



## Ford Readies North America's Freshest Lineup by 2020 with Onslaught of Connected New Trucks, SUVs and Hybrids

- Building toward its vision of smart vehicles in a smart world, Ford is revamping its lineup, building on truck, SUV and commercial strengths, investing in new propulsion and delivering full connectivity to pave the way for over-the-air updates and the [Transportation Mobility Cloud](#)
- Ford brand targeting North America's freshest lineup among full-line makers by 2020, replacing more than 75 percent of its current portfolio and adding four new trucks and SUVs
- All-in push on hybrid-electrics to bring new capability and features to customers on high-volume, profitable vehicles like F-150, Mustang, Explorer, Escape and Bronco; battery electric vehicle rollout starts in 2020 with performance utility and six BEVs by 2022
- Ford announces Ford Co-Pilot360™, a package that includes standard automatic emergency braking, blind spot warning and other driver assist features
- Redesigned organization and product development system sharpening focus on customers and market insights to define bets; new tools and technology to improve speed-to-market by reducing sketch-to-showroom and changeover time, adding to the company's bottom line

**DEARBORN, Mich., March 15, 2018** – Ford is revamping its lineup, building on truck, SUV and commercial strengths, investing in new propulsion and delivering standard connectivity on new vehicles, paving the way for over-the-air updates and the Transportation Mobility Cloud, an open platform that will empower tomorrow's mobility systems.

By 2020, Ford will offer North America's freshest lineup among all full-line automakers, with its average showroom age dropping from 5.7 to 3.3 years as it replaces three-quarters of its lineup and adds four new trucks and SUVs.

Ford is going all-in on hybrids, offering customers more performance and capability yet serving as a hedge against higher gas prices. All new Ford vehicles will have 4G LTE connectivity by the end of 2019. Ford is also introducing Ford Co-Pilot360, a new driver-assist technology package with standard automatic emergency braking and helps protect from the front, rear and sides.

"Our passion for great vehicles is stronger than ever," said Jim Hackett, Ford president and CEO. "This showroom transformation will thrill customers, drive profitable growth and further build toward our future of smart vehicles in a smart world."

### Where Ford is Playing

Ford is strengthening its position in the following segments: trucks, SUVs (including off-road and performance versions), hybrids, battery electric vehicles and commercial vehicles.

**Trucks:** Since the 2014 debut of the new F-150 with a high-strength, military-grade, aluminum-alloy body, Ford has gained 1.3 percentage points of share in the full-size pickup segment. Average F-Series transaction prices lead the segment – up \$6,700 per vehicle since 2014 – because of high-

end versions like Lariat, King Ranch and Platinum. Ford's F-Series revenues alone are higher than revenues of Fortune 500 icons such as Facebook, Coca-Cola and Nike.

Ford's truck business will continue growing as the company adds new models and powertrains with an eye toward continued growth in high-end trims. Some highlights include:

- 2018: New 3.0-liter Power Stroke® diesel engine for F-150, updated version of the popular F-150 Raptor
- 2019: Ranger returns to midsize truck segment; new F-Series Super Duty debuts
- 2020: New F-150 debuts with new hybrid powertrain featuring a mobile generator

**SUVs:** By 2020, Ford estimates SUV sales could account for 50 percent of U.S. industry retail sales – one reason Ford is reallocating \$7 billion in capital from cars to SUVs. By 2020, Ford plans an industry-leading lineup of eight SUVs – five of which will offer hybrid powertrains and one battery electric. Ford SUV sales are estimated to grow 20 percent – more than double the industry rate – to more than 950,000 by 2020, according to LMC Automotive, and surpass 1 million by 2021.

After recently introducing an all-new model at each end of the SUV spectrum – the subcompact EcoSport and full-size Expedition – Ford's next push is in the highest volume SUV segments. Entirely new versions of the Escape and Explorer debut next year; combined, these two models make up 70 percent of Ford's SUV volume.

Ford also plans to drive growth with two all-new off-road models: the new Bronco and a yet-to-be-named off-road small utility – both designed to win a growing number of people who love getting away and spending time outdoors with their families and friends.

“Ford helped start the off-road phenomenon and has majored in off-road capability for decades – from the Bronco to the Raptor,” said Jim Farley, Ford president, Global Markets. “Now, we're ready to reclaim our rightful place as the off-road vehicle leader.”

Ford also will grow its lineup of performance SUVs. Two additions to the Ford Performance lineup include the all-new Edge ST later this year, and an Explorer ST will soon follow. These two new SUVs will help Ford Performance deliver on its promise of 12 new models by 2020, and will help extend the division's growth, which has risen 81 percent in the last four years.

Ford Performance sales are on track to grow another 71 percent by 2020, driven by SUVs.

**Next-Gen Hybrid Electrics:** Part of Ford's new strategy includes going all-in on hybrids to bring more capability to customers of our most popular and high-volume vehicles like F-150, Mustang, Explorer, Escape and Bronco – and serve as a hedge for customers against higher gas prices.

Ford's new hybrids will offer customers more space than today's hybrids. On the F-150 Hybrid, Ford will lean in to capability, such as the low-end torque for extra pulling power and the fact it can serve as a mobile generator. Mustang Hybrid will be all about delivering V8-like performance with more low-end torque.

“Hybrids for years have been mostly niche products but are now on the cusp of a mainstream breakout,” Farley said. “The valuable capability they offer – plus fuel efficiency – is why we're going to offer hybrid variants of our most popular and high-volume vehicles, allowing our loyal, passionate customers to become advocates for the technology.”

Ford's new hybrid system is designed to be more efficient and less expensive than previous generations. These lower costs – achieved through supply base relationships, using common cell

and component design and by manufacturing motors, transmissions and battery packs – with the intention of lowering cost of ownership for customers.

**Battery electric vehicles:** Battery electric vehicles (BEVs) represent more than a different powertrain – they represent a lifestyle change for consumers, especially for those who have never driven an electric vehicle.

That is why Ford’s strategy includes rethinking the ownership experience so it is more seamless than with today’s gas-powered vehicles. That means making charging an effortless experience at home and on the road as well as offering full-vehicle over-the-air software updates to enhance capability and features.

“Throwing a charger in the trunk of a vehicle and sending customers on their way isn’t enough to help promote the viability of electric vehicles,” said Sherif Marakby, vice president, Autonomous and Electric Vehicles. “In addition to expanding our electric vehicle lineup, we are redesigning the ownership experience to ensure it addresses customer pain points that currently hold back broad adoption today.”

Ford’s BEV manufacturing plan will be more efficient. The company will halve floor space for final assembly operations and reduce capital investment 50 percent. A projected 30 percent improvement in labor efficiency will allow Ford to redeploy employees to do other jobs, including assembly of battery packs (which are normally expensive and complex to ship).

Ford’s new performance battery electric utility arrives in 2020. It is the first of seven electric vehicles coming by 2022 as part of the company’s \$11 billion global electric vehicle investment.

**Commercial vehicles:** Ford, the only full-line brand with offerings that stretch from Class 1 to Class 7, has a commanding 38 percent share of the U.S. commercial vehicle market. Last year, it sold more CVs than the second, third and fourth place competitors combined.

To continue building on its commercial vehicle leadership, Ford plans to:

- Debut a new Transit with 4G LTE connectivity, coming in 2019
- Extend production of its E-Series cutaway and stripped chassis into the 2020s
- Offer Automatic Emergency Braking, Lane Departure Warning, Driver Alert System and more on future E-Series, F-650, F-750 and F59 chassis products

Ford earlier this year introduced new versions of its Transit Connect Cargo Van and Transit Connect Wagon, with both arriving at dealerships later this year.

### **Designing a better PD system**

While delivering this new vehicle portfolio, Ford is continuously improving its operational fitness by increasing product speed to market, improving quality and further reducing complexity, and reducing cost. Driving improvements are the company’s new structure and new tools and technologies that drive even more human-centered designs.

Ford’s new organization is designed to ensure company leaders view market and regional demands holistically to decide which vehicles and features customers value most.

This drives more strategic and efficient investments, instead of trying to satisfy individual market requests. The efficiencies benefit the company and individual regions like North America.

Ford also is moving to flexible vehicle architectures and more common parts across models, cutting new product development time – from sketch to dealer showroom – by 20 percent. This is helping Ford achieve its commitment to deliver \$4 billion of engineering efficiencies. The company intends to have the most efficient Product Development organization among full-line automakers within five years.

Ford's five flexible vehicle architectures – body-on-frame, front-wheel-drive unibody, rear-wheel-drive unibody, commercial van unibody and BEV – are paired with module “families” that address the power pack, electrical pack and vehicle configurations. Seventy percent of each vehicle's engineering will be driven from this new architecture approach, with 30 percent of content – including grilles, hoods, doors and more – customized for each vehicle.

For instance, as more vehicles become connected, new analytics tools will show which vehicle technologies customers use most often. This new data-driven insight will help determine which features to grow and invest in and which to eliminate, reducing manufacturing complexity, improving pricing, reducing incentives and building revenue over time.

Simplification is another key aspect of the plan. Ford already has reduced orderable combinations on Ford SUVs by 80 percent since 2014, including a 97 percent reduction on the new Edge coming later this year.

**New manufacturing tools and technologies:** Increased use of augmented and virtual reality are helping reduce Ford's plant changeover time by an estimated 25 percent, which adds an average \$50 million to the company's bottom line per changeover.

Simulating various production processes and assembly line configurations in the virtual world helps identify potentially hazardous maneuvers and fine-tune workflows before construction even begins, saving an estimated 20 percent of tooling cost on each vehicle program.

The company also is increasing its use of collaborative robots that can perform jobs quickly and repetitively, helping reduce the risk of injury to employees, freeing them up for more high-value jobs and improving the company's bottom line.

“We're looking at every part of our business, making it more fit and ensuring that every action we take is driven by what will serve our customers in a way that supports our fitness and performance goals,” said Joe Hinrichs, president, Global Operations.

*Note: Average showroom age based on Ford internal estimates and Bank of America Merrill Lynch Car Wars 2018-2021 report.*

## About Ford Motor Company

Ford Motor Company is a global company based in Dearborn, Michigan. The company designs, manufactures, markets and services a full line of Ford cars, trucks, SUVs, electrified vehicles and Lincoln luxury vehicles, provides financial services through Ford Motor Credit Company and is pursuing leadership positions in electrification, autonomous vehicles and mobility solutions.

Ford employs approximately 202,000 people worldwide. For more information regarding Ford, its products and Ford Motor Credit Company, please visit [www.corporate.ford.com](http://www.corporate.ford.com).