

Implications of the Strike at Kentucky Truck Plant





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Home of



SUPER DUTY - EXPEDITION - NAVIGATOR

**Kentucky
Truck
Plant**



Record Contract, Strong Future



Details behind Ford's record offer for 57,000 UAW-Ford employees

ALL EMPLOYEES

- ✓ **JOB SECURITY:** Product commitments for every UAW plant in America; no job loss due to EV battery plants
- ✓ **PROFIT SHARING:** Including temporary employees, for the first time ever
- ✓ **FULL RATIFICATION BONUS:** Including temporary employees, for the first time ever

TEMPORARY EMPLOYEES

- ✓ **PAY RAISE:** \$21 per hour – a 26% increase
- ✓ **CONVERSION:** Convert all temporary employees with at least 3 months of continuous service to permanent status upon ratification

PERMANENT EMPLOYEES

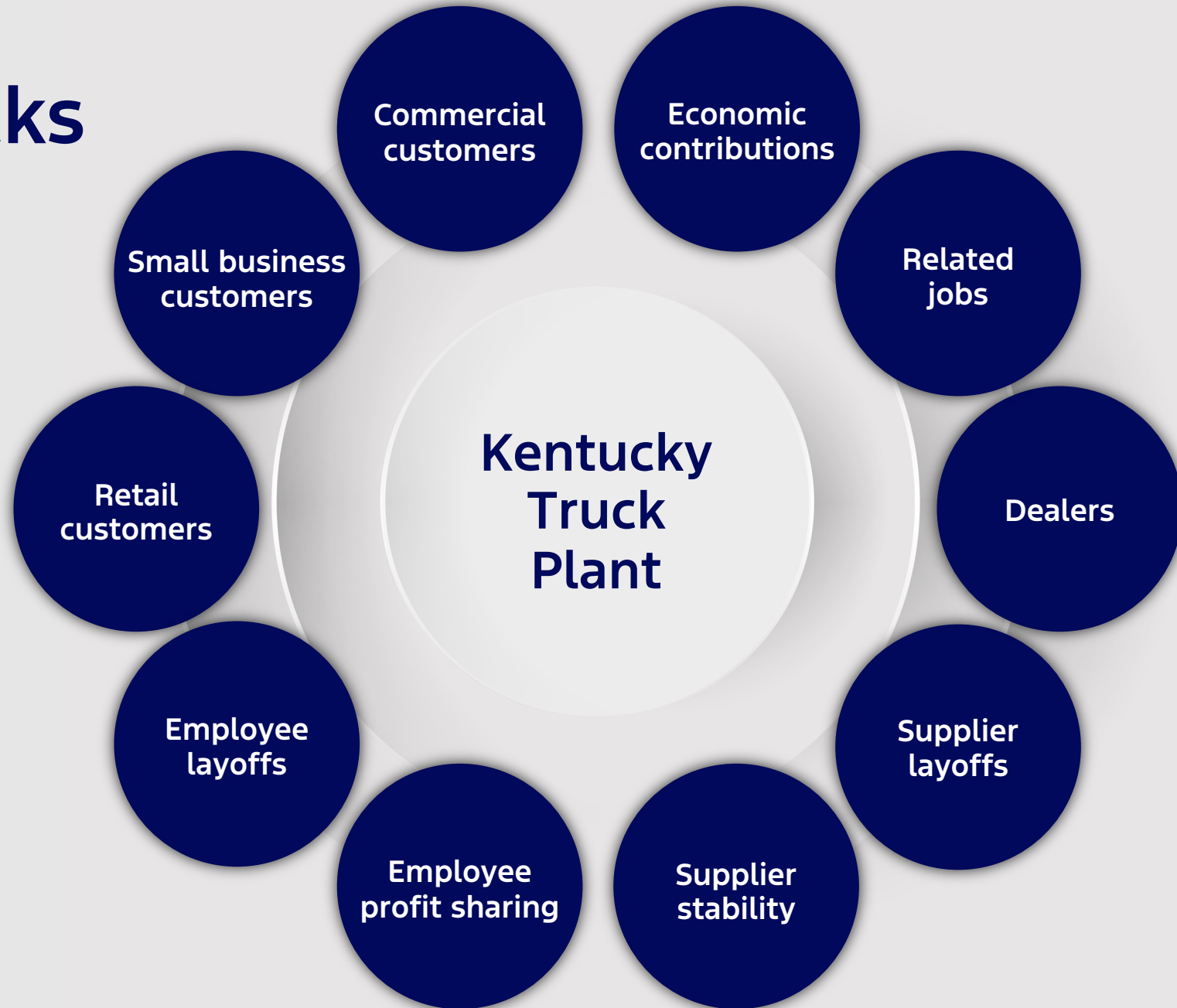
PAY

- ✓ **PAY RAISE:** Wages increased more than 20% (immediate double-digit increase upon ratification)
- ✓ **TRADITIONAL COLA:** Traditional cost-of-living allowances (COLA) will provide inflation protection
- ✓ **NO TIERS:** All employees can reach the top wage rate
- ✓ **FASTER WAGE PROGRESSION:** Reduced by more than half the time it takes to earn top wage (average new hire will earn 6 figures by 4th year)

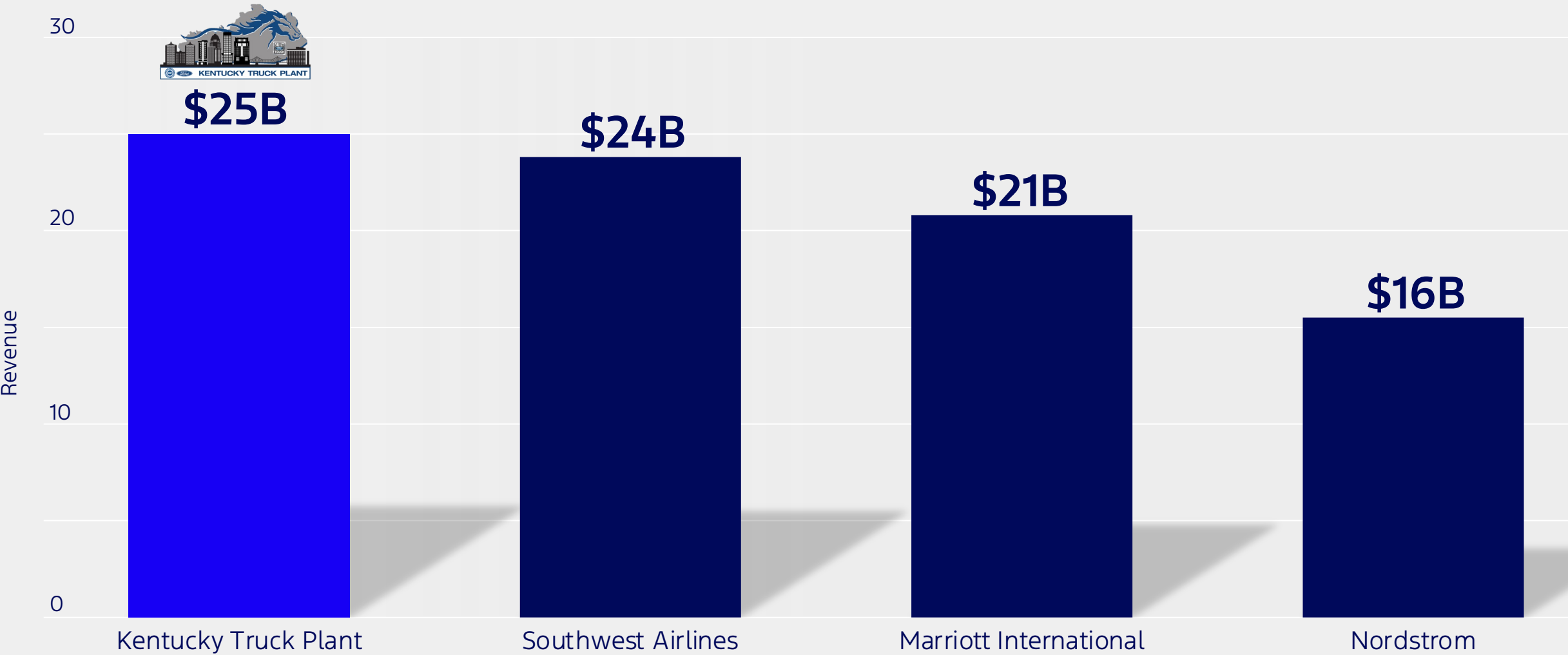
BENEFITS

- ✓ **INCOME PROTECTION:** For all permanent employees
- ✓ **HEALTH CARE:** Coverage in top 1% of American workers, with no change to \$0 premiums
- ✓ **RETIREMENT:** Increased 401(k) contributions (average employee hired today can accrue \$1 million+ retirement fund with reasonable market returns)
- ✓ **WORK / LIFE BALANCE:** More time off (up to 5 weeks of vacation + average of 17 paid holidays every year, including Juneteenth + 2 family days)

Strike aftershocks



If KTP were a standalone business...



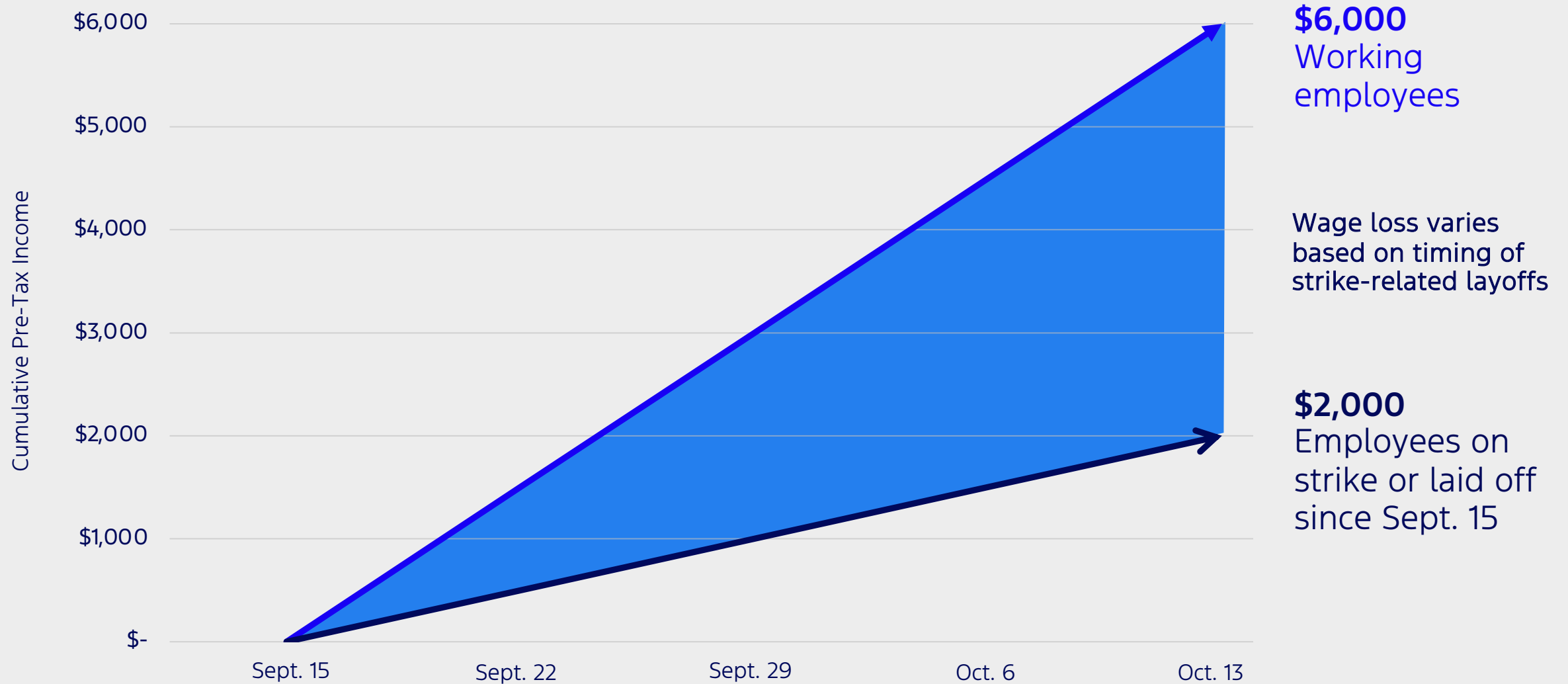
Source: Revenues for other companies from their respective full-year 2022 company filings

Super Duty pickup and chassis cab leadership

Top industries that rely on heavy-duty trucks choose Ford Super Duty over any competitor



Employees impacted by strike lose two-thirds of wages each week



Based on \$500 weekly strike pay and \$1,500 average weekly income for working employees. Does not include state unemployment, which varies by state.

UAW strike consequences



Plants on strike

 Michigan Assembly Plant
3,300 employees

 Chicago Assembly Plant
4,600 employees

 Kentucky Truck Plant
8,700 employees

Strike-related layoffs

 Michigan Assembly Plant
600 employees

 Lima Engine Plant
184 employees

 Sterling Axle Plant
133 employees

 Chicago Stamping Plant
243 employees

 Livonia Transmission Plant
391 employees

 Cleveland Engine Plant
372 employees

Total impacted

16,600+
employees on strike

1,920+
employees laid off

18,520+
as of Oct. 11, 2023

Ford's manufacturing system is highly interconnected.
Halting production – even in limited areas – has knock-on effects.



13 plants are interconnected with Kentucky Truck



**Rawsonville
Components Plant**



**Dearborn Diversified
Manufacturing Plant**



**Cleveland
Engine Plant**



**Sharonville
Transmission Plant**



**Chicago
Stamping Plant**



**Buffalo
Stamping Plant**



**Sterling
Axel Plant**



**Chihuahua
Engine Plant**



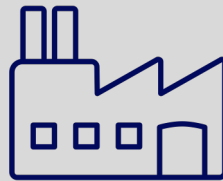
**Windsor
Engine Plant**



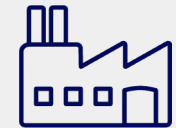
**MAP Integrated
Stamping**



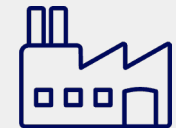
**Dearborn
Stamping Plant**



**Kentucky
Truck Plant**



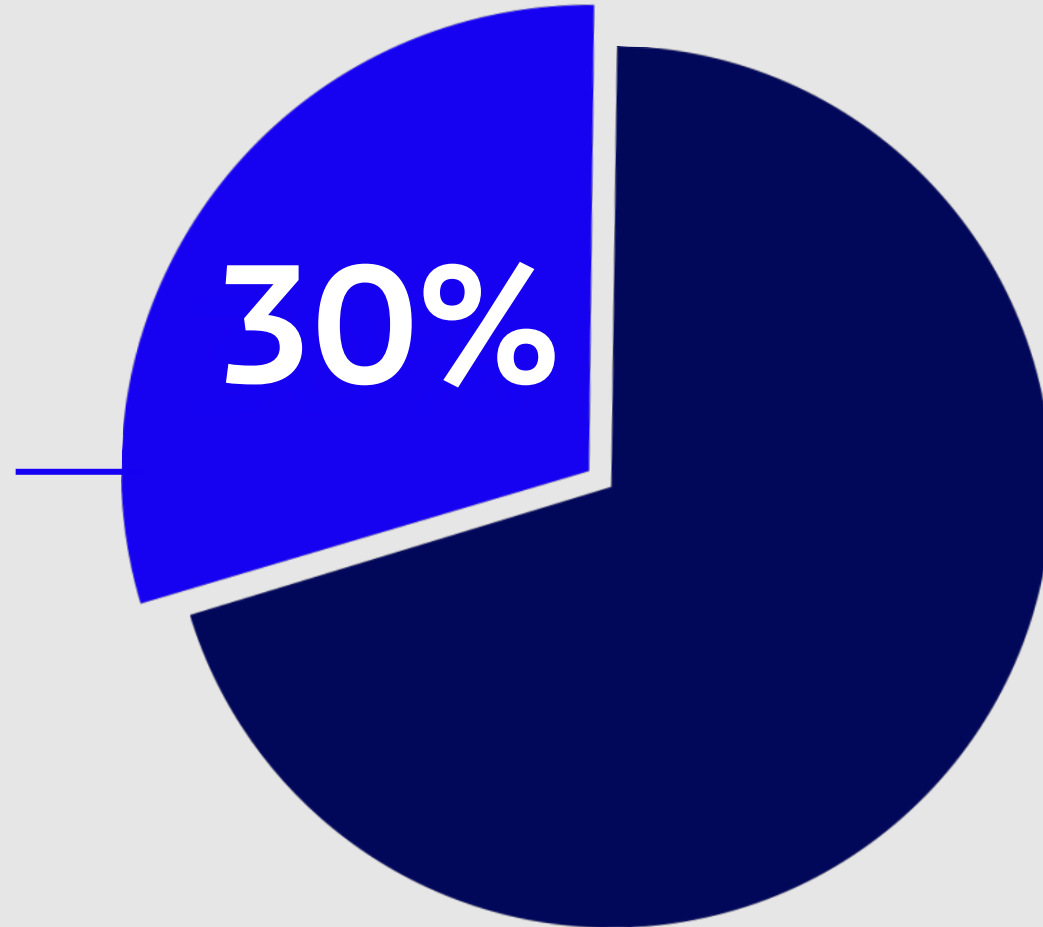
Ohio Assembly Plant



Louisville Assembly Plant

Approx. 30% of suppliers have made some layoffs due to the UAW strike

Suppliers that already made layoffs due to UAW strike



And many more suppliers are expected to make **additional layoffs soon**



Super Duty represents **more than 10%**
of sales for Ford dealers

Sales figures reflect the first nine months of 2023

Q&A

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 specifications, and a shortage of or inability to acquire key components, such as semiconductors, or raw materials, such as lithium, cobalt, nickel, graphite, and manganese, can disrupt Ford’s production of vehicles;
- To facilitate access to the raw materials necessary for the production of electric vehicles, Ford has entered into, and expects to continue to enter into, multi-year commitments to raw material suppliers that subject Ford to risks associated with lower future demand for such materials as well as costs that fluctuate and are difficult to accurately forecast;
- 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, restructurings, or new business strategies;
- Operational systems, security systems, vehicles, and services could be affected by cyber incidents, ransomware attacks, and other disruptions and impact Ford and Ford Credit as well as their suppliers and dealers;
- Ford’s production, as well as Ford’s suppliers’ production, and/or the ability to deliver products to consumers could be disrupted by labor issues, natural or man-made disasters, adverse effects of climate change, 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 and digital, software, and physical services are subject to market acceptance and face significant competition from existing and new entrants in the automotive and digital and software services industries and its reputation may be harmed if it is unable to achieve the initiatives it has announced;
- Ford’s 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 or geopolitical developments, including protectionist trade policies such as tariffs, or other events;
- Industry sales volume 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 and energy 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;
- The impact of government incentives on Ford’s business could be significant, and 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 OPEB 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 and facilities to comply with safety, emissions, fuel economy, autonomous driving technology, environmental, 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, 2022, as updated by our subsequent Quarterly Reports on Form 10-Q and Current Reports on Form 8-K.

Ford