



Ford’s Q1 Demand Strong, Supplies Limit Product Shipments; Affirms Full-Year Adjusted EBIT Guidance of \$11.5-\$12.5 Billion

- Company posts \$34.5 billion in revenue; net loss of \$3.1 billion, primarily attributable to valuation of investment in Rivian; adjusted earnings before interest and taxes of \$2.3 billion
- Scaling of high-demand EVs is on track to 600K units by late 2023, with on-time production launches of E-Transit vans in the U.S. and Europe, F-150 Lightning pickup in U.S.
- Transformative Ford+ plan includes creating distinct auto business units: Ford Model e for EVs, Ford Blue for internal-combustion vehicles, Ford Pro serving commercial customers
- Continues to anticipate full-year 2022 adjusted EBIT of \$11.5 billion to \$12.5 billion, up 15% to 25% from 2021, including improvement in operations outside North America

DEARBORN, Mich., April 27, 2022 – Ford said that strong customer demand for its fresh lineup of vehicles in the first quarter of 2022 was tempered by persistent supply chain issues that reduced the speed with which the company could fulfill demand.

“The appeal of these products – Bronco, Bronco Sport, Maverick, Mustang Mach-E, E-Transit and now the F-150 Lightning – is undeniable,” said CEO Jim Farley. “That’s translating into orders, typically with rich configurations that deliver great experiences to those customers and healthy pricing for us.

“Now, we’re breaking constraints wherever they exist to get more Ford vehicles – including our innovative EVs – to more customers as quickly as possible.”

Company Key Metrics Summary

	First Quarter		
	2021	2022	H / (L)
Market Share (%)	5.3 %	4.8 %	(0.6) ppts
Wholesale Units (000)	1,062	966	(9) %
GAAP			
Cash Flows From Op. Activities (\$B)	\$ 4.5	\$ (1.1)	\$ (5.6)
Revenue (\$B)	36.2	34.5	(5) %
Net Income / (Loss) (\$B)	3.3	(3.1)	(6.4)
Net Income / (Loss) Margin (%)	9.0 %	(9.0) %	(18.0) ppts
EPS (Diluted)	\$ 0.81	\$ (0.78)	\$ (1.59)
Non-GAAP			
Company Adj. Free Cash Flow (\$B)	\$ (0.4)	\$ (0.6)	\$ (0.2)
Company Adj. EBIT (\$B)	3.9	2.3	(1.6)
Company Adj. EBIT Margin (%)	10.8 %	6.7 %	(4.1) ppts
Adjusted EPS (Diluted)	\$ 0.70	\$ 0.38	\$ (0.32)
Adjusted ROIC (Trailing Four Qtrs)	6.6 %	7.8 %	1.2 ppts

The company has committed to reaching worldwide EV manufacturing capacity of at least 600,000 by the end of 2023, for which it's ramping up battery supplies, on the way to making more than two million EVs annually by the end of 2026.

In the most recent quarter, the continuing global shortage of semiconductors held down Ford's January and February production and shipments, though manufacturing rates were significantly improved during March. The company entered the second quarter with what Farley called an "extremely healthy" order bank.

Ford reported \$34.5 billion in first-quarter revenue, with wholesale shipments of nearly 970,000 vehicles, down 9% from a year ago.

A net loss of \$3.1 billion was primarily attributable to a mark-to-market loss of \$5.4 billion on the company's investment in Rivian. Adjusted earnings before interest and taxes were \$2.3 billion, with an adjusted EBIT margin of 6.7%. Profitability was enhanced by increased net pricing, including continued discipline in incentive spending, but more than offset by higher commodity prices, a decline in overall product shipments, and a lower mix of pickup trucks and large SUVs.

The company again ended the quarter with strong total company cash and liquidity – nearly \$29 billion and \$45 billion, respectively. Both of those numbers included Ford's stake in Rivian, which was valued at \$5.1 billion on March 31, down from \$10.6 billion at the end of 2021.

Business Unit Highlights

	North America	South America	Europe	China	IMG	Total Auto
Q1 Automotive Results						
Market Share (%)	12.0 %	2.2 %	6.6 %	2.2 %	1.2 %	4.8 %
H / (L) Q1 21	(0.5) ppts	(1.4) ppts	(0.5) ppts	(0.1) ppts	(0.5) ppts	(0.6) ppts
Wholesales (000)	514	15	254	128	55	966
H / (L) Q1 21	(4) %	(14) %	(9) %	(15) %	(33) %	(9) %
Revenue (\$B)	\$ 22.3	\$ 0.6	\$ 6.9	\$ 0.6	\$ 1.7	\$ 32.1
H / (L) Q1 21	(3) %	33 %	(2) %	(32) %	(23) %	(4) %
EBIT (\$M)	\$ 1,591	\$ 50	\$ 207	\$ (53)	\$ 96	\$ 1,891
H / (L) Q1 21	\$ (1,352)	\$ 123	\$ (134)	\$ (38)	\$ (105)	\$ (1,506)
EBIT Margin (%)	7.1 %	8.7 %	3.0 %	(9.4) %	5.5 %	5.9 %
H / (L) Q1 21	(5.7) ppts	25.4 ppts	(1.8) ppts	(7.6) ppts	(3.4) ppts	(4.2) ppts

In **North America**, Ford generated \$1.6 billion in EBIT. The company said first-quarter supply disruptions limited the fundamental revenue and earnings power of the regional business.

Collectively, the company's Europe, South America, China and International Markets Group business units – all of which have been restructured and refocused over the past few years – produced EBIT of \$300 million.

Ford in **Europe** generated positive EBIT despite supply related lower volumes. The company sustained its seven-year standing as the region's No. 1 brand of commercial vehicles. The FORDLive connected-uptime system, introduced in Europe a year ago, collectively provided customers with about 66,000 more days of uptime from their vehicles in the first quarter of 2022 alone – an example of the powerful services value Ford Pro will deliver to enterprises in markets around the world.

Ford's business in **South America** reflected the benefits of its restructuring into a lower-risk, asset-light business, achieving a third straight quarter of profitability. Introductions of the Maverick and Ranger FX4 pickup trucks are expected to be highly popular with existing and new customers in the region.

In **China**, Ford continues to establish the Lincoln brand with buyers of luxury vehicles and as the company's long-term profit engine in the strategically important market. The brand's in-country customer experience and dealer network are being modernized and expanded in preparation for Lincoln's all-electric future.

IMG remained solidly profitable, even with a 33% decrease in first-quarter wholesales that was mostly because of restructuring in India and the effects of semiconductor and other supply constraints on production elsewhere in the business. Customers in IMG countries are anticipating the launch of the next-generation Ranger pickup later this year.

Ford Credit delivered another strong quarter, with earnings before taxes of \$928 million. During the quarter, same-day approval and pre-arranged financing options for smaller commercial customers were introduced to the unit's evolving range of services.

Executing Ford+ Plan for Growth, Value

Farley said the company has identified and is tackling a variety of key competitive issues holding back profitability and growth.

"There are big things that we do extremely well, like turning out high-demand vehicles at scale," said Farley. "And others, in both existing and aspirational areas, where we need to improve – and will."

Several of those areas for improvement prompted the decision, announced March 2, to clearly define and assign priorities, make the most of existing strengths, and build new strategic muscle by creating separate automotive businesses within Ford:

- Ford Blue, a critical source of growth, profitability and liquidity from an enhanced and optimized portfolio of iconic internal-combustion vehicles
- Ford Model e, to rapidly develop and market innovative connected, electric vehicles and digital services, the latter shared across all of the company's product lines, and
- Ford Pro, helping commercial customers transform their enterprises with tailored ICE and electric vehicles and services.

The company is making additional progress in carrying out the broader Ford+ plan, including:

- This week, [formally launching the much-anticipated F-150 Lightning](#), the all-electric version of America's best-selling vehicle for the past 40 years
- Introducing the [Lincoln Star Concept](#), a glimpse of the design language that will characterize fully electric vehicles from the luxury brand
- Starting production in Turkey of the [first E-Transit commercial vans](#) for Ford Pro commercial customers in Europe
- Issuing Ford's [2022 integrated sustainability and financial report](#), which describes how winning includes building a better world

- Adding senior-level experience and talent by recruiting [new leaders for Government Affairs and Human Resources](#), and
- Announcing plans for [three new electric passenger vehicles and four new commercial EVs](#) in Europe by 2024 – and to sell more than 600,000 electric vehicles in the region by the end of 2026.

Outlook

Ford CFO John Lawler said that a strong demand and pricing environment for existing and new vehicles support **the company maintaining its full-year outlook** for \$11.5 billion to \$12.5 billion in adjusted EBIT. Adjusted free cash flow for the year is expected to be \$5.5 billion to \$6.5 billion.

Underlying assumptions for the 2022 guidance include:

- Improved semiconductor availability during the second half of the year
- Full-year vehicle wholesale volumes increasing 10% to 15% from 2021
- Continued strong pricing, though with a dynamic relationship between prices and vehicle volumes
- Commodity costs up about \$4 billion year-over-year, along with inflationary effects on a range of other expenses
- EBT from Ford Credit that remains strong, but is lower than in 2021, and
- Ongoing investment in the Ford+ plan for growth and value creation.

The company’s outlook also assumes that disruptions in the supply chain and local vehicle manufacturing operations resulting from renewed COVID-related health concerns and lockdowns in China do not further deteriorate.

Separately, to date, the tragic conflict in Ukraine has had limited direct effect on the company’s supply chain. However, the situation in Eastern Europe could exacerbate broader supply issues over time.

Ford plans to report its second-quarter 2022 financial results on Wednesday, July 27.

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About Ford Motor Company

Ford Motor Company (NYSE: F) is a global company based in Dearborn, Michigan, that is committed to helping build a better world, where every person is free to move and pursue their dreams. The company’s Ford+ plan for growth and value creation combines existing strengths, new capabilities and always-on relationships with customers to enrich experiences for and deepen the loyalty of those customers. Ford develops and delivers innovative, must-have Ford trucks, sport utility vehicles commercial vans and cars and Lincoln luxury vehicles, as well as connected services. Additionally, Ford is establishing leadership positions in mobility solutions, including self-driving technology, and provides financial services through Ford Motor Credit Company. Ford employs about 182,000 people worldwide. More information about the company, its products and Ford Credit is available at corporate.ford.com.

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Conference Call Details

Ford Motor Company (NYSE: F) and Ford Motor Credit Company released their 2022 first-quarter financial results at 4:05 p.m. ET on Wednesday, April 27. Following the release, at 5:00 p.m. ET, Jim Farley, Ford president and chief executive officer; John Lawler, Ford chief financial officer; and other members of the Ford senior leadership team will host a conference call to discuss the results. The presentation and supporting materials will be available at shareholder.ford.com. Representatives of the investment community will have the opportunity to ask questions on the call.

Ford First-Quarter Earnings Call: Wednesday, April 27, at 5:00 p.m. ET

Toll-Free: 844.282.4573

International: +1.412.317.5617

Registration Link (option, speeds login): [Ford Q1 2022 Earnings Call](#) – registration strongly recommended to expedite connection time

Webcast: shareholder.ford.com

Replay

Available after 8:00 p.m. ET on April 27 and through May 27

Webcast: shareholder.ford.com

Toll-Free: (U.S.) 877.344.7529

(Canada) 855.669.9658

International: +1.412.317.0088

Conference ID: 2364458

Webcast: shareholder.ford.com

The following applies to the information throughout this release:

- See tables later in this release for the nature and amount of special items, and reconciliations of the non-GAAP financial measures designated as “adjusted” to the most comparable financial measures calculated in accordance with U.S. generally accepted accounting principles (“GAAP”).
- Wholesale unit and production volumes include Ford and Lincoln brand vehicles produced and sold by Ford or our unconsolidated affiliates and Jiangling Motors Corporation (“JMC”) brand vehicles produced and sold in China by our unconsolidated affiliate, and from Q2 2021 Ford brand vehicles produced in Taiwan by Lio Ho Group. Revenue does not include vehicles produced and sold by our unconsolidated affiliates. See materials supporting the April 27, 2022, conference call at shareholder.ford.com for further discussion of wholesale unit volumes.

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 Annual Report on Form 10-K for the year ended December 31, 2021, as updated by subsequent Quarterly Reports on Form 10-Q and Current Reports on Form 8-K.

FORD MOTOR COMPANY AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(in millions)

	For the periods ended March 31,	
	<u>2021</u>	<u>2022</u>
	First Quarter	
	(unaudited)	
Cash flows from operating activities		
Net income/(loss)	\$ 3,262	\$ (3,119)
Depreciation and tooling amortization	2,103	1,857
Other amortization	(361)	(310)
Provision for/(Benefit from) credit and insurance losses	(36)	(66)
Pension and other post-retirement employee benefits ("OPEB") expense/(income)	(318)	(213)
Equity method investment dividends received in excess of (earnings)/losses and impairments	68	199
Foreign currency adjustments	350	32
Net realized and unrealized (gains)/losses on cash equivalents, marketable securities, and other investments	(899)	5,454
Net (gain)/loss on changes in investments in affiliates	(166)	125
Stock compensation	41	67
Provision for deferred income taxes	427	(1,053)
Decrease/(Increase) in finance receivables (wholesale and other)	2,699	(2,192)
Decrease/(Increase) in accounts receivable and other assets	(588)	(956)
Decrease/(Increase) in inventory	(2,176)	(2,755)
Increase/(Decrease) in accounts payable and accrued and other liabilities	193	1,714
Other	(107)	132
Net cash provided by/(used in) operating activities	<u>4,492</u>	<u>(1,084)</u>
Cash flows from investing activities		
Capital spending	(1,368)	(1,370)
Acquisitions of finance receivables and operating leases	(11,695)	(10,278)
Collections of finance receivables and operating leases	12,482	11,988
Purchases of marketable securities and other investments	(11,580)	(4,319)
Sales and maturities of marketable securities and other investments	11,686	7,115
Settlements of derivatives	31	212
Other	(47)	(33)
Net cash provided by/(used in) investing activities	<u>(491)</u>	<u>3,315</u>
Cash flows from financing activities		
Cash payments for dividends and dividend equivalents	(3)	(405)
Purchases of common stock	—	—
Net changes in short-term debt	273	(614)
Proceeds from issuance of long-term debt	6,931	12,489
Payments of long-term debt	(14,892)	(12,975)
Other	(102)	(156)
Net cash provided by/(used in) financing activities	<u>(7,793)</u>	<u>(1,661)</u>
Effect of exchange rate changes on cash, cash equivalents, and restricted cash	<u>(93)</u>	<u>(24)</u>
Net increase/(decrease) in cash, cash equivalents, and restricted cash	<u>\$ (3,885)</u>	<u>\$ 546</u>
Cash, cash equivalents, and restricted cash at beginning of period	<u>\$ 25,935</u>	<u>\$ 20,737</u>
Net increase/(decrease) in cash, cash equivalents, and restricted cash	<u>(3,885)</u>	<u>546</u>
Cash, cash equivalents, and restricted cash at end of period	<u>\$ 22,050</u>	<u>\$ 21,283</u>

FORD MOTOR COMPANY AND SUBSIDIARIES
CONSOLIDATED INCOME STATEMENTS
(in millions, except per share amounts)

	For the periods ended March 31,	
	2021	2022
	First Quarter (unaudited)	
Revenues		
Automotive	\$ 33,554	\$ 32,111
Ford Credit	2,663	2,281
Mobility	11	84
Total revenues	36,228	34,476
Costs and expenses		
Cost of sales	29,297	29,036
Selling, administrative, and other expenses	2,843	2,740
Ford Credit interest, operating, and other expenses	1,624	1,357
Total costs and expenses	33,764	33,133
Operating income/(loss)	2,464	1,343
Interest expense on Company debt excluding Ford Credit	473	308
Other income/(loss), net	1,872	(4,850)
Equity in net income/(loss) of affiliated companies	79	(33)
Income/(Loss) before income taxes	3,942	(3,848)
Provision for/(Benefit from) income taxes	680	(729)
Net income/(loss)	3,262	(3,119)
Less: Income/(Loss) attributable to noncontrolling interests	—	(9)
Net income/(loss) attributable to Ford Motor Company	\$ 3,262	\$ (3,110)
EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO FORD MOTOR COMPANY COMMON AND CLASS B STOCK		
Basic income/(loss)	\$ 0.82	\$ (0.78)
Diluted income/(loss)	0.81	(0.78)
Weighted-average shares used in computation of earnings/(loss) per share		
Basic shares	3,980	4,008
Diluted shares	4,016	4,008

FORD MOTOR COMPANY AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(in millions)

	December 31, 2021	March 31, 2022
	(unaudited)	
ASSETS		
Cash and cash equivalents	\$ 20,540	\$ 21,013
Marketable securities	29,053	20,215
Ford Credit finance receivables, net of allowance for credit losses of \$282 and \$262	32,543	32,775
Trade and other receivables, less allowances of \$48 and \$77	11,370	13,031
Inventories	12,065	14,647
Assets held for sale	—	826
Other assets	3,425	3,635
Total current assets	108,996	106,142
Ford Credit finance receivables, net of allowance for credit losses of \$643 and \$583	51,256	50,000
Net investment in operating leases	26,361	25,546
Net property	37,139	36,625
Equity in net assets of affiliated companies	4,545	4,306
Deferred income taxes	13,796	14,991
Other assets	14,942	15,376
Total assets	\$ 257,035	\$ 252,986
LIABILITIES		
Payables	\$ 22,349	\$ 23,256
Other liabilities and deferred revenue	18,686	18,263
Debt payable within one year		
Company excluding Ford Credit	3,175	2,927
Ford Credit	46,517	45,359
Liabilities held for sale	—	547
Total current liabilities	90,727	90,352
Other liabilities and deferred revenue	27,705	28,501
Long-term debt		
Company excluding Ford Credit	17,200	17,158
Ford Credit	71,200	70,157
Deferred income taxes	1,581	1,734
Total liabilities	208,413	207,902
EQUITY		
Common Stock, par value \$0.01 per share (4,066 million shares issued of 6 billion authorized)	40	41
Class B Stock, par value \$0.01 per share (71 million shares issued of 530 million authorized)	1	1
Capital in excess of par value of stock	22,611	22,550
Retained earnings	35,769	32,251
Accumulated other comprehensive income/(loss)	(8,339)	(8,294)
Treasury stock	(1,563)	(1,564)
Total equity attributable to Ford Motor Company	48,519	44,985
Equity attributable to noncontrolling interests	103	99
Total equity	48,622	45,084
Total liabilities and equity	\$ 257,035	\$ 252,986

SUPPLEMENTAL INFORMATION

The tables below provide supplemental consolidating financial information. Company excluding Ford Credit includes our Automotive and Mobility reportable segments, Corporate Other, Interest on Debt, and Special Items. Eliminations, where presented, primarily represent eliminations of intersegment transactions and deferred tax netting.

Selected Cash Flow Information. The following tables provide supplemental cash flow information (in millions):

	For the period ended March 31, 2022			
	First Quarter			
	Company excluding Ford Credit	Ford Credit	Eliminations	Consolidated
<u>Cash flows from operating activities</u>				
Net income	\$ (3,962)	\$ 843	\$ —	\$ (3,119)
Depreciation and tooling amortization	1,332	525	—	1,857
Other amortization	33	(343)	—	(310)
Provision for/(Benefit from) credit and insurance losses	5	(71)	—	(66)
Pension and OPEB expense/(income)	(213)	—	—	(213)
Equity method investment dividends received in excess of (earnings)/losses and impairments	205	(6)	—	199
Foreign currency adjustments	(57)	89	—	32
Net realized and unrealized (gains)/losses on cash equivalents, marketable securities, and other investments	5,415	39	—	5,454
Net (gain)/loss on changes in investments in affiliates	123	2	—	125
Stock compensation	64	3	—	67
Provision for deferred income taxes	(1,090)	37	—	(1,053)
Decrease/(Increase) in finance receivables (wholesale and other)	—	(2,192)	—	(2,192)
Decrease/(Increase) in intersegment receivables/payables	(570)	570	—	—
Decrease/(Increase) in accounts receivable and other assets	(876)	(80)	—	(956)
Decrease/(Increase) in inventory	(2,755)	—	—	(2,755)
Increase/(Decrease) in accounts payable and accrued and other liabilities	1,828	(114)	—	1,714
Other	310	(178)	—	132
Interest supplements and residual value support to Ford Credit	(457)	457	—	—
Net cash provided by/(used in) operating activities	\$ (665)	\$ (419)	\$ —	\$ (1,084)
<u>Cash flows from investing activities</u>				
Capital spending	\$ (1,358)	\$ (12)	\$ —	\$ (1,370)
Acquisitions of finance receivables and operating leases	—	(10,278)	—	(10,278)
Collections of finance receivables and operating leases	—	11,988	—	11,988
Purchases of marketable and other investments	(3,410)	(909)	—	(4,319)
Sales and maturities of marketable securities and other investments	6,108	1,007	—	7,115
Settlements of derivatives	64	148	—	212
Other	(35)	2	—	(33)
Investing activity (to)/from other segments	1,031	(30)	(1,001)	—
Net cash provided by/(used in) investing activities	\$ 2,400	\$ 1,916	\$ (1,001)	\$ 3,315
<u>Cash flows from financing activities</u>				
Cash payments for dividends and dividend equivalents	\$ (405)	\$ —	\$ —	\$ (405)
Purchases of common stock	—	—	—	—
Net changes in short-term debt	(6)	(608)	—	(614)
Proceeds from issuance of long-term debt	—	12,489	—	12,489
Payments of long-term debt	(270)	(12,705)	—	(12,975)
Other	(124)	(32)	—	(156)
Financing activity to/(from) other segments	(1)	(1,000)	1,001	—
Net cash provided by/(used in) financing activities	\$ (806)	\$ (1,856)	\$ 1,001	\$ (1,661)
Effect of exchange rate changes on cash, cash equivalents, and restricted cash	\$ 10	\$ (34)	\$ —	\$ (24)

Selected Income Statement Information. The following table provides supplemental income statement information (in millions):

	For the period ended March 31, 2022		
	First Quarter		
	Company excluding Ford Credit	Ford Credit	Consolidated
Revenues	\$ 32,195	\$ 2,281	\$ 34,476
Total costs and expenses	31,776	1,357	33,133
Operating income/(loss)	419	924	1,343
Interest expense on Company debt excluding Ford Credit	308	—	308
Other income/(loss), net	(4,848)	(2)	(4,850)
Equity in net income/(loss) of affiliated companies	(39)	6	(33)
Income/(Loss) before income taxes	(4,776)	928	(3,848)
Provision for/(Benefit from) income taxes	(814)	85	(729)
Net income/(loss)	(3,962)	843	(3,119)
Less: Income/(Loss) attributable to noncontrolling interests	(9)	—	(9)
Net income/(loss) attributable to Ford Motor Company	\$ (3,953)	\$ 843	\$ (3,110)

Selected Balance Sheet Information. The following tables provide supplemental balance sheet information (in millions):

	March 31, 2022			
	Company excluding Ford Credit	Ford Credit	Eliminations	Consolidated
Assets				
Cash and cash equivalents	\$ 10,434	\$ 10,579	\$ —	\$ 21,013
Marketable securities	18,179	2,036	—	20,215
Ford Credit finance receivables, net	—	32,775	—	32,775
Trade and other receivables, net	3,559	9,472	—	13,031
Inventories	14,647	—	—	14,647
Assets held for sale	825	1	—	826
Other assets	2,905	730	—	3,635
Receivable from other segments	5	641	(646)	—
Total current assets	50,554	56,234	(646)	106,142
Ford Credit finance receivables, net	—	50,000	—	50,000
Net investment in operating leases	1,183	24,363	—	25,546
Net property	36,400	225	—	36,625
Equity in net assets of affiliated companies	4,177	129	—	4,306
Deferred income taxes	14,774	207	10	14,991
Other assets	13,980	1,396	—	15,376
Receivable from other segments	—	28	(28)	—
Total assets	\$ 121,068	\$ 132,582	\$ (664)	\$ 252,986
Liabilities				
Payables	\$ 22,251	\$ 1,005	\$ —	\$ 23,256
Other liabilities and deferred revenue	17,018	1,245	—	18,263
Debt payable within one year	2,927	45,359	—	48,286
Liabilities held for sale	547	—	—	547
Payable to other segments	646	—	(646)	—
Total current liabilities	43,389	47,609	(646)	90,352
Other liabilities and deferred revenue	26,560	1,941	—	28,501
Long-term debt	17,158	70,157	—	87,315
Deferred income taxes	984	740	10	1,734
Payable to other segments	28	—	(28)	—
Total liabilities	\$ 88,119	\$ 120,447	\$ (664)	\$ 207,902

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 rereasurement 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 rereasurements 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 rereasurement 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 rereasurement gains and losses.
- **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.

Note: Calculated results may not sum due to rounding

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

	First Quarter	
	2021	2022
Net income / (loss) attributable to Ford (GAAP)	\$ 3,262	\$ (3,110)
Income / (Loss) attributable to non-controlling interests	-	(9)
Net income / (loss)	\$ 3,262	\$ (3,119)
Less: (Provision for) / Benefit from income taxes	(680)	729
Income / (Loss) before income taxes	\$ 3,942	\$ (3,848)
Less: Special items pre-tax	503	(5,866)
Income / (Loss) before special items pre-tax	\$ 3,439	\$ 2,018
Less: Interest on debt	(473)	(308)
Adjusted EBIT (Non-GAAP)	<u>\$ 3,912</u>	<u>\$ 2,326</u>
Memo:		
Revenue (\$B)	\$ 36.2	\$ 34.5
Net income / (loss) margin (GAAP) (%)	9.0%	(9.0)%
Adjusted EBIT margin (Non-GAAP) (%)	10.8%	6.7%

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

	First Quarter	
	2021	2022
<u>Diluted After-Tax Results (\$M)</u>		
Diluted after-tax results (GAAP)	\$ 3,262	\$ (3,110)
Less: Impact of pre-tax and tax special items	445	(4,674)
Adjusted net income - diluted (Non-GAAP)	<u>\$ 2,817</u>	<u>\$ 1,564</u>
<u>Basic and Diluted Shares (M)</u>		
Basic shares (average shares outstanding)	3,980	4,008
Net dilutive options, unvested restricted stock units, unvested restricted stock shares, and convertible debt	36	56
Diluted shares	<u>4,016</u>	<u>4,064</u>
Earnings / (Loss) per share - diluted (GAAP) *	\$ 0.81	\$ (0.78)
Less: Net impact of adjustments	0.11	(1.16)
Adjusted earnings per share - diluted (Non-GAAP)	<u>\$ 0.70</u>	<u>\$ 0.38</u>

* The Q1 2022 calculation of Earnings Per Share - Diluted (GAAP) excludes 56M shares of net dilutive options, unvested restricted stock units, unvested restricted stock shares, and convertible debt due to their antidilutive effect

Effective Tax Rate Reconciliation To Adjusted Effective Tax Rate

	<u>2022</u>	<u>Memo:</u>
	<u>Q1</u>	<u>Full Year 2021</u>
<u>Pre-Tax Results (\$M)</u>		
Income / (Loss) before income taxes (GAAP)	\$ (3,848)	\$ 17,780
Less: Impact of special items	(5,866)	9,583
Adjusted earnings before taxes (Non-GAAP)	<u>\$ 2,018</u>	<u>\$ 8,197</u>
<u>Taxes (\$M)</u>		
(Provision for) / Benefit from income taxes (GAAP)	\$ 729	\$ 130
Less: Impact of special items	1,192	1,924
Adjusted (provision for) / benefit from income taxes (Non-GAAP)	<u>\$ (463)</u>	<u>\$ (1,794)</u>
<u>Tax Rate (%)</u>		
Effective tax rate (GAAP)	18.9%	(0.7)%
Adjusted effective tax rate (Non-GAAP)	22.9%	21.9%

Net Cash Provided By / (Used In) Operating Activities Reconciliation To Company Adjusted Free Cash Flow (\$M)

	<u>Q4 2020</u>	<u>Q1 2021</u>	<u>Q2 2021</u>	<u>Q3 2021</u>	<u>Q4 2021</u>	<u>Q1 2022</u>
Net cash provided by / (used in) operating activities (GAAP)	\$ 4,539	\$ 4,492	\$ 756	\$ 7,008	\$ 3,531	\$ (1,084)
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	(419)
Funded pension contributions	(141)	(229)	(164)	(209)	(171)	(174)
Global Redesign (including separations)	(127)	(345)	(970)	(293)	(327)	(148)
Ford Credit tax payments / (refunds) under tax sharing agreement	8	4	-	-	11	-
Other, net	(185)	64	(263)	(13)	(129)	(48)
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)	(1,349)
Ford Credit distributions	1,290	1,000	4,000	1,500	1,000	1,000
Settlement of derivatives	129	(25)	(133)	(42)	(55)	64
Company adjusted free cash flow (Non-GAAP)	<u>\$ 1,873</u>	<u>\$ (383)</u>	<u>\$ (5,122)</u>	<u>\$ 7,760</u>	<u>\$ 2,335</u>	<u>\$ (580)</u>

Adjusted ROIC (\$B)

	<u>Four Quarters Ending Q1 2021</u>	<u>Four Quarters Ending Q1 2022</u>
<u>Adjusted Net Operating Profit / (Loss) After Cash Tax</u>		
Net income / (loss) attributable to Ford	\$ 4.0	\$ 11.6
Add: Non-controlling interest	0.0	(0.0)
Less: Income tax	0.0	1.5
Add: Cash tax	(0.4)	(0.6)
Less: Interest on debt	(1.9)	(1.6)
Less: Total pension / OPEB income / (cost)	(0.9)	4.8
Add: Pension / OPEB service costs	(1.1)	(1.1)
	<u>5.2</u>	<u>5.2</u>
Net operating profit / (loss) after cash tax	\$ 5.2	\$ 5.2
Less: Special items (excl. pension / OPEB) pre-tax	0.5	(0.4)
	<u>4.8</u>	<u>5.6</u>
Adj. net operating profit / (loss) after cash tax	\$ 4.8	\$ 5.6
<u>Invested Capital</u>		
Equity	\$ 34.0	\$ 45.1
Debt (excl. Ford Credit)	25.9	20.1
Net pension and OPEB liability	12.2	5.8
Invested capital (end of period)	<u>\$ 72.1</u>	<u>\$ 70.9</u>
	<u>72.9</u>	<u>72.7</u>
Average invested capital	\$ 72.9	\$ 72.7
ROIC ^(a)	7.2%	7.2%
Adjusted ROIC (Non-GAAP) ^(b)	6.6%	7.8%

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

Special Items (\$B)

	First Quarter	
	2021	2022
<u>Global Redesign</u>		
South America	\$ (0.3)	\$ (0.0)
Separations and Other (not included above)	(0.1)	(0.0)
Subtotal Global Redesign	<u>\$ (0.4)</u>	<u>\$ (0.1)</u>
<u>Other Items</u>		
Mark-to-market gain / (loss) on Rivian investment	\$ 0.9	\$ (5.4)
Russia suspension of operations / Asset write-off	-	(0.1)
Other	(0.0)	(0.2)
Subtotal Other Items	<u>\$ 0.9</u>	<u>\$ (5.8)</u>
<u>Pension and OPEB Gain / (Loss)</u>		
Pension and OPEB remeasurement	\$ 0.1	\$ 0.0
Pension settlements & curtailments	(0.0)	-
Subtotal Pension and OPEB Gain / (Loss)	<u>\$ 0.0</u>	<u>\$ 0.0</u>
Total EBIT Special Items	<u><u>\$ 0.5</u></u>	<u><u>\$ (5.9)</u></u>
Cash Effects of Global Redesign (incl. separations)	\$ (0.3)	\$ (0.1)

FORD MOTOR CREDIT COMPANY LLC AND SUBSIDIARIES
CONSOLIDATED INCOME STATEMENTS
(in millions)

	For the periods ended March 31,	
	2021	2022
	First Quarter (unaudited)	
Financing revenue		
Operating leases	\$ 1,380	\$ 1,211
Retail financing	990	906
Dealer financing	286	164
Other financing	14	7
Total financing revenue	2,670	2,288
Depreciation on vehicles subject to operating leases	(568)	(515)
Interest expense	(804)	(611)
Net financing margin	1,298	1,162
Other revenue		
Insurance premiums earned	27	15
Fee based revenue and other	20	23
Total financing margin and other revenue	1,345	1,200
Expenses		
Operating expenses	343	348
Provision for/(Benefit from) credit losses	(40)	(64)
Insurance expenses	5	(7)
Total expenses	308	277
Other income/(loss), net	(75)	(169)
Income before income taxes	962	754
Provision for/(Benefit from) income taxes	117	85
Net income	\$ 845	\$ 669

FORD MOTOR CREDIT COMPANY LLC AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(in millions)

	December 31, 2021	March 31, 2022
	(unaudited)	
ASSETS		
Cash and cash equivalents	\$ 10,963	\$ 10,579
Marketable securities	2,173	2,036
Finance receivables, net		
Retail installment contracts, dealer financing, and other financing	85,347	86,261
Finance leases	7,003	6,770
Total finance receivables, net of allowance for credit losses of \$925 and \$845	92,350	93,031
Net investment in operating leases	25,167	24,364
Notes and accounts receivable from affiliated companies	703	446
Derivative financial instruments	1,065	639
Other assets	2,524	2,482
Total assets	\$ 134,945	\$ 133,577
LIABILITIES		
Accounts payable		
Customer deposits, dealer reserves, and other	\$ 1,051	\$ 1,005
Affiliated companies	425	878
Total accounts payable	1,476	1,883
Debt	117,717	115,516
Deferred income taxes	676	740
Derivative financial instruments	512	1,337
Other liabilities and deferred revenue	2,166	1,965
Total liabilities	122,547	121,441
SHAREHOLDER'S INTEREST		
Shareholder's interest	5,227	5,166
Accumulated other comprehensive income/(loss)	(690)	(538)
Retained earnings	7,839	7,508
Shareholder's interest attributable to Ford Motor Credit Company	12,376	12,136
Shareholder's interest attributable to noncontrolling interests	22	—
Total shareholder's interest	12,398	12,136
Total liabilities and shareholder's interest	\$ 134,945	\$ 133,577

FORD MOTOR CREDIT COMPANY LLC AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(in millions)

	For the periods ended March 31,	
	2021	2022
	First Three Months (unaudited)	
Cash flows from operating activities		
Net income	\$ 845	\$ 669
Provision for/(Benefit From) credit losses	(40)	(64)
Depreciation and amortization	738	682
Amortization of upfront interest supplements	(578)	(508)
Net change in deferred income taxes	13	37
Net change in other assets	341	(24)
Net change in other liabilities	229	418
All other operating activities	114	152
Net cash provided by/(used in) operating activities	<u>1,662</u>	<u>1,362</u>
Cash flows from investing activities		
Purchases of finance receivables	(8,467)	(7,891)
Principal collections of finance receivables	10,315	9,615
Purchases of operating lease vehicles	(2,841)	(2,041)
Proceeds from termination of operating lease vehicles	2,488	2,469
Net change in wholesale receivables and other short-duration receivables	2,628	(2,224)
Purchases of marketable securities	(3,701)	(909)
Proceeds from sales and maturities of marketable securities	4,598	1,007
Settlements of derivatives	56	148
All other investing activities	(10)	(39)
Net cash provided by/(used in) investing activities	<u>5,066</u>	<u>135</u>
Cash flows from financing activities		
Proceeds from issuances of long-term debt	4,631	12,489
Payments of long-term debt	(14,814)	(12,705)
Net change in short-term debt	568	(608)
Cash distributions to parent	(1,000)	(1,000)
All other financing activities	(11)	(32)
Net cash provided by/(used in) financing activities	<u>(10,626)</u>	<u>(1,856)</u>
Effect of exchange rate changes on cash, cash equivalents, and restricted cash	<u>(67)</u>	<u>(34)</u>
Net increase/(decrease) in cash, cash equivalents and restricted cash	<u>\$ (3,965)</u>	<u>\$ (393)</u>
Cash, cash equivalents, and restricted cash at beginning of period	<u>\$ 14,996</u>	<u>\$ 11,091</u>
Net increase/(decrease) in cash, cash equivalents, and restricted cash	<u>(3,965)</u>	<u>(393)</u>
Cash, cash equivalents, and restricted cash at end of period	<u>\$ 11,031</u>	<u>\$ 10,698</u>