



# Ford Motor Company Reports Fourth Quarter and Full Year 2017 Results; Revenue Up, Net Income Higher, Adjusted Pre-Tax Profit Lower

## 2017 FOURTH QUARTER & FULL YEAR FINANCIAL RESULTS

	Revenue (GAAP)	Net Income (GAAP)	Adjusted Pre-Tax Profit (Non-GAAP)	EPS (GAAP)	Adjusted EPS (Non-GAAP)	Automotive Operating Margin (GAAP)	Automotive Cash Flow (GAAP)
<b>4Q 2017</b>	<b>\$41.3B</b>	<b>\$2.4B</b>	<b>\$1.7B</b>	<b>\$0.60</b>	<b>\$0.39</b>	<b>3.7%</b>	<b>\$2.3B</b>
B/(W) 4Q 2016	\$2.6B	\$3.2B	\$(0.4)B	\$0.80	\$0.09	(2.0) pts	\$0.8B
<b>FY 2017</b>	<b>\$156.8B</b>	<b>\$7.6B</b>	<b>\$8.4B</b>	<b>\$1.90</b>	<b>\$1.78</b>	<b>5.0%</b>	<b>\$3.9B</b>
B/(W) FY 2016	\$5.0B	\$3.0B	\$(1.9)B	\$0.75	\$0.02	(1.7) pts	\$(2.5)B

### HIGHLIGHTS 4Q 2017\*

- Company revenue was up 7%, driven by higher wholesale volume
- Fourth quarter net income was \$2.4B, up \$3.2B year over year due to lower remeasurement loss on pension and OPEB plans and favorable tax planning; EPS of \$0.60, up \$0.80 year over year
- Adjusted pre-tax profit was \$1.7B, down \$0.4B, due to higher commodity cost and adverse exchange. Adjusted EPS was \$0.39, up \$0.09 year over year due to favorable tax planning
- Adjusted pre-tax profit driven by North America and Ford Credit
- Cash and liquidity remain strong, with Automotive cash at \$26.5B
- Ford Credit pre-tax profit of \$610M, up 53% year over year

### HIGHLIGHTS FULL YEAR 2017\*

- Company full year revenue up 3%, with full year average transaction prices in the U.S. up \$1,300 – more than twice the industry average
- Net income was \$7.6B, up 65% from a year ago, supporting \$500M supplemental cash dividend or \$0.13 per share
- Ford Credit pre-tax profit was \$2.3B, up 23% from a year ago; ranked highest in U.S. consumer financing satisfaction by J.D. Power
- Profit sharing payments to more than 54,000 eligible hourly UAW-represented employees; approximately \$7,500 for employees on a full-year basis
- For 2018: 23 global products to be launched; expect adj. EPS in the range of \$1.45 to \$1.70, assuming adj. effective tax rate of about 15%

## PRODUCT AND OTHER HIGHLIGHTS



F-Series

#### F-Series

F-Series sales totaled 896,764 pickups for the year, marking its 41<sup>st</sup> year as America's best-selling pickup, up 9.3 percent over 2016. 2017 marked the best annual sales performance since 2005, while F-Series ATPs were up \$3,200 for the year.



Ford Transit Connect

#### Sales Leadership

In 2017, Ford achieved its eighth consecutive year as the best-selling brand in the U.S. In Europe, Ford retained the title of commercial vehicle leader for the third straight year. Lincoln set an annual sales record in China with a 66% gain year over year.



Ford Fusion AV Test Vehicle

#### Mobility / Connectivity

In December, announced increased investment in Flat Rock, Michigan plant to manufacture a purpose-built autonomous vehicle. And in October, announced that by 2019, 100 percent of Ford's new U.S. vehicles will be built with connectivity, and 90 percent globally by 2020.



"In 2017, we made tremendous progress in laying the foundation for our strategy – smart vehicles for a smart world – from accelerating our connected vehicles plans to expanding our AV and EV work. As we move into 2018, we are intensely focused on improving the operational fitness of our business to deliver strong results while continuing to build toward our vision of the future."

Jim Hackett, President & CEO

"Our balance sheet remains strong and we are focused on improving the company's fitness to strengthen future results. We remain committed to providing value to our shareholders including expected distributions totaling about \$3.1 billion in 2018."

Bob Shanks  
Executive Vice President & CFO



\* See endnote on page 4.

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Ford Motor Company 4Q / FY January 24, 2018

## AUTOMOTIVE SEGMENT RESULTS

	Wholesales	Revenue (GAAP)	Market Share	Operating Margin (GAAP)	Pre-Tax Profit (GAAP)
4Q 2017	1,749K	\$38.5B	6.6%	3.7%	\$1.4B
B/(W) 4Q 2016	42K	\$2.5B	(0.1) ppts	(2.0) ppts	\$(0.6) B

	Wholesales	Revenue (GAAP)	Market Share	Operating Margin (GAAP)	Pre-Tax Profit (GAAP)
FY 2017	6,607K	\$145.7B	7.0%	5.0%	\$7.3B
B/(W) FY 2016	(44)K	\$4.2B	(0.2) ppts	(1.7) ppts	\$(2.2)B

### North America

- In 4Q, top-line metrics up year over year, including market share
- Wholesale volume was up 5%, driven by higher share in the U.S. and favorable change in dealer stocks
- Revenue was up 4% from a year ago due to higher volume
- Higher share driven by U.S. fleet and SUV retail share
- Lower year-over-year profit, driven by Expedition and Navigator launch effects and higher commodity and warranty cost

	Wholesales	Revenue	Market Share	Operating Margin	Pre-Tax Results
4Q 2017	739K	\$24.1B	13.7%	6.8%	\$1.6B
B/(W) 4Q 2016	36K	\$1.0B	0.6 ppts	(1.7) ppts	\$(0.3)B
FY 2017	2,967K	\$93.5B	13.9%	8.0%	\$7.5B
B/(W) FY 2016	(52)K	\$0.9B	-- ppts	(1.7) ppts	\$(1.5)B

### South America

- In 4Q, pre-tax loss improved 33% from a year ago as macroeconomic conditions continue to improve
- Revenue in the quarter was up due to volume and pricing
- Marked fifth consecutive quarter of improved operating margin and pre-tax results

4Q 2017	107K	\$1.7B	8.9%	(11.6)%	\$(197)M
B/(W) 4Q 2016	17K	\$0.3B	0.1 ppts	9.5 ppts	\$96M
FY 2017	373K	\$5.8B	8.9%	(13.4)%	\$(784)M
B/(W) FY 2016	48K	\$1.0B	0.1 ppts	9.6 ppts	\$325M

### Europe

- In 4Q, the top-line metrics were up year over year, while bottom line was lower due to Brexit effects, higher warranty and commodity costs
- Higher revenue driven by favorable mix as well as higher volume and net pricing
- Commercial vehicle share improved and Ford remained Europe's best-selling commercial vehicle brand for the sixth consecutive quarter

4Q 2017	416K	\$8.1B	7.4%	0.7%	\$56M
B/(W) 4Q 2016	26K	\$0.9B	-- ppts	(1.6) ppts	\$(110)M
FY 2017	1,582K	\$29.7B	7.5%	0.8%	\$234M
B/(W) FY 2016	43K	\$1.2B	(0.2) ppts	(3.4) ppts	\$(97)M

### Middle East & Africa

- In 4Q, pre-tax results were flat, while wholesales were down
- Top line was down due to lower wholesale volume, largely reflecting an unfavorable change in dealer stocks and lower industry volume
- Market share was lower due to unfavorable market mix; share improved in markets where we participate, driven by the Middle East

4Q 2017	35K	\$0.8B	4.4%	(8.8)%	\$(70)M
B/(W) 4Q 2016	(6)K	\$(0.1)B	(0.1) ppts	(1.5) ppts	\$1M
FY 2017	119K	\$2.6B	3.9%	(10.0)%	\$(263)M
B/(W) FY 2016	(42)K	\$(1.0)B	(0.6) ppts	(1.7) ppts	\$39M

### Asia Pacific

- In 4Q, wholesale volume decreased by 6%, driven by lower market share in China
- Revenue up due to higher volume in consolidated markets, including Lincoln (in China) and ASEAN
- Lower pre-tax profit explained by lower industry pricing and lower volume in China

4Q 2017	452K	\$3.8B	3.4%	0.1%	\$5M
B/(W) 4Q 2016	(31)K	\$0.4B	(0.3) ppts	(8.3) ppts	\$(279)M
FY 2017	1,566K	\$14.1B	3.4%	4.0%	\$561M
B/(W) FY 2016	(41)K	\$2.1B	(0.3) ppts	(1.2) ppts	\$(66)M

## FORD CREDIT RESULTS

### Ford Credit

- In 4Q, pre-tax profit up 53% from a year ago
- Pre-tax profit led primarily by strong receivables growth, financing margin and lease residual performance
- Business practices continue to be disciplined and consistent

	4Q 2017	FY 2017
Pre-Tax Results	\$610M	\$2.3B
B/(W) 2016	\$212M	\$431M