



**J.P. Morgan Auto Conference Fireside Chat  
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**Participants**

Navin Kumar, Chief Financial Officer, Ford Pro  
Ryan Brinkman, Auto Analyst, J.P. Morgan

**Ford Pro Video**

Grade A Construction is a woman-owned business. We handle anything from the ground down to get a site ready. 100 percent of our fleet is through Ford.

Vestas is the largest producer of wind turbines. Our fleet in North America right now is about 1,850 vehicles. Across the U.S, we have about 2,500 company vehicles. About 60 percent of our total fleet is Ford.

Anyone who manages a commercial fleet knows that it can be very demanding. It's a very difficult, it's a very hard job.

Making sure that our fleet is running effectively, making sure maintenance is done in a timely fashion. We need to make sure that our vehicle uptime is as robust as possible.

We can see maintenance intervals. We know exactly when our trucks need to go in for service and maintenance.

The Mobile Service is extremely convenient for us, meaning we don't have to take a vehicle out of our depot.

Getting the newer vehicles into the fleet is going to enable us to have a lot more data. We would have one unified system where we'd have all the information about the vehicles, their health, their charging performance, how they're being used.

Working with Ford Pro and having them look at our facilities, tell us what's possible to build out that charging infrastructure.

As we worked with Ford and got to know the Ford Pro products that they offered as well, it seemed like it would be a good fit for us to bring the Ford Lightnings into our fleet.

When Grade A decided to purchase the EV fleet, we had agreed that team members that are driving these Lightning trucks home would be able to have a charging station at home as well as the office to provide them charge at any given time.

This has been crazy beneficial for us from a cost standpoint for fuel. It's also very beneficial to our employees that are driving these home every day.



What sets Ford Pro apart is having that all-in-one accessibility from a reporting aspect, to EVs, to Ford Pro charging, to e-telematics. There's a lot of different tools that we utilize to run our fleet effectively.

Just being able to provide us data to make better decisions at our company has been extremely beneficial for us and makes my job so much easier.

I was raised in a family of eight kids. We all worked hard. For me to see Ford Pro have that same mindset of working hard every day makes my job easier.

### **Fireside Chat**

#### **Ryan Brinkman**

Excellent. With that fun intro, I'm very happy to have with us here Navin Kumar, the chief financial officer of Ford Pro. Navin's got some opening remarks, and then we'll engage in a chat.

#### **Navin Kumar**

Great. Thank you, Ryan, for the introduction. It's great to be here. Good morning, everyone.

Ford Pro is an over \$50 billion revenue business that builds on Ford's leadership in commercial vehicles and our long history of serving commercial customers with a one-stop shop of work-ready vehicles, software services, charging, and financing solutions that makes running fleets simpler and more productive every day.

As you saw in the video, our customers are businesses of all sizes. They include trades like contractors, electricians, plumbers, as well as larger enterprises, corporates, government, and municipal fleets. We serve every industry, every vocation, and understand our customer's complex needs.

Our competitive advantages include our deep relationships with hundreds of thousands of customers across North America and Europe built over decades.

Our industry-leading commercial vehicle lineup, including key new models and an expanding electric vehicle portfolio, and the largest physical service network of any OEM brand, including specialized commercial dealerships, Mobile Service, and an upfitter network of over 500 partners.

We are building on these moats by expanding into software solutions that lower total cost of ownership and improve uptime, unlocking significant value for our customers. For Ford, this is higher-margin business that drives recurring revenue and loyalty.

We are the market leader in commercial in North America and Europe. In the U.S., we have nearly 41 percent of the commercial full-size truck and van market, double the next brand. Almost one in four fleets in the U.S. are full Ford fleets, meaning that 100 percent of their vehicles are Ford.

In Europe, we're the commercial market brand leader for the last eight years, with nearly 15 percent share. Our Transit Custom vehicle is not just the number one commercial van that is sold in the United Kingdom. It's actually the number one vehicle sold in that market overall.

In electric vehicles, the E-Transit and the F-150 Lightning are the market leaders in their respective



commercial EV segments.

The strength of the business is manifesting in our results. In the second quarter, Ford Pro achieved an EBIT margin of over 15 percent, driven by stronger net pricing and volume growth.

The commercial industry continues to be strong, and we see significant pent-up demand across multiple commercial sectors. We're well-positioned with our all-new product lineup. We're now seeing the benefits of our fully ramped Super Duty. It is our key work product. Demand is really strong, and second quarter sales were up 28 percent. Our van business is growing.

Later this year, we're launching the All-New Transit Custom in Europe. It's our key product and profit pillar for that market.

Importantly, we are at the forefront of the digital transformation happening with our commercial customers and at Ford. We now have over 450,000 paid software subscribers, and that is nearly 60 percent year-on-year growth.

We're expanding into service solutions that are fast, data-driven, and reliable. We've doubled our Mobile Service fleet and we have launched our first three Service Elite Centers in North America.

On the back of that strong second quarter performance, we've raised our guidance for the year. We now forecast that Ford Pro's EBIT will approach \$8 billion, driven by sustained net pricing, continued pent-up demand, and our fully ramped Super Duty.

Our software business is going to grow substantially, driven by the growth in our connected vehicle install base and our attach rates. In 2022, we had about 12 million vehicles on the road, and approximately 30 percent of them were connected with embedded modems.

By 2026, this is going to go up to 13-and-a-half million vehicles, and nearly 60 percent of them are going to be connected. Our attach rate for that 450,000 subscriptions is about 12 percent, and this attach rate's going to grow as we expand our software solutions and feature portfolio to provide customers with ways to make their fleets more efficient, productive, safe, and green.

We're expanding our commercial service footprint. This includes dedicated commercial service base, Service Elite Centers, and Mobile Service. When you combine that with our software, our over-the-air updates, and prognostics, we are providing customers uptime through proactive service, predictive maintenance and diagnostics, and faster repairs.

This will take our after-parts attach rate, which was 34 percent in 2022, and grow that by over 50 percent by 2026.

Longer-term, our next-generation software platform, which will start to be deployed on our second-generation electric vehicles, has the potential to unlock nearly \$2,000 of annual software subscription revenue from solutions, including our productivity suite, safety and security, managed charging, and partial autonomy.

When you add on non-software solutions like connected commercial insurance, this potential can go up



to \$4,000 to \$5,000 per vehicle.

To summarize, we are integrating physical and digital experiences together to maximize uptime, lower total cost of ownership, and accelerate productivity for our customers.

We are doing this by executing our growth strategy, sustaining our commanding position in commercial vehicles through new product launches and refreshes, strengthening our industry-leading service footprint and expanding capacity, and leveraging software to provide differentiated productivity and uptime solutions.

This is leading to higher customer satisfaction and loyalty, a growing share of wallet, and a stickier Ford Pro ecosystem that is hard to replicate.

**Ryan Brinkman**

Thanks so much, Navin, for that overview of what is clearly a strong profit center for Ford Motor Company. At the Capital Markets Day in May, it was shared that you had targeted moving from a 6.6 percent margin for the Pro business in 2022 to 14 percent by 2026.

Just seven, eight weeks later, you unveiled the 15.3 percent 2Q margin that you just showed us. Whereas, in May, you were looking at six billion, now it's eight billion. You're already above the 2026 target, whereas Model e still got its work cut out to get to its '26 target.

Are you thinking any differently about the '26 target now? Is the 15 percent margin that you achieved in 2Q, do you see that holding? What are the puts and takes?

**Navin Kumar**

Thank you for that question, Ryan. A mix of factors go into our medium-term margin expectations. That includes evolving industry and market conditions as well as a balance of supply and demand. The commercial industry has had pretty strong pent-up demand due to supply constraints.

When you combine that with inflationary pressures, that's led to stronger net pricing. We've been well-positioned with our product portfolio. We just launched the All-New Super Duty, Transit, and our All-New Transit Custom that's coming later this year. By 2024, over 40 percent of our volume is going to be all-new.

Additionally, EV mix is going to be a more significant part of our business in the future. For the next few years, we're selling our first-generation electric vehicles that aren't cost-optimized. It's super important for us because it brings customers into the Ford Pro electrification and digital ecosystem.

Then, we build our relationship with those customers through services, software, and selling our second-generation electric vehicles that are going to be more profitable. For us, electrification is about customer lifetime value.

It directly ties to that growth that we shared earlier in software and services. By 2026, we're forecasting that software and services profit is going to be nearly 20 percent of our overall profit. There are some puts and takes, but we feel that in the medium term, that mid-teen margin is appropriate.



**Ryan Brinkman**

It's mid-teen now, not 14, is that right?

**Navin Kumar**

Mid-teen.

**Ryan Brinkman**

Mid-teen, good. I wanted to ask about one of those drivers of pricing. It's been so strong for the industry and withstood the headwind of higher rates. It's even been stronger for Ford Pro, maybe where you are with your product cadence, etc. How long do you see this very favorable price environment lasting?

**Navin Kumar**

We're seeing really strong order banks and really strong demand for the key products that make up the majority of our volume, Super Duty, Transit, Transit Custom.

Fleet variable marketing and incentives have been at historic lows. Overall picture remains strong, and we think this pricing environment is going to continue through the year.

**Ryan Brinkman**

Helpful. Thanks. Your flagship products like Super Duty, which you mentioned, and Transit, hugely popular with customers, also big profit drivers for Ford. What is the appeal, do you think, of these products for the consumers?

What other offerings could we expect maybe from Ford Pro in the future? Could anything have the potential to be additional pillars of the profit stool?

**Navin Kumar**

Great question, Ryan. All-new Super Duty has really, really exciting technology, like trailers assist features, new and improved powertrains, and best-in-class torque, horsepower, payload, towing that sets it apart from the competition.

We actually had an event two days ago with employees in Dearborn. They get to experience it, ride and drive it, and they absolutely love the product. It is the market leader overall. It's our key work product, and importantly, it's a market leader in a lot of different vocations, like mining, utilities, construction, emergency response.

The reason for that is it's versatile and we have a comprehensive lineup. That includes pickups and chassis cabs. We work with upfitters to configure these vehicles for a myriad of use cases. What we excel at is we excel at providing the right tool for the job.

When you couple that with our service network, we are keeping these vehicles on the road for a long time for our customers. Transit's our other key pillar. One of the main reasons we have commercial van leadership is that versatility. It is not a commodity product by any means.

We offer multiple configurations to support the complex and multiple use cases our customers have. We're going to continue to build on that. You're going to see more features and more functionality on our full commercial vehicle lineup. That includes ICE vehicles, hybrid vehicles, electric vehicles, and



we're expanding our software and service solution set to support these customers, too.

**Ryan Brinkman**

Thanks. You have a number of different customer sets. You've got government customers, large business, small businesses. Who are your core customer groups, and how do you maybe go about trying to serve them differently?

**Navin Kumar**

Ford Pro operates in North America and Europe. Our customer groups are broadly four categories, small and medium businesses, larger enterprises and corporates, government and municipal fleets, and leasing and rental companies.

We serve them with the widest and most flexible lineup of any brand. What this does, it means that our business is more diversified and more resilient because we're not serving and over-indexing to any one vocation or any one customer.

For example, in the U.S., last mile delivery is roughly about 10 percent of our volume. That approach, from a go-to-market standpoint to serving a diversified customer base, gives us a lot of moat. Also, we are expanding on that. When you look at our software and our service solutions, we take the same approach with a broad offering going after a broad customer base.

**Ryan Brinkman**

Thanks. My next question is about the razor and the blade. You're building, you've called it an integrated offering, beyond just selling the vehicles themselves. Can you explain the opportunity further and how it all fits together? What sort of software, services, charging solutions, etc., are customers really paying for?

**Navin Kumar**

Providing software and service solutions that can enhance productivity is the greatest new opportunity we have to unlock value for customers and growth and profitability for Ford.

Our Ford Pro Intelligence platform links to our dealers' physical service network and takes data from vehicles, chargers, and daily fleet operations, integrates it into a digital interface, which helps our customers manage their fleets more efficiently and more effectively.

That includes real-time fleet tracking, fuel consumption and idling analysis, diagnostics tied to vehicle history, and command and control functionality of those vehicles, which is something that third-party devices from third-party companies, they can't do that because they can't tap into actually moving the vehicle.

We've expanded on that with electrification solutions. That includes managed charging solutions like being able to assess your energy use across depot, home and public chargers, and the ability to avoid charging the vehicle during peak times when energy costs are really high, including optimizing range for EVs and fleet operations.

What we have is a curated set of software and solutions that helps a customer manage their whole fleet. That's ICE vehicles, EV vehicles, and even multi-make. Importantly, we tailor the digital interface to meet



our customers' needs.

For larger enterprises and customers, we provide connected data services and APIs so you can integrate that functionality directly into their existing fleet operating systems. For smaller businesses, we provide dashboards, business intelligence, and analytical tools so that they have a one-stop shop, easy access point.

Small businesses are really, really important to us because what we're doing is we're taking some of the tools and solutions that larger enterprises have benefited from for a longer time and bringing it out to small business in an easy-to-use customer experience.

You don't have to manage multiple systems, multiple vendors. Small businesses do not have the enterprise tech and IT budgets because they don't have the scale of a larger enterprise. Helping them be more productive helps all of us. It's a force multiplier that helps the economy, so it's super important to us.

**Ryan Brinkman**

That's helpful. Thanks. Could you explain Ford Pro's business model on the service side? How much of the service opportunity accrues to Ford versus maybe flows to the dealers? How much extra throughput do you expect via these dedicated Elite Service Centers or Mobile Service fans?

**Navin Kumar**

Great question. Expanding and enhancing our service experience is the key priority for Ford Pro and our dealer partners. We're building out a service capability that is fast, reliable, and data-driven.

That includes, like we mentioned earlier in the presentation, proactive fleet monitoring, predictive analytics and diagnostics and expanding that service capacity, which includes Mobile Service, dedicated Service Elite Centers, and dedicated commercial service base.

For our customers, it's all about maximizing uptime and keeping those vehicles on the road as much as possible because when they're down, that means they're not generating revenue and profit.

For our dealers, it's a win-win. They get to deliver a better customer experience and they get to grow their service business. For Ford, it's recurring parts revenue.

Let me put some more texture on what our footprint is today and where we're taking it.

We have over 1,400 specialized commercial dealerships across North America and Europe, and they have service. In the U.S., we're expanding that with these Service Elite Centers. We're targeting over 100 by 2026. We presently just launched our first three.

They're bigger facilities with bigger bays, multiple bays, and extended hours of service. That matters to our customers, especially the ones with up-fitted vehicles, because those vehicles tend to be bigger, they weigh more, they may be longer and wider, and normal service bays may not be able to support them. We're putting in that capacity.

We mentioned that we doubled our Mobile Service footprint. That's going to continue to grow.



Importantly, in our space, those vehicles are going directly to a customer's job site. They are servicing all the vehicles at the same time, and it drives scale efficiencies. Our fleet can service multi-make.

That drives throughput for us, because you're doing more with those vans and our services, but it also drives this uptime efficiency for the customer as well.

**Ryan Brinkman**

Thanks. Maybe the competitive landscape for commercial vehicles, it does seem to be heating up, with GM launching their Envolve business, which I suspect may have been, at least in part, in response to or precipitated by your standing up the Pro business. Also, you've got the Tesla Cybertruck, Rivian, Amazon's collaboration with them on electric vans. Why are you so confident that you can defend or maintain this currently, I'd say, fairly deep moat?

**Navin Kumar**

I can't speak to anyone else's strategy, but our differentiation is going to continue to build on our leadership position in the commercial space.

That includes our deep customer relationships, our scale and market leadership, our expanding commercial vehicle lineup, our industry-leading service network, and our deep upfitter relationships. What we're doing is we're augmenting those moats with software, service, and electrification.

Pro's further differentiation is going to be that vehicle hardware, software, service integration and that digital one-stop shop experience. That's hard to do to string together with third parties and partners.

That will mean our customer experience will get better and better and the speed of our connected data loop will start getting faster and faster.

What do I mean by that? When customers are using our products and solutions, that data directly then feeds back into, "How do we make these solutions better? How do we enhance them? What features should we have?" It informs our product development for future product.

What you have is that for our customers, these solutions are going to get better at optimizing productivity and uptime, and it becomes this differentiation flywheel. That is really hard to replicate because if others try to do it, what they're going to find is that our Intelligence platform is built on our long existing commercial strengths, so it makes it really, really hard to replicate.

**Ryan Brinkman**

Thanks. I wanted to ask on market share, which is a big bright spot, but also, when it is so bright, how do you continue to improve it? In Europe, maybe you can remind us of the share there. In full-size vans, maybe something like the low teens, maybe approaching the mid-teens.

Improved a lot, not as high as the U.S., but it's more fragmented. In the U.S., you might have shown us the number, you might have flashed it, but the number I have in my head is 41 percent maybe of the full-size truck.



**Navin Kumar**

You know your numbers.

[laughter]

**Ryan Brinkman**

That's a high number, considering especially your share of the overall U.S. light vehicle market might only be about 15-ish or something. With it as high as it is, how much opportunity is there, or is there any, to continue to take share?

**Navin Kumar**

We mentioned that in 2022, we roughly had 12 million vehicles on the road. We're looking to take that up in 2026 to about 13.5 million.

That does reflect some share assumption and some share growth, which we believe we will achieve because of our new fresh product lineup, as well as the growing services ecosystem, which is going to increase loyalty. As you mentioned, Ryan, in Europe, we've had a track record of growing share.

We're now at 15 percent, but we grew our share through that eight years of leadership. We believe that's going to continue with our All-New Transit Custom and our EV products that are coming next year, our E-Transit Custom and our E-Transit Courier.

Based on our track record and our historical performance, we actually think these assumptions are very reasonable.

**Ryan Brinkman**

Interesting. On your recent earnings call, there was a lot of discussion around the rate of EV adoption, and then in the subsequent days, there was subsequent discussion about that discussion. What has been the commercial customer response to your first-generation EVs like the F-150 Lightning and the E-Transit? Is this subject also to some of the comments which may have been a little bit more directed at the light vehicle retail consumer side? How does Ford Pro view the EV transition?

**Navin Kumar**

Our first-generation electric vehicles are key to our early-mover advantage. Demand and interest is strong in the commercial space. The Lightning and E-Transit are the best-selling EVs in their respective commercial EV segments.

We're well-positioned to sustain that market leadership through deep relationships with these customers and our expanding EV lineup and EV capacity. In Europe, like I mentioned earlier, we're launching the E-Transit Custom and the E-Transit Courier next year, and that's going to be key to rapidly expanding that customer base.

Importantly, while EV adoption is growing, it's not going to be linear. What we're finding with customers is that each customer is moving at their own pace based on use cases and duty cycles. What's happening is that we are guiding customers through an EV transition with a full suite of services that's helping them operationalize these vehicles into their fleets.



That includes EV fit analysis, incentives identification and financing, managed charging solutions for depot, home, and public access, and providing software tools to optimize the use of these EVs in mixed fleets.

We now have hundreds of customers using our solutions and our charging offering. To summarize, our first-generation vehicles establish our presence, help us grow our software and services, and then sets us up for future scaling with second-generation product. For Pro, this grows customer lifetime value and share of wallet.

**Ryan Brinkman**

At the time of 2Q earnings, Ford, as a total company, materially raised its full-year EBIT outlook. Within that, though, there was the improvement in the Pro EBIT outlook, which you walked us through. There was also an improvement at Blue.

This more than offsets a step backwards at Model e, which was large, from an outlook for \$3 billion, lost to \$4.5, not large enough to prevent the good stuff at Pro for more than offsetting it. I am curious, because everyone talks about Ford separating or segregating the EV profitability. In fact, they segregate the retail consumer EV profitability. There is the E-transit and the Lightning Pro, which fall under your umbrella.

I'm curious if that big profitability reset at Model e, which was said to be pricing-driven, does that extend, too, to the EV models that Pro sells, or given that it seemed like that was Tesla price war-driven, and they don't have an E-transit, do they, competitor, how has the profitability for the EVs that you sell been tracking relative to your expectation in comparison to at Model e?

**Navin Kumar**

Let me unpack that question. On the profitability question, for Ford, overall, our first-generation electric vehicles aren't cost-optimized.

Like I mentioned, it's getting us engaged with customers, it's building our flywheel, and we're upselling off of that, especially in the Pro ecosystem, where customers need an electrification set of solutions, and it's more than just the vehicle.

When it comes to the question on the pricing, the announcement from earlier last month was on F-150 Lightning as we got economies of scale and we took up production. That does flow through on the Pro side. That's actually really important to us because we're getting really strong demand.

We welcome the additional capacity so that we can get in the door with many, many more customers to build that flywheel. Our customers like the range, they like the extended-range product.

Another thing in your question that was underpinning it was the segmentation. The segmentation helps bring to light the financial and operating metrics of these businesses. Importantly, it actually drives how we work together to deliver for our collective customer base. Model e is a really important partner for developing and deploying EVs for the commercial space.

We engage with customers, we do product marketing, we learn about features and solutions, and it all feeds back into the loop of product development, updates, refinements. It's been healthy for us. That



action that was announced last month is going to benefit our commercial customers.

**Ryan Brinkman**

Thanks. I've got some more questions, but why don't I check to see if there might be in the audience any for Navin? As they're thinking of their next question, I want to ask about China.

Maybe you dodge it, because I know China is a little bit managed separately within Ford relative to Blue, and Model e, and Pro. China wasn't discussed much at the Capital Markets Day. I had the second question, and I asked why it wasn't discussed, and Jim said, "We're working on it."

He said, "I'm not going to reveal the strategy today, but I suspect," and this is Jim talking, he said that, "it's going to revolve around light commercial vehicles, export strategy, maybe to ASEAN from China." It seems like even if Pro's not got its hands all over China now, it may.

Also, in thinking how you can win, where to play and how to win, it seems like this differentiated service model, the software, the after-sales, can that translate over to China and be the niche that you can use to succeed?

**Navin Kumar**

I'm not going to share more than what Jim shared, but what I can say is when we set up Ford Pro, we were very deliberate about the North America and Europe piece of that because it was all about focus.

This is an expansion for us, which means we are evolving over...We've been in a franchise dealership model and basically a B2B business for the last 100 years. Now, we're engaging with customers in a much more direct way. Vehicles, software, services.

We wanted to make sure we were building that platform for engagement, and we wanted to very much focus on markets where we had strengths. As we build that out, can we expand into other markets? Possibly.

From the China angle, and what Jim was mentioning is, are there opportunities to expand our vehicle lineup through partnerships to better serve customers? Absolutely, that's being thought about, but nothing more to share at this time.

**Ryan Brinkman**

Thanks. A possibly underappreciated aspect of Ford is the relationship with Otosan and the cost base that you have in Turkey, which is already low and advantageous, especially in conjunction with its trade agreements with Europe.

Over the past year, there have been a lot of headlines. I imagine you've probably got the Turkish lira exchange rate on your phone. You check it a couple times a day. What's been the impact of that currency shift to Ford Pro?

**Navin Kumar**

It's a good question. Just for background for everybody, so Ford Otosan is a joint venture that we have with the Koç family in Turkey, actually publicly traded in that market. They manufacture and produce our Transit lineup for us.



It's a very, very key partnership for the European market and beyond. It goes back 80 years. You're right, we do track exchange rates. There's history of the lira and interest rates going hand in hand, and there have been some adjustments.

There's puts and takes in our business because not only is it an export business advanced into other markets, but we have a very substantial presence actually in Turkey.

Some of those exchange rate movements are actually a tailwind in that business and maybe a headwind for exports, or vice versa, depending on what changes from month to month. We absolutely do track it.

There isn't a lot of material changes that are affecting any of the guidance at all that we gave last month. It's not material at this point.

**Ryan Brinkman**

I wanted to ask about the relationship with Volkswagen. When it was first announced, it was a little bit more about Argo AI, some stuff on the retail consumer pick-up side, which is in Blue. The linchpin of it, wasn't it, the Transit transport collaboration.

While you're largest by a modest degree in Europe, if you pile Volkswagen on top of that, then you guys dominate. What can we expect? What have you gotten so far out of that relationship? What can we expect to come out of that relationship? What's the implication to your profitability?

**Navin Kumar**

It's a great question. On the vehicle collaboration side, VW has a variant on top of our Transit Custom platform and the Ranger. For us and Otosan, that drives material scale benefits, so that's pretty valuable.

Ford Otosan's performance from a joint venture standpoint is picked up in Ford Pro's results. It was a very strategic decision. It actually ties to what we've discussed on how we go to market.

If you look at our customers, our regions, our services ecosystem, we felt that, "Hey, this is a win-win because we're getting and driving manufacturing and purchasing scale, but it doesn't inhibit our growth aspirations on the go-to-market side." That partnership in our piece of the world is working well, and we'll continue.

**Ryan Brinkman**

Navin, I was looking at your bio on the Ford website. It says that you spent six years in strategic leadership roles within Ford Autonomous Vehicles, LLC. I've heard Jim articulate Ford's strategy for autonomous. He said, "We don't want to be another robotaxi supplier."

He's talked about, "We have to sync it up with our strengths. What is our strength is the commercial vehicle business." This is even before Pro existed, he was saying this. Maybe you can talk about the various different potential use cases for autonomous vehicles on the commercial side.

He referenced possibly the autonomous delivery of construction materials or something of that sort. With the dissolution of Argo AI has the Pro business maybe had more of a hand here? How do you



partner with that mobility segment?

**Navin Kumar**

Partial autonomy, what Jim mentioned in Capital Markets Day, is a key pillar for customer experience and growth. We know that Pro customers will pay for this software if it enhances their productivity and their safety.

Even what we announced recently, BlueCruise 1.3, which has expanded lane change assist and longer hands-free engagement, even that's important, because a lot of our customers, for example, live and operate in London, where there's constant stop-and-go traffic. It offers a convenience and efficiency.

To tie it to the Ford Pro piece, what's really important for our customers is how they integrate those vehicles with increasing levels of autonomy into their fleets because they're going to be managing mixed fleets. We're seeing this right now.

You have ICE vehicles, electric vehicles, and now you're going to have vehicles with increasing autonomy, and they're going to have to optimize across those vehicles. This is where the software and services that Ford Pro is deploying helps.

That consultative approach to electrification that I discussed earlier with customers transitioning their fleets, that's going to apply for autonomy.

In the future, when customers are using our Intelligence platform, they can determine what routes and what geozones and operating domains work for vehicles with partial autonomy, just like what we're doing with them for electric vehicles now.

Looking to that future, the autonomy stack that the Model e and Latitude AI teams are building is going to sit on top of a tech stack that's got centralized compute, low latency, and the ability to do much more proactive prognostic and diagnostics.

That'll link into the physical service, the link we've already set up, and if that's needed. We've been thinking about this for a long time. We look at the partial autonomy and the increasing levels of autonomy, and it's going to integrate well into our Intelligence platform that we're scaling.

We're excited about the benefits and technology that this will bring to our customers in the future.

**Ryan Brinkman**

Terrific. With that, we are out of time, so please join me in thanking Navin for all the great color and insight he shared today.

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