

Highlights

Financial Results (mn TL)	2022	YoY Δ	4Q22	YoY Δ
Revenues ⁽¹⁾	171,797	142%	60,939	140%
Export Revenues ⁽²⁾	133,267	144%	45,305	138%
Domestic Revenues	38,530	132%	15,635	145%
Operating Profit	19,140	103%	7,724	59%
EBITDA	21,035	100%	8,368	63%
EBITDA excluding other income/expense	19,727	108%	7,754	78%
Profit Before Tax	15,623	80%	6,352	59%
Net Income ⁽¹⁾	18,614	111%	8,292	103%

(1) In 2H22, Ford Romania SRL contributed TL 24,526,139 thousand to Total Revenues and TL 89,522 thousand to Net Profit

(2) Export revenues and volumes include exports from Ford Otosan and Ford Romania SRL

Volumes (units)	2022	YoY Δ	4Q22	YoY Δ
Total Wholesale	475,721	32%	150,455	54%
Export	390,811	35%	119,813	57%
Domestic Wholesale	84,910	16%	30,642	42%
Domestic Retail Sales	86,401	16%	32,081	59%
Market Share	10.5%	+0.8 pps	11.6%	+0.9 pps

Ford Otosan reached historical high production and wholesales units in 2022.

Production (units) ⁽³⁾	465,855	34%	141,532	52%
Capacity Utilization Rate ⁽⁴⁾	79%	+2.1 pps	78%	-3.4 pps

In 2022, total CUR was 79%, reaching 76%, 94% and 88% at the Gölcük, Yeniköy and Eskişehir Plants respectively.

⁽³⁾ 2H22 Puma and Ecosport production volumes are included. 73,240 units Puma and 18,588 units Ecosport are produced.

In 2H22, CUR was %73 at the Craiova Plant.

⁽⁴⁾ Revised production capacities were taken into account while calculating 2022 CUR.

Summary Income Statement, Million TL	2022	2021	YoY Δ	4Q22	4Q21	YoY Δ
Revenues	171,797	71,101	142%	60,939	25,444	140%
Export	133,267	54,515	144%	45,305	19,061	138%
Domestic	38,530	16,586	132%	15,635	6,383	145%
Gross Profit	23,941	11,154	115%	9,382	5,250	79%
Operating Profit	19,140	9,438	103%	7,724	4,848	59%
Financial Expense	(3,503)	(716)	389%	(1,367)	(853)	60%
Profit Before Tax	15,623	8,687	80%	6,352	3,992	59%
Net Income	18,614	8,801	111%	8,292	4,090	103%
Other Financial Data						
Depreciation and Amortization	1,895	1,054	80%	644	282	128%
EBITDA	21,035	10,492	100%	8,368	5,130	63%
EBITDA excluding other income	19,727	9,464	108%	7,754	4,358	78%
Capital Expenditures	(14,219)	(3,457)	311%	(6,093)	(1,394)	337%

2022 financial results published in this earnings announcement have been prepared according to the International Financial Reporting Standards (IFRS).

Revenues

Turkish automotive market increased by 7% YoY in 2022 to 821,664 units with the contribution of all segments (YoY Δ: PC 5%, LCV 7%, MCV 12% and Heavy Trucks 24%). PC industry share decreased to 72.1% (2021: 73.3%) and LCV industry share stayed same at 14.3%. Ford Otosan maintained its undisputed CV leadership with 33.6% market share, up 3.8 pps YoY (2021: 29.8%) while ranking #3 in the total industry with 10.5% market share (2021: 9.7%). Our strong CV sales contributed to this performance.

European van market contracted by 19% YoY in 2022 since the low vehicle availability due to supply chain constraints impacted registrations. On the other hand, Ford continued to be the No.1 CV brand across Europe for 8 consecutive years with 15.0% market share in 2022, up 0.3 pps YoY (the highest-ever overall market share). Ford also increased its market share in 11 countries and Transit Custom named Europe's best-selling 1-tonne van and best-selling vehicle in UK. Three quarters of Ford's CV sales are produced by Ford Otosan, the key driver of Ford's market performance and pillar of profitability for Ford of Europe.

Domestic Revenues were TL 38,530 million in 2022. Sales volume increased by 16% and revenues went up 132% YoY due to favorable sales mix, ongoing pricing discipline and robust domestic sales in Q4 thanks to improved vehicle availability. Export Revenues were TL 133,267 million in 2022, up 144% YoY due to 35% volume growth (inclusion of Craiova Plant volumes in 2H supported this performance) and exchange impact (average EUR/TRY up 67% in 2022 YoY). Total Revenues increased 142% YoY to TL 171,797 million and volumes were up 32% YoY and reached 475,721 units. Share of exports in total revenues was 78% in 2022 (2021: 77%).

Profitability

The profitability was solid in 2022, despite the challenges in supply chain and logistics, as a result of i) strong domestic volumes, ii) export volume growth, iii) pricing discipline, iv) ongoing cost reduction measures and OpEx control, v) cost-plus export contracts and vi) exchange impact (average EUR/TRY +76% in 1Q22, +67% in 2Q22, +79% in 3Q22, +50% in 4Q22 YoY). (Please refer to Page 4 Graph 1 for further details.)

Gross Profit increased 115% YoY to TL 23,941 million mainly driven by higher sales volumes (supported by Craiova Plant units), ongoing focus on cost reduction and pricing discipline. Operating Profit increased 103% YoY in 2022 to TL 19,140 million. EBITDA went up 100% YoY to TL 21,035 million while EBITDA excluding the currency impact was up 108% YoY to TL 19,727 million. EBITDA per vehicle and PBT per vehicle were EUR 2,385 and EUR 1,889 in 2022 respectively.

Net Financial Expenses went up 389% and reached to TL 3,503 million in 2022 due to 116% rise in Net FX Expense and also TL 834 million Net Interest Income in 2021 turned to TL 349 million Net Interest Expenses in this period. (Please refer to Page 4 Table 1 for further details.) As a result, Profit Before Tax increased 80% YoY to TL 15,623 million. Net Income was TL 18,614 million, up 111% YoY and higher than PBT due to Tax Income Resulting from Deferred Tax Asset (TL 3,085 million in 2022). (Please refer to Page 4 Table 2 for further details.)

Margins: Gross 13.9% (-1.8 pps YoY); EBITDA 12.2% (-2.5 pps YoY); EBITDA excluding other income 11.5% (-1.8 pps YoY); Operating 11.1% (-2.1 pps YoY); and Net 10.8% (-1.5 pps YoY).

Margins	2022	2021	YoY Δ, pps	4Q22	4Q21	YoY Δ, pps
Gross Margin	13.9%	15.7%	(1.8)	15.4%	20.6%	(1.0)
EBITDA Margin	12.2%	14.8%	(2.5)	13.7%	20.2%	(6.4)
EBITDA Margin (excluding other income)	11.5%	13.3%	(1.8)	12.7%	17.1%	(4.4)
Operating Margin	11.1%	13.3%	(2.1)	12.7%	19.1%	(6.4)
Net Margin	10.8%	12.4%	(1.5)	13.6%	16.1%	(2.5)

Per Vehicle (EUR)	2022	2021	2020	4Q22	4Q21	4Q20
EBITDA	2,385	2,508	1,857	2,714	3,520	1,822
PBT	1,889	2,302	1,444	2,223	3,224	1,413



Sales Performance

Ranking #3 in the total industry in 2022 with 10.5% share, maintained leadership in total CV with 33.6% share.

Sales Volume by Model, units	2022	2021	YoY Δ	4Q22	4Q21	YoY Δ
Domestic Sales	84,910	73,090	16%	30,642	21,554	42%
Puma	1,583	1,247	27%	528	73	623%
Ecosport	2,113	2,028	4%	577	914	-37%
Other	4,509	7,047	-36%	1,348	1,513	-11%
Passenger Vehicle	8,205	10,322	-21%	2,453	2,500	-2%
Courier	39,403	28,541	38%	15,132	6,022	151%
Connect	372	354	5%	131	38	245%
Light Commercial Vehicle	39,775	28,895	38%	15,263	6,060	152%
Transit	21,395	20,773	3%	7,432	8,638	-14%
Custom	5,354	4,372	22%	1,646	1,403	17%
Ranger	956	1,430	-33%	432	287	51%
Medium Commercial Vehicle	27,705	26,575	4%	9,510	10,328	-8%
Truck	8,957	7,298	23%	3,394	2,666	27%
Rakun	268	-	-	22	-	-
Export Sales	390,811	288,511	35%	119,813	76,252	57%
Custom	149,319	157,967	-5%	37,969	40,674	-7%
Transit	116,068	107,345	8%	30,032	30,412	-1%
Courier	24,476	18,004	36%	6,641	3,403	95%
Truck	7,585	5,168	47%	1,991	1,754	14%
Puma	74,241	2	-	34,838	-	-
Ecosport	19,116	6	-	8,342	4	-
Other	6	19	-68%	-	5	-
Total Wholesale Volume	475,721	361,601	32%	150,455	97,806	54%
Total Turkish Automotive Industry Sales	821,664	766,195	7%	276,235	188,646	46%
Ford Otosan Retail Sales	86,401	74,261	16%	32,081	20,149	59%
Ford Otosan Market Share	10.5%	9.7%	+0.8 pps	11.6%	10.7%	+0.9 pps

Balance Sheet and Cash Flow

Summary Balance Sheet, Million TL	12/31/2022	12/31/2021	YoY Δ
Current Assets	55,125	32,814	68%
Current Liabilities	46,206	20,782	122%
Property, Plant and Equipment - Net	20,145	5,149	291%
Total Assets	96,052	42,793	124%
Total Liabilities	74,650	32,644	129%
Shareholders' Equity	21,402	10,149	111%

Financial Ratios	12/31/2022	12/31/2021
Current Ratio	1.19	1.58
Liquidity Ratio	0.81	1.25
Net Debt / EBITDA	1.32	0.47
Current Assets / Total Assets	0.57	0.77
Current Liabilities / Total Liabilities	0.62	0.64
Total Liabilities/Total Liabilities & Equity	0.78	0.76
Return on Equity	86.9%	86.7%

Summary Cash Flow Statement, Million TL	12/31/2022	12/31/2021	YoY Δ
Beginning Balance of Cash & Equivalents	14,106	8,074	75%
Net Cash from Operating Activities	19,129	8,702	120%
Net Cash Used in Investing Activities	(21,296)	(3,441)	519%
Net Cash Used in Financing Activities	(1,989)	772	N/M
End of Period Balance of Cash&Equivalents	10,110	14,106	-28%



2023 Guidance

	2022A	2023F
Total Industry Volume	822 K	800 K- 850 K
Ford Otosan:		
Retail Sales Volume	85 K	90 K- 100 K
Export Volume	391 K	550 K - 570 K
Turkey	298 K	355 K- 365 K
Romania	93 K	195 K - 205 K
Wholesale Volume	476 K	640 K - 670 K
Total Production Volume	466 K	630 K - 660 K
Turkey	374 K	430 K- 450 K
Romania	92 K	200 K- 210 K
Capex (fixed assets)	€ 818 million	€ 1,000-1,050 million
General Investments	€ 52 million	€ 90-100 million
Product Related Investments	€ 766 million	€ 910-950 million

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Exhibit

Graph 1: EUR/TL moves in 2022 vs 2021

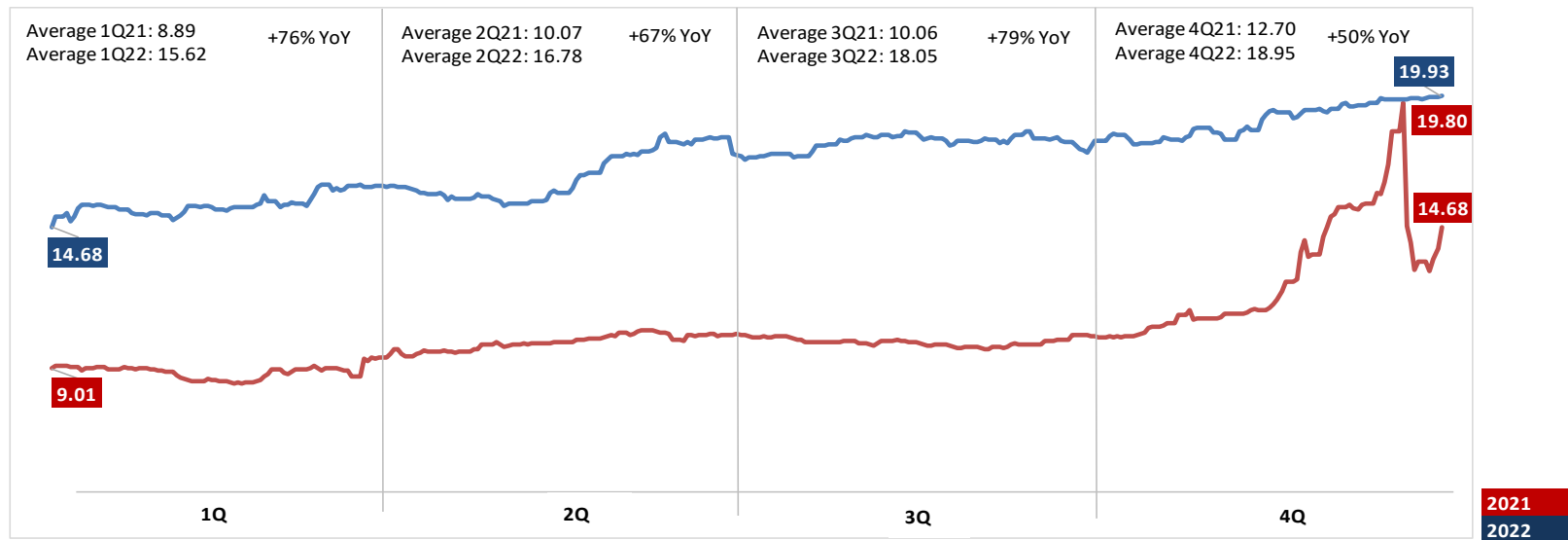


Table 1: FX and Interest Impact on Profit Before Tax

Million TL	2022	2021	4Q22	4Q21
Net interest income/(expense)	(349)	834	(261)	178
Net other financial income/(expense)	(234)	(105)	16	(86)
Net fx losses	(3,274)	(1,517)	(976)	(1,018)
Net financial losses	(3,503)	(716)	(1,367)	(853)

Table 2: Deferred Tax Effect on Net Income

Million TL	2022	2021	4Q22	4Q21
Profit before tax	15,623	8,687	6,346	3,992
Tax expenses for the period	(94)	(77)	(27)	(32)
Deferred tax income	3,085	191	1,991	130
Tax income	2,991	114	1,964	98
Net income	18,614	8,801	8,310	4,090

