Electrification – F-150 Lightning



Rouge EV Center (USA)

Accelerating Electrification – E-Transit Battery Assembly



Otosan Assembly Plant (Turkey)

Accelerating Electrification – Mustang Mach-E Assembly



Accelerating Electrification – Electrification Center



Rendition of Cologne Electrification Center (Germany)

Accelerating Electrification – Enabler To 140 GWh In NA



Growing Ford Pro



Ford Pro Collaborating With Sonoma County Winegrowers (USA)

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, or raw materials can disrupt Ford’s production of vehicles;
- 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, or new business strategies;
- Operational systems, security systems, vehicles, and services could be affected by cyber incidents, ransomware attacks, 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, 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, digital and physical services, and mobility services are subject to market acceptance and face significant competition from existing and new entrants in the automotive, mobility, and digital services industries;
- Ford’s near-term 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;
- Inflationary pressure and fluctuations in commodity 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;
- 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 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 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 subsequent filings with the United States Securities and Exchange Commission.

Appendix



2022 Bronco Raptor

Key Metrics

	Wholesale Units (000)						Market Share (%)					
	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021
North America	651	540	533	327	546	599	13.6 %	12.1 %	12.5 %	10.4 %	11.2 %	14.3 %
South America	48	63	18	18	20	26	5.7	6.0	3.6	2.3	2.4	2.4
Europe	239	339	278	182	218	213	7.8	7.1	7.2	6.1	6.2	6.1
China	164	202	150	150	162	186	2.4	2.4	2.3	2.3	2.5	2.5
International Markets Group	76	93	82	87	66	80	1.7	2.0	1.7	1.8	1.8	1.7
Total Automotive	1,178	1,238	1,062	764	1,012	1,104	6.0 %	5.4 %	5.3 %	4.9 %	4.9 %	5.4 %

	Revenue (\$B)						Revenue Change (%)					
	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021
North America	\$ 25.3	\$ 22.0	\$ 23.0	\$ 15.0	\$ 24.0	\$ 25.8	8 %	(13) %	5 %	37 %	(5) %	17 %
South America	0.6	0.9	0.4	0.5	0.6	0.8	(39)	(10)	(40)	124	(1)	(8)
Europe	5.7	7.1	7.1	5.6	6.1	5.7	(10)	1	13	55	7	(19)
China	1.0	0.8	0.8	0.6	0.6	0.6	15	(17)	39	(31)	(41)	(27)
International Markets Group	2.0	2.5	2.3	2.5	1.9	2.4	(11)	5	15	141	(7)	(7)
Total Automotive	\$ 34.7	\$ 33.2	\$ 33.6	\$ 24.1	\$ 33.2	\$ 35.3	2 %	(9) %	7 %	45 %	(4) %	6 %

Key Metrics

	EBIT (\$B)						EBIT Change (%)					
	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021
North America	\$ 3.2	\$ 1.1	\$ 2.9	\$ 0.2	\$ 2.4	\$ 1.8	65 %	54 %	N/M %	120 %	(24) %	68 %
South America	(0.1)	(0.1)	(0.1)	(0.1)	0.0	0.0	34	40	35	48	102	134
Europe	(0.4)	0.4	0.3	(0.3)	(0.1)	(0.2)	N/M	N/M	N/M	57	88	(139)
China	(0.1)	(0.1)	(0.0)	(0.1)	(0.0)	(0.2)	79	68	94	9	32	(130)
International Markets Group	0.1	(0.1)	0.2	0.2	0.1	0.1	180	64	N/M	N/M	73	N/M
Total Automotive	\$ 2.7	\$ 1.3	\$ 3.4	\$ (0.1)	\$ 2.5	\$ 1.6	112 %	N/M %	N/M %	95 %	(8) %	30 %

	EBIT Margin (%)						EBIT Margin Change (ppts)					
	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021
North America	12.6 %	4.9 %	12.8 %	1.3 %	10.1 %	7.1 %	4.3 ppts	2.1 ppts	11.1 ppts	9.9 ppts	(2.5) ppts	2.2 ppts
South America	(17.1)	(12.2)	(16.7)	(15.9)	0.3	4.5	(1.4)	6.0	(1.3)	52.2	17.4	16.7
Europe	(7.8)	5.8	4.8	(5.1)	(0.9)	(2.8)	(5.5)	4.8	7.2	13.4	6.9	(8.6)
China	(5.7)	(8.2)	(1.8)	(22.3)	(6.6)	(25.8)	26.1	13.0	38.8	(5.4)	(0.9)	(17.6)
International Markets Group	3.6	(2.4)	8.9	8.3	6.6	3.9	7.5	4.7	10.2	22.9	3.0	6.3
Total Automotive	7.7 %	3.8 %	10.1 %	(0.4) %	7.4 %	4.7 %	4.0 ppts	3.2 ppts	10.6 ppts	12.0 ppts	(0.3) ppts	0.9 ppts

Key Metrics

Wholesale Units (000)

	Q4 2020	Q4 2021	2021 B / (W) 2020	2020 FY	2021 FY	2021 B / (W) 2020		Q4 2020	Q4 2021	2021 B / (W) 2020	2020 FY	2021 FY	2021 B / (W) 2020
North America	540	599	59	2,081	2,006	(75)		12.1 %	14.3 %	2.2 ppts	13.2 %	12.0 %	(1.2) ppts
South America	63	26	(37)	185	81	(104)		6.0	2.4	(3.7)	6.2	2.6	(3.7)
Europe	339	213	(126)	1,020	891	(128)		7.1	6.1	(1.0)	7.2	6.4	(0.8)
China	202	186	(16)	617	649	31		2.4	2.5	0.1	2.4	2.4	(0.0)
International Markets Group	93	80	(14)	284	315	31		2.0	1.7	(0.3)	1.7	1.8	0.0
Total Automotive	1,238	1,104	(134)	4,187	3,942	(245)		5.4 %	5.4 %	(0.1) ppts	5.8 %	5.1 %	(0.6) ppts

Market Share (%)

Revenue (\$B)

	Q4 2020	Q4 2021	2021 B / (W) 2020	2020 FY	2021 FY	2021 B / (W) 2020		Q4 2020	Q4 2021	2021 B / (W) 2020	2020 FY	2021 FY	2021 B / (W) 2020
North America	\$ 22.0	\$ 25.8	\$ 3.8	\$ 80.0	\$ 87.8	\$ 7.7		4.9 %	7.1 %	2.2 ppts	4.6 %	8.4 %	3.8 ppts
South America	0.9	0.8	(0.1)	2.5	2.4	(0.1)		(12.2)	4.5	16.7	(19.9)	(5.1)	14.8
Europe	7.1	5.7	(1.3)	22.6	24.5	1.8		5.8	(2.8)	(8.6)	(3.8)	(0.6)	3.2
China	0.8	0.6	(0.2)	3.2	2.5	(0.7)		(8.2)	(25.8)	(17.6)	(15.6)	(12.8)	2.8
International Markets Group	2.5	2.4	(0.2)	7.5	9.0	1.4		(2.4)	3.9	6.3	(2.2)	6.9	9.1
Total Automotive	\$ 33.2	\$ 35.3	\$ 2.0	\$ 115.9	\$ 126.1	\$ 10.3		3.8 %	4.7 %	0.9 ppts	1.5 %	5.9 %	4.4 ppts

EBIT Margin (%)

Q4 Results (\$M)

	Fourth Quarter			Full Year		
	2020	2021	2021 B / (W) 2020	2020	2021	2021 B / (W) 2020
North America	\$ 1,083	\$ 1,822	\$ 739	\$ 3,710	\$ 7,377	\$ 3,667
South America	(105)	36	141	(490)	(121)	369
Europe	409	(159)	(568)	(851)	(154)	697
China	(65)	(150)	(85)	(499)	(327)	172
International Markets Group	(62)	92	154	(164)	622	786
Automotive	\$ 1,260	\$ 1,641	\$ 381	\$ 1,706	\$ 7,397	\$ 5,691
Mobility	(259)	(342)	(83)	(1,052)	(1,030)	22
Ford Credit	912	1,055	143	2,608	4,717	2,109
Corporate Other	(196)	(312)	(116)	(726)	(1,084)	(358)
Adjusted EBIT	\$ 1,717	\$ 2,042	\$ 325	\$ 2,536	\$ 10,000	\$ 7,464
Interest on Debt	(474)	(438)	36	(1,649)	(1,803)	(154)
Special Items (excl. tax)	(5,053)	9,614	14,667	(2,003)	9,583	11,586
Taxes	1,019	1,055	36	(160)	130	290
Less: Non-Controlling Interests	(3)	(9)	(6)	3	(27)	(30)
Net Income / (Loss) Attributable to Ford	\$ (2,788)	\$ 12,282	\$ 15,070	\$ (1,279)	\$ 17,937	\$ 19,216
Company Adjusted Free Cash Flow (\$B)	\$ 1.9	\$ 2.3	\$ 0.5	\$ 1.3	\$ 4.6	\$ 3.3
Revenue (\$B)	36.0	37.7	1.7	127.1	136.3	9.2
Company Adjusted EBIT Margin (%)	4.8 %	5.4 %	0.6 pts	2.0 %	7.3 %	5.3 pts
Net Income / (Loss) Margin (%)	(7.8)	32.6	40.4	(1.0)	13.2	14.2
Adjusted ROIC (Trailing Four Quarters) (%)	0.7	9.8	9.1	0.7	9.8	9.1
Adjusted EPS	\$ 0.34	\$ 0.26	\$ (0.08)	\$ 0.36	\$ 1.59	\$ 1.23
EPS (GAAP)	(0.70)	3.03	3.73	(0.32)	4.45	4.77



Quarterly Results (\$M)

	2020					2021				
	Q1	Q2	Q3	Q4	Full Year	Q1	Q2	Q3	Q4	Full Year
North America	\$ 372	\$ (946)	\$ 3,201	\$ 1,083	\$ 3,710	\$ 2,943	\$ 192	\$ 2,420	\$ 1,822	\$ 7,377
South America	(112)	(165)	(108)	(105)	(490)	(73)	(86)	2	36	(121)
Europe	(149)	(667)	(444)	409	(851)	341	(284)	(52)	(159)	(154)
China	(241)	(136)	(57)	(65)	(499)	(15)	(123)	(39)	(150)	(327)
International Markets Group	(25)	(149)	72	(62)	(164)	201	204	125	92	622
Automotive	\$ (155)	\$ (2,063)	\$ 2,664	\$ 1,260	\$ 1,706	\$ 3,397	\$ (97)	\$ 2,456	\$ 1,641	\$ 7,397
Mobility	(275)	(286)	(232)	(259)	(1,052)	(207)	(210)	(271)	(342)	(1,030)
Ford Credit	30	543	1,123	912	2,608	962	1,623	1,077	1,055	4,717
Corporate Other	(188)	(146)	(196)	(196)	(726)	(240)	(263)	(269)	(312)	(1,084)
Adjusted EBIT	\$ (588)	\$ (1,952)	\$ 3,359	\$ 1,717	\$ 2,536	\$ 3,912	\$ 1,053	\$ 2,993	\$ 2,042	\$ 10,000
Interest on Debt	(227)	(450)	(498)	(474)	(1,649)	(473)	(453)	(439)	(438)	(1,803)
Special Items (excl. tax)	(331)	3,486	(105)	(5,053)	(2,003)	503	135	(669)	9,614	9,583
Taxes	(847)	34	(366)	1,019	(160)	(680)	(182)	(63)	1,055	130
Less: Non-Controlling Interests	-	1	5	(3)	3	-	(8)	(10)	(9)	(27)
Net Income / (Loss) Attributable to Ford	\$ (1,993)	\$ 1,117	\$ 2,385	\$ (2,788)	\$ (1,279)	\$ 3,262	\$ 561	\$ 1,832	\$ 12,282	\$ 17,937
Company Adjusted Free Cash Flow (\$B)	\$ (2.1)	\$ (4.8)	\$ 6.3	\$ 1.9	\$ 1.3	\$ (0.4)	\$ (5.1)	\$ 7.8	\$ 2.3	\$ 4.6
Revenue (\$B)	34.3	19.4	37.5	36.0	127.1	36.2	26.8	35.7	37.7	136.3
Company Adjusted EBIT Margin (%)	(1.7) %	(10.1) %	9.0 %	4.8 %	2.0 %	10.8 %	3.9 %	8.4 %	5.4 %	7.3 %
Net Income / (Loss) Margin (%)	(5.8)	5.8	6.4	(7.8)	(1.0)	9.0	2.1	5.1	32.6	13.2
Adjusted ROIC (Trailing Four Quarters) (%)	2.5	(3.5)	(0.9)	0.7	0.7	6.6	10.3	9.7	9.8	9.8
Adjusted EPS	\$ (0.22)	\$ (0.36)	\$ 0.60	\$ 0.34	\$ 0.36	\$ 0.70	\$ 0.13	\$ 0.51	\$ 0.26	\$ 1.59
EPS (GAAP)	(0.50)	0.28	0.60	(0.70)	(0.32)	0.81	0.14	0.45	3.03	4.45

Memo: Effective Q4 2021, gains / (losses) on investments in equity securities are treated as special items. Accordingly, the amounts shown above for 2020 and Q1 – Q3 2021 have been recast to exclude the impact of such gains / (losses). The impact of this policy change on Adjusted EBIT and Adjusted FCF is summarized below. See Slide 2 for more information

Adjusted EBIT - impact of change	\$ 44	\$ (6)	\$ (285)	\$ 4	\$ (243)	\$ (904)	\$ (29)	\$ -	\$ -	\$ (933)
Adjusted FCF - impact of change	35	(6)	(255)	(29)	(255)	13	3	16	-	33

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

	Fourth Quarter		Full Year	
	2020	2021	2020	2021
Net income / (loss) attributable to Ford (GAAP)	\$ (2,788)	\$ 12,282	\$ (1,279)	\$ 17,937
Income / (Loss) attributable to non-controlling interests	(3)	(9)	3	(27)
Net income / (loss)	\$ (2,791)	\$ 12,273	\$ (1,276)	\$ 17,910
Less: (Provision for) / Benefit from income taxes *	1,019	1,055	(160)	130
Income / (Loss) before income taxes	\$ (3,810)	\$ 11,218	\$ (1,116)	\$ 17,780
Less: Special items pre-tax	(5,053)	9,614	(2,003)	9,583
Income / (Loss) before special items pre-tax	\$ 1,243	\$ 1,604	\$ 887	\$ 8,197
Less: Interest on debt	(474)	(438)	(1,649)	(1,803)
Adjusted EBIT (Non-GAAP)	\$ 1,717	\$ 2,042	\$ 2,536	\$ 10,000
Memo:				
Revenue (\$B)	\$ 36.0	\$ 37.7	\$ 127.1	\$ 136.3
Net income / (loss) margin (GAAP) (%)	(7.8) %	32.6 %	(1.0) %	13.2 %
Adjusted EBIT margin (%)	4.8	5.4	2.0	7.3

* Full year 2021 includes the recognition of net deferred tax assets and changes in our valuation allowances, offset by tax consequences of unrealized gains on marketable securities

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

	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Full Year	
						2020	2021
Net cash provided by / (Used in) operating activities (GAAP)	\$ 4,539	\$ 4,492	\$ 756	\$ 7,008	\$ 3,531	\$ 24,269	\$ 15,787
Less: <u>Items Not Included in Company Adjusted Free Cash Flows</u>							
Ford Credit operating cash flows	3,010	4,998	9,638	(341)	998	21,592	15,293
Funded pension contributions	(141)	(229)	(164)	(209)	(171)	(570)	(773)
Global Redesign (including separations)	(127)	(345)	(970)	(293)	(327)	(503)	(1,935)
Ford Credit tax payments / (refunds) under tax sharing agreement	8	4	-	-	11	477	15
Other, net	(185)	64	(263)	(13)	(129)	(583)	(341)
Add: <u>Items Included in Company Adjusted Free Cash Flows</u>							
Company excluding Ford Credit capital spending	(1,520)	(1,358)	(1,504)	(1,562)	(1,759)	(5,702)	(6,183)
Ford Credit distributions	1,290	1,000	4,000	1,500	1,000	3,290	7,500
Settlement of derivatives	129	(25)	(133)	(42)	(55)	(171)	(255)
Company adjusted free cash flow (Non-GAAP)	\$ 1,873	\$ (383)	\$ (5,122)	\$ 7,760	\$ 2,335	\$ 1,273	\$ 4,590

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

	Fourth Quarter		Full Year	
	2020	2021	2020	2021
<u>Diluted After-Tax Results (\$M)</u>				
Diluted after-tax results (GAAP)	\$ (2,788)	\$ 12,282	\$ (1,279)	\$ 17,937
Less: Impact of pre-tax and tax special items	(4,139)	11,220	(2,724)	11,507
Adjusted net income – diluted (Non-GAAP)	<u>\$ 1,351</u>	<u>\$ 1,062</u>	<u>\$ 1,445</u>	<u>\$ 6,430</u>
 <u>Basic and Diluted Shares (M)</u>				
Basic shares (average shares outstanding)	3,977	3,999	3,973	3,991
Net dilutive options, unvested restricted stock units, unvested restricted stock shares, and convertible debt	36	56	29	43
Diluted shares	<u>4,013</u>	<u>4,055</u>	<u>4,002</u>	<u>4,034</u>
Earnings / (Loss) per share – diluted (GAAP) *	\$ (0.70)	\$ 3.03	\$ (0.32)	\$ 4.45
Less: Net impact of adjustments	(1.04)	2.77	(0.68)	2.86
Adjusted earnings per share – diluted (Non-GAAP)	<u>\$ 0.34</u>	<u>\$ 0.26</u>	<u>\$ 0.36</u>	<u>\$ 1.59</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

	2021		Memo:
	Q4	Full Year	Full Year 2020
<u>Pre-Tax Results</u> (\$M)			
Income / (Loss) before income taxes (GAAP)	\$ 11,218	\$ 17,780	\$ (1,116)
Less: Impact of special items	9,614	9,583	(2,003)
Adjusted earnings before taxes (Non-GAAP)	<u>\$ 1,604</u>	<u>\$ 8,197</u>	<u>\$ 887</u>
<u>Taxes</u> (\$M)			
(Provision for) / Benefit from income taxes (GAAP)	\$ 1,055	\$ 130	\$ (160)
Less: Impact of special items *	1,606	1,924	(721)
Adjusted (provision for) / benefit from income taxes (Non-GAAP)	<u>\$ (551)</u>	<u>\$ (1,794)</u>	<u>\$ 561</u>
<u>Tax Rate</u> (%)			
Effective tax rate (GAAP)	(9.4) %	(0.7) %	(14.3) %
Adjusted effective tax rate (Non-GAAP)	34.4	21.9	(63.2)

* Full year 2020 includes the establishment of valuation allowances against primarily U.S. tax credits. Full year 2021 includes the recognition of net deferred tax assets and changes in our valuation allowances, offset by tax consequences of unrealized gains on marketable securities

Adjusted ROIC (\$B)

	Four Quarters Ending Q4 2020	Four Quarters Ending Q4 2021
<u>Adjusted Net Operating Profit / (Loss) After Cash Tax</u>		
Net income / (loss) attributable to Ford	\$ (1.3)	\$ 17.9
Add: Non-controlling interest	0.0	(0.0)
Less: Income tax	(0.2)	0.1
Add: Cash tax	(0.4)	(0.6)
Less: Interest on debt	(1.6)	(1.8)
Less: Total pension / OPEB income / (cost)	(1.0)	4.9
Add: Pension / OPEB service costs	(1.1)	(1.1)
Net operating profit / (loss) after cash tax	<u>\$ 0.1</u>	<u>\$ 13.0</u>
Less: Special items (excl. pension / OPEB) pre-tax	(0.4)	5.9
Adj. net operating profit / (loss) after cash tax	<u><u>\$ 0.5</u></u>	<u><u>\$ 7.1</u></u>
<u>Invested Capital</u>		
Equity	\$ 30.8	\$ 48.6
Redeemable non-controlling interest	-	-
Debt (excl. Ford Credit)	24.0	20.4
Net pension and OPEB liability	13.3	6.4
Invested capital (end of period)	<u>\$ 68.1</u>	<u>\$ 75.4</u>
Average invested capital	<u><u>\$ 70.7</u></u>	<u><u>\$ 72.1</u></u>
ROIC (a)	0.1 %	18.0 %
Adjusted ROIC (Non-GAAP) (b)	0.7 %	9.8 %

a. Calculated as the sum of net operating profit / (loss) after cash tax from the last four quarters, divided by the average invested capital over the last four quarters

b. 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

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 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 / (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.
- Ford Credit Managed Receivables – (Most Comparable GAAP Measure: Net Finance Receivables plus Net Investment in Operating Leases) – Measure of Ford Credit’s total net receivables and held-for-sale receivables, excluding unearned interest supplements and residual support, allowance for credit losses, and other (primarily accumulated supplemental depreciation). The measure is useful to management and investors as it closely approximates the customer’s outstanding balance on the receivables, which is the basis for earning revenue.
- Ford Credit Managed Leverage (Most Comparable GAAP Measure: Financial Statement Leverage) – Ford Credit’s debt-to-equity ratio adjusted (i) to exclude cash, cash equivalents, and marketable securities (other than amounts related to insurance activities), and (ii) for derivative accounting. The measure is useful to investors because it reflects the way Ford Credit manages its business. Cash, cash equivalents, and marketable securities are deducted because they generally correspond to excess debt beyond the amount required to support operations and on-balance sheet securitization transactions. Derivative accounting adjustments are made to asset, debt, and equity positions to reflect the impact of interest rate instruments used with Ford Credit’s term-debt issuances and securitization transactions. Ford Credit generally repays its debt obligations as they mature, so the interim effects of changes in market interest rates are excluded in the calculation of managed leverage.

Definitions And Calculations

Wholesale Units and Revenue

- Wholesale unit volumes include all Ford and Lincoln badged units (whether produced by Ford or by an unconsolidated affiliate) that are sold to dealerships, units manufactured by Ford that are sold to other manufacturers, units distributed by Ford for other manufacturers, and local brand units produced by our China joint venture, Jiangling Motors Corporation, Ltd. (“JMC”), that are sold to dealerships, 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; 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