

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549**

FORM 10-Q

Quarterly report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
For the quarterly period ended June 30, 2025

or

Transition report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
For the transition period from _____ to _____
Commission file number 1-3950

Ford Motor Company

(Exact name of Registrant as specified in its charter)

Delaware

(State of incorporation)

38-0549190

(I.R.S. Employer Identification No.)

One American Road

Dearborn, Michigan

(Address of principal executive offices)

48126

(Zip code)

313-322-3000

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of each class</u>	<u>Trading symbols</u>	<u>Name of each exchange on which registered</u>
Common Stock, par value \$.01 per share	F	New York Stock Exchange
6.200% Notes due June 1, 2059	FPRB	New York Stock Exchange
6.000% Notes due December 1, 2059	FPRC	New York Stock Exchange
6.500% Notes due August 15, 2062	FPRD	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer Accelerated filer Non-accelerated filer Smaller reporting company
Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

As of July 28, 2025, Ford Motor Company had outstanding 3,909,008,221 shares of Common Stock and 70,852,076 shares of Class B Stock.

Exhibit Index begins on page [68](#)

FORD MOTOR COMPANY
QUARTERLY REPORT ON FORM 10-Q
For the Quarter Ended June 30, 2025

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PART I. FINANCIAL INFORMATION

ITEM 1. Financial Statements.

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

	For the periods ended June 30,			
	2024	2025	2024	2025
	Second Quarter		First Half	
	(unaudited)			
Revenues				
Company excluding Ford Credit	\$ 44,811	\$ 46,943	\$ 84,701	\$ 84,365
Ford Credit	2,997	3,241	5,884	6,478
Total revenues (Note 3)	47,808	50,184	90,585	90,843
Costs and expenses				
Cost of sales	40,489	44,245	76,965	79,433
Selling, administrative, and other expenses	2,678	2,706	5,054	5,137
Ford Credit interest, operating, and other expenses	2,758	2,722	5,458	5,443
Total costs and expenses	45,925	49,673	87,477	90,013
Operating income/(loss)	1,883	511	3,108	830
Interest expense on Company debt excluding Ford Credit	270	297	548	585
Other income/(loss), net (Note 4)	628	577	1,126	1,073
Equity in net income/(loss) of affiliated companies	197	(250)	364	(156)
Income/(Loss) before income taxes	2,438	541	4,050	1,162
Provision for/(Benefit from) income taxes	605	570	883	718
Net income/(loss)	1,833	(29)	3,167	444
Less: Income/(Loss) attributable to noncontrolling interests	2	7	4	9
Net income/(loss) attributable to Ford Motor Company	\$ 1,831	\$ (36)	\$ 3,163	\$ 435
EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO FORD MOTOR COMPANY COMMON AND CLASS B STOCK (Note 6)				
Basic income/(loss)	\$ 0.46	\$ (0.01)	\$ 0.79	\$ 0.11
Diluted income/(loss)	0.46	(0.01)	0.79	0.11
Weighted-average shares used in computation of earnings/(loss) per share				
Basic shares	3,985	3,980	3,982	3,974
Diluted shares	4,022	3,980	4,022	4,018

**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(in millions)**

	For the periods ended June 30,			
	2024	2025	2024	2025
	Second Quarter		First Half	
	(unaudited)			
Net income/(loss)	\$ 1,833	\$ (29)	\$ 3,167	\$ 444
Other comprehensive income/(loss), net of tax (Note 16)				
Foreign currency translation	(521)	1,272	(635)	1,793
Marketable securities	28	36	20	103
Derivative instruments	43	(410)	248	(539)
Pension and other postretirement benefits	24	17	51	39
Total other comprehensive income/(loss), net of tax	(426)	915	(316)	1,396
Comprehensive income/(loss)	1,407	886	2,851	1,840
Less: Comprehensive income/(loss) attributable to noncontrolling interests	1	6	3	8
Comprehensive income/(loss) attributable to Ford Motor Company	\$ 1,406	\$ 880	\$ 2,848	\$ 1,832

The accompanying notes are part of the consolidated financial statements.

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

	December 31, 2024	June 30, 2025
	(unaudited)	
ASSETS		
Cash and cash equivalents (Note 7)	\$ 22,935	\$ 23,020
Marketable securities (Note 7)	15,413	14,484
Ford Credit finance receivables, net of allowance for credit losses of \$247 and \$258 (Note 8)	51,850	47,593
Trade and other receivables, less allowances of \$84 and \$98	14,723	19,709
Inventories (Note 9)	14,951	17,270
Other assets	4,602	4,536
Total current assets	124,474	126,612
Ford Credit finance receivables, net of allowance for credit losses of \$617 and \$632 (Note 8)	59,786	59,867
Net investment in operating leases	22,947	25,336
Net property	41,928	43,877
Equity in net assets of affiliated companies	6,821	5,038
Deferred income taxes	16,375	17,320
Other assets	12,865	14,675
Total assets	\$ 285,196	\$ 292,725
LIABILITIES		
Payables	\$ 24,128	\$ 27,756
Other liabilities and deferred revenue (Note 10 and Note 18)	27,782	30,360
Debt payable within one year (Note 12)		
Company excluding Ford Credit	1,756	3,591
Ford Credit	53,193	53,281
Total current liabilities	106,859	114,988
Other liabilities and deferred revenue (Note 10 and Note 18)	28,832	30,242
Long-term debt (Note 12)		
Company excluding Ford Credit	18,898	16,742
Ford Credit	84,675	84,113
Deferred income taxes	1,074	1,559
Total liabilities	240,338	247,644
EQUITY		
Common Stock, par value \$0.01 per share (4,129 million shares issued of 6 billion authorized)	41	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	23,502	23,715
Retained earnings	33,740	32,352
Accumulated other comprehensive income/(loss) (Note 16)	(9,639)	(8,242)
Treasury stock	(2,810)	(2,810)
Total equity attributable to Ford Motor Company	44,835	45,057
Equity attributable to noncontrolling interests	23	24
Total equity	44,858	45,081
Total liabilities and equity	\$ 285,196	\$ 292,725

The following table includes assets to be used to settle liabilities of the consolidated variable interest entities ("VIEs"). These assets and liabilities are included in the consolidated balance sheets above.

	December 31, 2024	June 30, 2025
	(unaudited)	
ASSETS		
Cash and cash equivalents	\$ 2,494	\$ 2,364
Ford Credit finance receivables, net	60,717	55,627
Net investment in operating leases	13,309	12,436
Other assets	34	15
LIABILITIES		
Other liabilities and deferred revenue	\$ 100	\$ 105
Debt	50,855	47,620

The accompanying notes are part of the consolidated financial statements.

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

	For the periods ended June 30,	
	2024	2025
	First Half (unaudited)	
Cash flows from operating activities		
Net income/(loss)	\$ 3,167	\$ 444
Depreciation and tooling amortization	3,795	3,747
Other amortization	(772)	(929)
Provision for credit and insurance losses	317	323
Pension and other postretirement employee benefits ("OPEB") expense/(income) (Note 11)	201	187
Equity method investment (earnings)/losses and impairments in excess of dividends received	(124)	261
Foreign currency adjustments	173	62
Net realized and unrealized (gains)/losses on cash equivalents, marketable securities, and other investments (Note 4)	8	(43)
Stock compensation	275	275
Provision for/(Benefit from) deferred income taxes	206	212
Decrease/(Increase) in finance receivables (wholesale and other)	(1,865)	2,927
Decrease/(Increase) in accounts receivable and other assets	(1,603)	(3,500)
Decrease/(Increase) in inventory	(1,845)	(1,476)
Increase/(Decrease) in accounts payable and accrued and other liabilities	5,269	7,293
Other	(309)	213
Net cash provided by/(used in) operating activities	6,893	9,996
Cash flows from investing activities		
Capital spending	(4,194)	(3,906)
Acquisitions of finance receivables and operating leases	(29,542)	(24,438)
Collections of finance receivables and operating leases	22,530	22,542
Purchases of marketable securities and other investments	(6,069)	(4,440)
Sales and maturities of marketable securities and other investments	6,812	5,593
Settlements of derivatives	(237)	(104)
Capital contributions to equity method investments	(1,299)	(138)
Returns of capital from equity method investments (Note 17)	16	1,700
Other	62	180
Net cash provided by/(used in) investing activities	(11,921)	(3,011)
Cash flows from financing activities		
Cash payments for dividends and dividend equivalents	(1,925)	(1,793)
Purchases of common stock	(244)	—
Net changes in short-term debt	(1,008)	(1,110)
Proceeds from issuance of long-term debt	28,960	20,469
Payments of long-term debt	(25,145)	(24,828)
Other	(254)	(146)
Net cash provided by/(used in) financing activities	384	(7,408)
Effect of exchange rate changes on cash, cash equivalents, and restricted cash	(240)	483
Net increase/(decrease) in cash, cash equivalents, and restricted cash	\$ (4,884)	\$ 60
Cash, cash equivalents, and restricted cash at beginning of period (Note 7)	\$ 25,110	\$ 23,190
Net increase/(decrease) in cash, cash equivalents, and restricted cash	(4,884)	60
Cash, cash equivalents, and restricted cash at end of period (Note 7)	\$ 20,226	\$ 23,250

The accompanying notes are part of the consolidated financial statements.

FORD MOTOR COMPANY AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF EQUITY
(in millions, unaudited)

	Equity Attributable to Ford Motor Company						Equity Attributable to Non-controlling Interests	Total Equity
	Capital Stock	Cap. in Excess of Par Value of Stock	Retained Earnings	Accumulated Other Comprehensive Income/(Loss) (Note 16)	Treasury Stock	Total		
Balance at December 31, 2023	\$ 42	\$ 23,128	\$ 31,029	\$ (9,042)	\$ (2,384)	\$ 42,773	\$ 25	\$ 42,798
Net income/(loss)	—	—	1,332	—	—	1,332	2	1,334
Other comprehensive income/(loss), net	—	—	—	110	—	110	—	110
Common Stock issued (a)	—	(3)	—	—	—	(3)	—	(3)
Treasury stock/other	—	—	—	—	—	—	—	—
Dividends and dividend equivalents declared (\$0.33 per share) (b)	—	—	(1,342)	—	—	(1,342)	—	(1,342)
Balance at March 31, 2024	\$ 42	\$ 23,125	\$ 31,019	\$ (8,932)	\$ (2,384)	\$ 42,870	\$ 27	\$ 42,897
Net income/(loss)	—	—	1,831	—	—	1,831	2	1,833
Other comprehensive income/(loss), net	—	—	—	(425)	—	(425)	(1)	(426)
Common Stock issued (a)	—	145	—	—	—	145	—	145
Treasury stock/other	—	—	—	—	(244)	(244)	—	(244)
Dividends and dividend equivalents declared (\$0.15 per share) (b)	—	—	(610)	—	—	(610)	—	(610)
Balance at June 30, 2024	\$ 42	\$ 23,270	\$ 32,240	\$ (9,357)	\$ (2,628)	\$ 43,567	\$ 28	\$ 43,595
Balance at December 31, 2024	\$ 42	\$ 23,502	\$ 33,740	\$ (9,639)	\$ (2,810)	\$ 44,835	\$ 23	\$ 44,858
Net income/(loss)	—	—	471	—	—	471	2	473
Other comprehensive income/(loss), net	—	—	—	481	—	481	—	481
Common Stock issued (a)	—	60	—	—	—	60	—	60
Treasury stock/other	—	—	—	—	—	—	—	—
Dividends and dividend equivalents declared (\$0.30 per share) (b)	—	—	(1,212)	—	—	(1,212)	—	(1,212)
Balance at March 31, 2025	\$ 42	\$ 23,562	\$ 32,999	\$ (9,158)	\$ (2,810)	\$ 44,635	\$ 25	\$ 44,660
Net income/(loss)	—	—	(36)	—	—	(36)	7	(29)
Other comprehensive income/(loss), net	—	—	—	916	—	916	(1)	915
Common Stock issued (a)	—	153	—	—	—	153	—	153
Treasury stock/other	—	—	—	—	—	—	—	—
Dividends and dividend equivalents declared (\$0.15 per share) (b)	—	—	(611)	—	—	(611)	(7)	(618)
Balance at June 30, 2025	\$ 42	\$ 23,715	\$ 32,352	\$ (8,242)	\$ (2,810)	\$ 45,057	\$ 24	\$ 45,081

(a) Includes impact of share-based compensation.

(b) Dividends and dividend equivalents declared for Common and Class B Stock. In the first quarter of 2024 and 2025, in addition to a regular dividend of \$0.15 per share, we declared a supplemental dividend of \$0.18 per share and \$0.15 per share, respectively.

The accompanying notes are part of the consolidated financial statements.

**FORD MOTOR COMPANY AND SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS**

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**FORD MOTOR COMPANY AND SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 1. PRESENTATION

For purposes of this report, “Ford,” the “Company,” “we,” “our,” “us,” or similar references mean Ford Motor Company, our consolidated subsidiaries, and our consolidated VIEs of which we are the primary beneficiary, unless the context requires otherwise. We also make reference to Ford Motor Credit Company LLC, herein referenced to as Ford Credit. Our consolidated financial statements are presented in accordance with U.S. generally accepted accounting principles (“GAAP”) for interim financial information, instructions to the Quarterly Report on Form 10-Q, and Rule 10-01 of Regulation S-X. We reclassified certain prior year amounts in our consolidated financial statements to conform to the current year presentation.

In the opinion of management, these unaudited financial statements include all adjustments, consisting of only normal recurring adjustments, necessary for a fair statement of our results of operations and financial condition for the periods, and at the dates, presented. The results for interim periods are not necessarily indicative of results that may be expected for any other interim period or for the full year. Reference should be made to the financial statements contained in our Annual Report on Form 10-K for the year ended December 31, 2024 (“2024 Form 10-K Report”).

NOTE 2. NEW ACCOUNTING STANDARDS

Adoption of New Accounting Standards

Accounting Standards Updates (“ASUs”) adopted during 2025 did not have a material impact to our consolidated financial statements or financial statement disclosures.

Accounting Standards Issued But Not Yet Adopted

ASU 2023-09, Improvements to Income Tax Disclosures. In December 2023, the Financial Accounting Standards Board (“FASB”) issued a new accounting standard to enhance the transparency and decision usefulness of income tax disclosures. The new standard is effective for our 2025 annual financial statements and will be reflected therein, primarily related to the effective tax rate reconciliation and cash paid for income taxes. There will be no impact to our consolidated income statements, balance sheets, or statements of cash flows.

ASU 2024-03, Disaggregation of Income Statement Expenses (“DISE”). In November 2024, the FASB issued a new accounting standard to improve the disclosures about an entity’s expenses and address requests from investors for more detailed information about the types of expenses included in commonly presented expense captions. The new standard is effective for annual reporting periods beginning after December 15, 2026, and interim reporting periods beginning after December 15, 2027, with retrospective application permitted. We are assessing the effect on our consolidated financial statement disclosures; however, adoption will not impact our consolidated income statements, balance sheets, or statements of cash flows.

All other ASUs issued but not yet adopted were assessed and determined to be not applicable or are not expected to have a material impact on our consolidated financial statements or financial statement disclosures.

FORD MOTOR COMPANY AND SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS

NOTE 3. REVENUE

The following tables disaggregate our revenue by major source for the periods ended June 30 (in millions):

	Second Quarter 2024		
	Company excluding Ford Credit	Ford Credit	Consolidated
Vehicles, parts, and accessories	\$ 43,542	\$ —	\$ 43,542
Used vehicles	489	—	489
Services and other revenue (a)	726	42	768
Revenues from sales and services	<u>44,757</u>	<u>42</u>	<u>44,799</u>
Leasing income	54	1,030	1,084
Financing income	—	1,889	1,889
Insurance income	—	36	36
Total revenues	<u>\$ 44,811</u>	<u>\$ 2,997</u>	<u>\$ 47,808</u>
	Second Quarter 2025		
	Company excluding Ford Credit	Ford Credit	Consolidated
Vehicles, parts, and accessories	\$ 45,202	\$ —	\$ 45,202
Used vehicles	780	—	780
Services and other revenue (a)	884	19	903
Revenues from sales and services	<u>46,866</u>	<u>19</u>	<u>46,885</u>
Leasing income	77	1,176	1,253
Financing income	—	2,008	2,008
Insurance income	—	38	38
Total revenues	<u>\$ 46,943</u>	<u>\$ 3,241</u>	<u>\$ 50,184</u>
	First Half 2024		
	Company excluding Ford Credit	Ford Credit	Consolidated
Vehicles, parts, and accessories	\$ 82,187	\$ —	\$ 82,187
Used vehicles	999	—	999
Services and other revenue (a)	1,414	62	1,476
Revenues from sales and services	<u>84,600</u>	<u>62</u>	<u>84,662</u>
Leasing income	101	2,047	2,148
Financing income	—	3,708	3,708
Insurance income	—	67	67
Total revenues	<u>\$ 84,701</u>	<u>\$ 5,884</u>	<u>\$ 90,585</u>
	First Half 2025		
	Company excluding Ford Credit	Ford Credit	Consolidated
Vehicles, parts, and accessories	\$ 81,069	\$ —	\$ 81,069
Used vehicles	1,465	—	1,465
Services and other revenue (a)	1,687	37	1,724
Revenues from sales and services	<u>84,221</u>	<u>37</u>	<u>84,258</u>
Leasing income	144	2,307	2,451
Financing income	—	4,054	4,054
Insurance income	—	80	80
Total revenues	<u>\$ 84,365</u>	<u>\$ 6,478</u>	<u>\$ 90,843</u>

(a) Includes extended service contract revenue.

FORD MOTOR COMPANY AND SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS

NOTE 3. REVENUE (Continued)

The amount of consideration we receive and revenue we recognize on our vehicles, parts, and accessories varies with changes in return rights, marketing incentives we offer to our customers and their customers, and other pricing adjustments. Estimates of marketing incentives and other pricing adjustments are based on our expectation of retail and fleet sales volumes, mix of products to be sold, competitor actions, and incentive programs to be offered. Customer acceptance of products and programs, as well as other market conditions, will impact these estimates. As a result of changes in our estimate of variable consideration (e.g., marketing incentives), we recorded a decrease in revenue of \$256 million in the second quarter of 2024 and an increase in revenue of \$90 million in the second quarter of 2025 related to revenue recognized in prior periods.

We had a balance of \$5.3 billion and \$5.8 billion of unearned revenue associated primarily with outstanding extended service contracts reported in *Other liabilities and deferred revenue* at December 31, 2024 and June 30, 2025, respectively. We expect to recognize approximately \$1.0 billion of the unearned amount in the remainder of 2025, \$1.6 billion in 2026, and \$3.2 billion thereafter. We recognized \$427 million and \$516 million of unearned amounts from prior years as revenue during the second quarter of 2024 and 2025, respectively, and \$858 million and \$1.0 billion in the first half of 2024 and 2025, respectively.

Amounts paid to dealers to obtain extended service contracts are deferred and recorded as *Other assets*. Our deferred cost balances were \$312 million and \$317 million as of December 31, 2024 and June 30, 2025, respectively. We recognized \$27 million and \$22 million of amortization during the second quarter of 2024 and 2025, respectively, and \$53 million and \$52 million in the first half of 2024 and 2025, respectively.

FORD MOTOR COMPANY AND SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS

NOTE 4. OTHER INCOME/(LOSS)

The amounts included in *Other income/(loss), net* for the periods ended June 30 were as follows (in millions):

	Second Quarter		First Half	
	2024	2025	2024	2025
Net periodic pension and OPEB income/(cost), excluding service cost (Note 11)	\$ 105	\$ 14	\$ 81	\$ 25
Investment-related interest income	367	368	777	719
Interest income/(expense) on income taxes	(9)	1	(23)	(16)
Realized and unrealized gains/(losses) on cash equivalents, marketable securities, and other investments	21	11	(8)	43
Gains/(Losses) on changes in investments in affiliates	17	1	24	8
Royalty income	113	107	237	214
Other	14	75	38	80
Total	\$ 628	\$ 577	\$ 1,126	\$ 1,073

NOTE 5. INCOME TAXES

For interim tax reporting, we estimate one single effective tax rate for tax jurisdictions not subject to a valuation allowance, which is applied to the year-to-date ordinary income/(loss). Tax effects of significant unusual or infrequently occurring items are excluded from the estimated annual effective tax rate calculation and recognized in the interim period in which they occur.

Our effective tax rate for the second quarter and first half of 2025 was 105.4% and 61.8%, respectively. These rates were impacted by a non-cash charge to deferred tax assets in the second quarter of \$471 million associated with resolving transfer pricing matters in certain non-U.S. operations.

On July 4, 2025, P.L. 119-21 (otherwise known as the "One Big Beautiful Bill Act") was signed into law. We are analyzing the provisions within the act; however, we do not expect a material impact on our 2025 consolidated financial statements.

During the third quarter of 2025, we expect to recognize a non-cash charge to deferred tax assets of about \$400 million to recognize the impact of tax legislation enacted in Germany on July 18, 2025.

NOTE 6. CAPITAL STOCK AND EARNINGS/(LOSS) PER SHARE**Earnings/(Loss) Per Share Attributable to Ford Motor Company Common and Class B Stock**

Basic and diluted earnings/(loss) per share were calculated using the following (in millions):

	Second Quarter		First Half	
	2024	2025	2024	2025
Net income/(loss) attributable to Ford Motor Company	\$ 1,831	\$ (36)	\$ 3,163	\$ 435
Basic and Diluted Shares				
Basic shares (average shares outstanding)	3,985	3,980	3,982	3,974
Net dilutive options, unvested restricted stock units, unvested restricted stock shares, and convertible debt	37	—	40	44
Diluted shares	4,022	3,980	4,022	4,018

FORD MOTOR COMPANY AND SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS

NOTE 7. CASH, CASH EQUIVALENTS, AND MARKETABLE SECURITIES

The fair values of cash, cash equivalents, and marketable securities measured at fair value on a recurring basis were as follows (in millions):

	Fair Value Level	December 31, 2024		
		Company excluding Ford Credit	Ford Credit	Consolidated
Cash and cash equivalents				
U.S. government	1	\$ 1,099	\$ 854	\$ 1,953
U.S. government agencies	2	2,529	400	2,929
Non-U.S. government and agencies	2	1,073	370	1,443
Corporate debt	2	659	339	998
Total marketable securities classified as cash equivalents		5,360	1,963	7,323
Cash, time deposits, and money market funds		8,303	7,309	15,612
Total cash and cash equivalents		\$ 13,663	\$ 9,272	\$ 22,935
Marketable securities				
U.S. government	1	\$ 3,530	\$ 185	\$ 3,715
U.S. government agencies	2	1,691	—	1,691
Non-U.S. government and agencies	2	2,272	79	2,351
Corporate debt	2	6,676	252	6,928
Equities	1	22	—	22
Other marketable securities	2	516	190	706
Total marketable securities		\$ 14,707	\$ 706	\$ 15,413
Restricted cash		\$ 120	\$ 88	\$ 208
Cash, cash equivalents, and restricted cash - held for sale (Note 15)		\$ 47	\$ —	\$ 47
June 30, 2025				
	Fair Value Level	Company excluding Ford Credit	Ford Credit	Consolidated
Cash and cash equivalents				
U.S. government	1	\$ —	\$ 466	\$ 466
U.S. government agencies	2	2,297	400	2,697
Non-U.S. government and agencies	2	2,545	443	2,988
Corporate debt	2	785	450	1,235
Total marketable securities classified as cash equivalents		5,627	1,759	7,386
Cash, time deposits, and money market funds		8,924	6,710	15,634
Total cash and cash equivalents		\$ 14,551	\$ 8,469	\$ 23,020
Marketable securities				
U.S. government	1	\$ 3,446	\$ 231	\$ 3,677
U.S. government agencies	2	1,427	—	1,427
Non-U.S. government and agencies	2	2,378	86	2,464
Corporate debt	2	5,984	255	6,239
Equities	1	26	—	26
Other marketable securities	2	469	182	651
Total marketable securities		\$ 13,730	\$ 754	\$ 14,484
Restricted cash		\$ 131	\$ 99	\$ 230
Cash, cash equivalents, and restricted cash - held for sale		\$ —	\$ —	\$ —

FORD MOTOR COMPANY AND SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS

NOTE 7. CASH, CASH EQUIVALENTS, AND MARKETABLE SECURITIES (Continued)

The cash equivalents and marketable securities accounted for as available-for-sale (“AFS”) securities were as follows (in millions):

	December 31, 2024						
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value	Fair Value of Securities with Contractual Maturities		
					Within 1 Year	After 1 Year through 5 Years	After 5 Years
Company excluding Ford Credit							
U.S. government	\$ 3,476	\$ 1	\$ (27)	\$ 3,450	\$ 282	\$ 3,168	\$ —
U.S. government agencies	1,755	1	(30)	1,726	697	1,010	19
Non-U.S. government and agencies	2,039	1	(39)	2,001	559	1,429	13
Corporate debt	7,295	35	(21)	7,309	2,272	5,033	4
Other marketable securities	486	3	(1)	488	—	411	77
Total	<u>\$ 15,051</u>	<u>\$ 41</u>	<u>\$ (118)</u>	<u>\$ 14,974</u>	<u>\$ 3,810</u>	<u>\$ 11,051</u>	<u>\$ 113</u>
	June 30, 2025						
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value	Fair Value of Securities with Contractual Maturities		
					Within 1 Year	After 1 Year through 5 Years	After 5 Years
Company excluding Ford Credit							
U.S. government	\$ 3,137	\$ 17	\$ (6)	\$ 3,148	\$ 436	\$ 2,641	\$ 71
U.S. government agencies	1,997	10	(16)	1,991	696	1,261	34
Non-U.S. government and agencies	1,702	4	(18)	1,688	429	1,206	53
Corporate debt	6,676	64	(3)	6,737	2,100	4,528	109
Other marketable securities	439	3	—	442	72	366	4
Total	<u>\$ 13,951</u>	<u>\$ 98</u>	<u>\$ (43)</u>	<u>\$ 14,006</u>	<u>\$ 3,733</u>	<u>\$ 10,002</u>	<u>\$ 271</u>

Sales proceeds and gross realized gains/losses from the sale of AFS securities for the periods ended June 30 were as follows (in millions):

	Second Quarter		First Half	
	2024	2025	2024	2025
	Company excluding Ford Credit			
Sales proceeds	\$ 2,715	\$ 992	\$ 6,434	\$ 3,441
Gross realized gains	3	4	5	9
Gross realized losses	8	1	16	4

We determine credit losses on AFS debt securities using the specific identification method. During the first half of 2025, we did not recognize any credit loss. The unrealized losses on securities are due to changes in interest rates and market liquidity.

Cash, Cash Equivalents, and Restricted Cash

Cash, cash equivalents, and restricted cash, as reported on our consolidated statements of cash flows, were as follows (in millions):

	December 31, 2024	June 30, 2025
Cash and cash equivalents	\$ 22,935	\$ 23,020
Restricted cash (a)	208	230
Cash, cash equivalents, and restricted cash - held for sale (Note 15)	47	—
Total cash, cash equivalents, and restricted cash	<u>\$ 23,190</u>	<u>\$ 23,250</u>

(a) Included in *Other assets* in the non-current assets section of our consolidated balance sheets.

FORD MOTOR COMPANY AND SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS

NOTE 8. FORD CREDIT FINANCE RECEIVABLES AND ALLOWANCE FOR CREDIT LOSSES

Ford Credit manages finance receivables as “consumer” and “non-consumer” portfolios. The receivables are generally secured by the vehicles, inventory, or other property being financed.

Finance receivables are recorded at the time of origination or purchase at fair value and are subsequently reported at amortized cost, net of any allowance for credit losses.

For all finance receivables, Ford Credit defines “past due” as any payment, including principal and interest, that is at least 31 days past the contractual due date.

Ford Credit finance receivables, net were as follows (in millions):

	December 31, 2024	June 30, 2025
Consumer		
Retail installment contracts, gross	\$ 79,459	\$ 78,542
Finance leases, gross	8,357	9,391
Retail financing, gross	87,816	87,933
Unearned interest supplements	(4,598)	(4,330)
Consumer finance receivables	83,218	83,603
Non-Consumer		
Dealer financing	29,282	24,747
Non-Consumer finance receivables	29,282	24,747
Total recorded investment	\$ 112,500	\$ 108,350
Recorded investment in finance receivables	\$ 112,500	\$ 108,350
Allowance for credit losses	(864)	(890)
Total finance receivables, net	\$ 111,636	\$ 107,460
Current portion	\$ 51,850	\$ 47,593
Non-current portion	59,786	59,867
Total finance receivables, net	\$ 111,636	\$ 107,460
Net finance receivables subject to fair value (a)	\$ 103,755	\$ 98,614
Fair value (b)	103,231	98,947

(a) Net finance receivables subject to fair value exclude finance leases.

(b) The fair value of finance receivables is categorized within Level 3 of the fair value hierarchy.

Ford Credit’s finance leases are comprised of sales-type and direct financing leases. Financing revenue from finance leases for the second quarter of 2024 and 2025 was \$122 million and \$148 million, respectively, and for the first half of 2024 and 2025 was \$239 million and \$285 million, respectively, and is included in *Ford Credit revenues* on our consolidated income statements.

At December 31, 2024 and June 30, 2025, accrued interest was \$335 million and \$291 million, respectively, which we report in *Other assets* in the current assets section of our consolidated balance sheets.

Included in the recorded investment in finance receivables at December 31, 2024 and June 30, 2025 were consumer receivables of \$47.6 billion and \$43.0 billion, respectively, and non-consumer receivables of \$24.4 billion and \$21.9 billion, respectively, (including Ford Blue, Ford Model e, and Ford Pro receivables sold to Ford Credit, which we report in *Trade and other receivables*) that have been sold for legal purposes in securitization transactions but continue to be reported in our consolidated financial statements. The receivables are available only for payment of the debt issued by, and other obligations of, the securitization entities that are parties to those securitization transactions; they are not available to pay the other obligations or the claims of Ford Credit’s other creditors. Ford Credit holds the right to receive the excess cash flows not needed to pay the debt issued by, and other obligations of, the securitization entities that are parties to those securitization transactions.

FORD MOTOR COMPANY AND SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS

NOTE 8. FORD CREDIT FINANCE RECEIVABLES AND ALLOWANCE FOR CREDIT LOSSES (Continued)**Credit Quality**

Consumer Portfolio. Credit quality ratings for consumer receivables are based on aging. Receivables over 60 days past due are in intensified collection status.

The credit quality analysis of consumer receivables at December 31, 2024 and gross charge-offs during the year ended December 31, 2024 were as follows (in millions):

	Amortized Cost Basis by Origination Year						Total	Percent
	Prior to 2020	2020	2021	2022	2023	2024		
Consumer								
31 - 60 days past due	\$ 43	\$ 93	\$ 104	\$ 187	\$ 242	\$ 203	\$ 872	1.0%
Greater than 60 days past due	15	27	35	57	82	59	275	0.4
Total past due	58	120	139	244	324	262	1,147	1.4
Current	788	3,162	5,458	12,275	24,153	36,235	82,071	98.6
Total	<u>\$ 846</u>	<u>\$ 3,282</u>	<u>\$ 5,597</u>	<u>\$ 12,519</u>	<u>\$ 24,477</u>	<u>\$ 36,497</u>	<u>\$ 83,218</u>	<u>100.0%</u>
Gross charge-offs	\$ 46	\$ 58	\$ 71	\$ 152	\$ 191	\$ 50	\$ 568	

The credit quality analysis of consumer receivables at June 30, 2025 and gross charge-offs during the first half of 2025 were as follows (in millions):

	Amortized Cost Basis by Origination Year						Total	Percent
	Prior to 2021	2021	2022	2023	2024	2025		
Consumer								
31 - 60 days past due	\$ 84	\$ 79	\$ 148	\$ 219	\$ 233	\$ 45	\$ 808	1.0%
Greater than 60 days past due	30	31	53	76	78	23	291	0.3
Total past due	114	110	201	295	311	68	1,099	1.3
Current	2,268	3,687	9,187	19,846	32,089	15,427	82,504	98.7
Total	<u>\$ 2,382</u>	<u>\$ 3,797</u>	<u>\$ 9,388</u>	<u>\$ 20,141</u>	<u>\$ 32,400</u>	<u>\$ 15,495</u>	<u>\$ 83,603</u>	<u>100.0%</u>
Gross charge-offs	\$ 31	\$ 30	\$ 64	\$ 92	\$ 92	\$ 4	\$ 313	

Non-Consumer Portfolio. The credit quality of dealer financing receivables is evaluated based on Ford Credit's internal dealer risk rating analysis. Ford Credit uses a proprietary model to assign each dealer a risk rating. This model uses historical dealer performance data to identify key factors about a dealer that are considered most significant in predicting a dealer's ability to meet its financial obligations. Ford Credit also considers numerous other financial and qualitative factors of the dealer's operations, including capitalization and leverage, liquidity and cash flow, profitability, and credit history with Ford Credit and other creditors.

Dealers are assigned to one of four groups according to risk ratings as follows:

- *Group I* – strong to superior financial metrics;
- *Group II* – fair to favorable financial metrics;
- *Group III* – marginal to weak financial metrics; and
- *Group IV* – poor financial metrics, including dealers classified as uncollectible.

Ford Credit generally suspends credit lines and extends no further funding to dealers classified in Group IV.

FORD MOTOR COMPANY AND SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS

NOTE 8. FORD CREDIT FINANCE RECEIVABLES AND ALLOWANCE FOR CREDIT LOSSES (Continued)

The credit quality analysis of dealer financing receivables at December 31, 2024 and gross charge-offs during the year ended December 31, 2024 were as follows (in millions):

	Amortized Cost Basis by Origination Year									
	Dealer Loans							Wholesale Loans	Total	Percent
	Prior to 2020	2020	2021	2022	2023	2024	Total			
Group I	\$ 270	\$ 63	\$ 97	\$ 47	\$ 217	\$ 245	\$ 939	\$ 25,257	\$ 26,196	89.4%
Group II	13	—	3	1	28	31	76	2,494	2,570	8.8
Group III	—	—	2	—	1	4	7	462	469	1.6
Group IV	—	—	—	—	—	1	1	46	47	0.2
Total (a)	<u>\$ 283</u>	<u>\$ 63</u>	<u>\$ 102</u>	<u>\$ 48</u>	<u>\$ 246</u>	<u>\$ 281</u>	<u>\$ 1,023</u>	<u>\$ 28,259</u>	<u>\$ 29,282</u>	<u>100.0%</u>
Gross charge-offs	\$ 1	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 1	\$ 6	\$ 7	

(a) Total past due dealer financing receivables at December 31, 2024 were \$8 million.

The credit quality analysis of dealer financing receivables at June 30, 2025 and gross charge-offs during the first half of 2025 were as follows (in millions):

	Amortized Cost Basis by Origination Year									
	Dealer Loans							Wholesale Loans	Total	Percent
	Prior to 2021	2021	2022	2023	2024	2025	Total			
Group I	\$ 315	\$ 78	\$ 34	\$ 196	\$ 118	\$ 130	\$ 871	\$ 20,047	\$ 20,918	84.5%
Group II	24	9	3	35	10	39	120	3,044	3,164	12.8
Group III	1	—	—	—	1	7	9	590	599	2.4
Group IV	—	—	—	—	—	1	1	65	66	0.3
Total (a)	<u>\$ 340</u>	<u>\$ 87</u>	<u>\$ 37</u>	<u>\$ 231</u>	<u>\$ 129</u>	<u>\$ 177</u>	<u>\$ 1,001</u>	<u>\$ 23,746</u>	<u>\$ 24,747</u>	<u>100.0%</u>
Gross charge-offs	\$ —	\$ —	\$ —	\$ 3	\$ —	\$ —	\$ 3	\$ 11	\$ 14	

(a) Total past due dealer financing receivables at June 30, 2025 were \$4 million.

FORD MOTOR COMPANY AND SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS

NOTE 8. FORD CREDIT FINANCE RECEIVABLES AND ALLOWANCE FOR CREDIT LOSSES (Continued)**Allowance for Credit Losses**

The allowance for credit losses represents an estimate of the lifetime expected credit losses inherent in finance receivables as of the balance sheet date. The adequacy of the allowance for credit losses is assessed quarterly.

Adjustments to the allowance for credit losses are made by recording charges to *Ford Credit interest, operating, and other expenses* on our consolidated income statements. The uncollectible portion of a finance receivable is charged to the allowance for credit losses at the earlier of when an account is deemed to be uncollectible or when an account is 120 days delinquent, taking into consideration the financial condition of the customer or borrower, the value of the collateral, recourse to guarantors, and other factors.

Charge-offs on finance receivables include uncollected amounts related to principal, interest, late fees, and other allowable charges. Recoveries on finance receivables previously charged off as uncollectible are credited to the allowance for credit losses. In the event Ford Credit repossesses the collateral, the receivable is charged off and the collateral is recorded at its estimated fair value less costs to sell and reported in *Other assets* on our consolidated balance sheets.

An analysis of the allowance for credit losses related to finance receivables for the periods ended June 30 was as follows (in millions):

	Second Quarter 2024			First Half 2024		
	Consumer	Non-Consumer	Total	Consumer	Non-Consumer	Total
Allowance for credit losses						
Beginning balance	\$ 877	\$ 3	\$ 880	\$ 879	\$ 3	\$ 882
Charge-offs	(124)	(7)	(131)	(253)	(7)	(260)
Recoveries	42	—	42	81	3	84
Provision for credit losses	87	8	95	178	5	183
Other (a)	(6)	—	(6)	(9)	—	(9)
Ending balance	<u>\$ 876</u>	<u>\$ 4</u>	<u>\$ 880</u>	<u>\$ 876</u>	<u>\$ 4</u>	<u>\$ 880</u>
	Second Quarter 2025			First Half 2025		
	Consumer	Non-Consumer	Total	Consumer	Non-Consumer	Total
Allowance for credit losses						
Beginning balance	\$ 872	\$ 9	\$ 881	\$ 860	\$ 4	\$ 864
Charge-offs	(147)	(13)	(160)	(313)	(14)	(327)
Recoveries	45	—	45	85	—	85
Provision for credit losses	105	9	114	240	14	254
Other (a)	10	—	10	13	1	14
Ending balance	<u>\$ 885</u>	<u>\$ 5</u>	<u>\$ 890</u>	<u>\$ 885</u>	<u>\$ 5</u>	<u>\$ 890</u>

(a) Primarily represents amounts related to foreign currency translation adjustments.

FORD MOTOR COMPANY AND SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS

NOTE 9. INVENTORIES

Inventories were as follows (in millions):

	December 31, 2024	June 30, 2025
Raw materials, work-in-process, and supplies	\$ 5,394	\$ 5,865
Finished products	9,557	11,405
Total inventories	<u>\$ 14,951</u>	<u>\$ 17,270</u>

Our finished product inventory at June 30, 2025 was higher than at December 31, 2024, reflecting higher in-transit and in-plant inventory.

NOTE 10. OTHER LIABILITIES AND DEFERRED REVENUE

Other liabilities and deferred revenue were as follows (in millions):

	December 31, 2024	June 30, 2025
Current		
Dealer and dealers' customer allowances and claims	\$ 14,140	\$ 15,250
Deferred revenue	3,331	4,526
Employee benefit plans	2,457	2,386
Accrued interest	1,346	1,399
Operating lease liabilities	558	584
OPEB (a)	335	339
Pension (a)	215	223
Other (b)	5,400	5,653
Total current other liabilities and deferred revenue	<u>\$ 27,782</u>	<u>\$ 30,360</u>
Non-current		
Dealer and dealers' customer allowances and claims	\$ 9,836	\$ 11,221
Deferred revenue	4,910	5,090
Pension (a)	4,470	4,149
OPEB (a)	4,080	4,076
Operating lease liabilities	1,782	1,928
Employee benefit plans	806	764
Other (b)	2,948	3,014
Total non-current other liabilities and deferred revenue	<u>\$ 28,832</u>	<u>\$ 30,242</u>

(a) Balances at June 30, 2025 reflect pension and OPEB liabilities at December 31, 2024, updated for: service and interest cost; expected return on assets; curtailments, settlements, and associated interim remeasurement (where applicable); separation expense; actual benefit payments; and cash contributions. The discount rate and rate of expected return assumptions are unchanged from year-end 2024. Included in *Other assets* are pension assets of \$4.1 billion and \$4.5 billion at December 31, 2024 and June 30, 2025, respectively.

(b) Includes current derivative liabilities of \$1.0 billion and \$0.7 billion at December 31, 2024 and June 30, 2025, respectively. Includes non-current derivative liabilities of \$0.9 billion and \$0.7 billion at December 31, 2024 and June 30, 2025, respectively (see Note 13).

FORD MOTOR COMPANY AND SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS

NOTE 11. RETIREMENT BENEFITS**Defined Benefit Plans - Expense**

The pre-tax net periodic benefit cost/(income) for our defined benefit pension and OPEB plans for the periods ended June 30 were as follows (in millions):

	Second Quarter					
	2024			2025		
	Pension Benefits		OPEB	Pension Benefits		OPEB
	U.S. Plans	Non-U.S. Plans	Worldwide	U.S. Plans	Non-U.S. Plans	Worldwide
Service cost	\$ 73	\$ 61	\$ 6	\$ 52	\$ 50	\$ 5
Interest cost	401	233	56	393	238	55
Expected return on assets	(455)	(252)	—	(457)	(289)	—
Amortization of prior service costs/(credits)	24	6	3	22	6	2
Net remeasurement (gain)/loss	—	(172)	—	—	—	—
Separation costs/other	1	53	—	5	11	—
Settlements and curtailments	—	(3)	—	—	—	—
Net periodic benefit cost/(income)	<u>\$ 44</u>	<u>\$ (74)</u>	<u>\$ 65</u>	<u>\$ 15</u>	<u>\$ 16</u>	<u>\$ 62</u>

	First Half					
	2024			2025		
	Pension Benefits		OPEB	Pension Benefits		OPEB
	U.S. Plans	Non-U.S. Plans	Worldwide	U.S. Plans	Non-U.S. Plans	Worldwide
Service cost	\$ 146	\$ 124	\$ 12	\$ 104	\$ 98	\$ 10
Interest cost	801	468	113	786	462	110
Expected return on assets	(910)	(507)	—	(913)	(567)	—
Amortization of prior service costs/(credits)	47	12	5	44	12	4
Net remeasurement (gain)/loss	—	(183)	—	—	(10)	—
Separation costs/other	9	67	—	12	35	—
Settlements and curtailments	—	(3)	—	—	—	—
Net periodic benefit cost/(income)	<u>\$ 93</u>	<u>\$ (22)</u>	<u>\$ 130</u>	<u>\$ 33</u>	<u>\$ 30</u>	<u>\$ 124</u>

The service cost component is included in *Cost of sales* and *Selling, administrative, and other expenses*. Other components of net periodic benefit cost/(income) are included in *Other income/(loss), net* on our consolidated income statements.

Pension Plan Contributions

During 2025, we continue to expect to contribute about \$800 million of cash to our global funded pension plans. We also expect to make about \$450 million of benefit payments to participants in unfunded plans. In the first half of 2025, we contributed \$515 million to our global funded pension plans and made \$218 million of benefit payments to participants in unfunded plans.

FORD MOTOR COMPANY AND SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS

NOTE 12. DEBT

The carrying value of Company debt excluding Ford Credit and Ford Credit debt was as follows (in millions):

	December 31, 2024	June 30, 2025
Company excluding Ford Credit		
Debt payable within one year		
Short-term	\$ 632	\$ 913
Long-term debt payable within one year		
U.K. Export Finance Program	784	—
Public unsecured debt securities	176	176
Convertible notes (a)	—	2,300
Other debt (including finance leases) (b)	176	208
Unamortized (discount)/premium	(11)	(1)
Unamortized issuance costs	(1)	(5)
Total debt payable within one year	1,756	3,591
Long-term debt payable after one year		
Public unsecured debt securities	14,759	14,759
Convertible notes (a)	2,300	—
U.K. Export Finance Program (c)	940	1,028
Other debt (including finance leases) (b)	1,160	1,199
Unamortized (discount)/premium	(109)	(105)
Unamortized issuance costs	(152)	(139)
Total long-term debt payable after one year	18,898	16,742
Total Company excluding Ford Credit	\$ 20,654	\$ 20,333
Fair value of Company debt excluding Ford Credit (d)	\$ 20,178	\$ 19,659
Ford Credit		
Debt payable within one year		
Short-term	\$ 17,413	\$ 17,039
Long-term payable within one year		
Unsecured debt	12,871	14,362
Asset-backed debt	23,050	21,960
Unamortized (discount)/premium	2	—
Unamortized issuance costs	(18)	(21)
Fair value adjustments (e)	(125)	(59)
Total debt payable within one year	53,193	53,281
Long-term debt payable after one year		
Unsecured debt	49,607	52,005
Asset-backed debt	36,224	32,615
Unamortized (discount)/premium	(20)	(21)
Unamortized issuance costs	(217)	(214)
Fair value adjustments (e)	(919)	(272)
Total long-term debt payable after one year	84,675	84,113
Total Ford Credit	\$ 137,868	\$ 137,394
Fair value of Ford Credit debt (d)	\$ 140,046	\$ 139,148

- (a) As of June 30, 2025, each \$1,000 principal amount of the notes will be convertible into 73.523 shares of our Common Stock, which is equivalent to a conversion price of approximately \$13.60 per share. We recognized issuance cost amortization of \$2 million during both the second quarter of 2024 and 2025 and \$3 million during both the first half of 2024 and 2025.
- (b) At December 31, 2024 and June 30, 2025, long-term finance leases payable within one year were \$94 million and \$119 million, respectively, and long-term finance leases payable after one year were \$711 million and \$751 million, respectively.
- (c) On July 23, 2025, Ford of Britain entered into a £1 billion term loan credit facility. Although not included in the table above, on July 28, 2025, Ford of Britain drew the full £1 billion available under the facility.
- (d) At December 31, 2024 and June 30, 2025, the fair value of debt includes \$632 million and \$913 million of Company excluding Ford Credit short-term debt, respectively, and \$16.2 billion and \$15.9 billion of Ford Credit short-term debt, respectively, carried at cost, which approximates fair value. All other debt is categorized within Level 2 of the fair value hierarchy.
- (e) These adjustments are related to hedging activity and include discontinued hedging relationship adjustments of \$(450) million and \$(411) million at December 31, 2024 and June 30, 2025, respectively. The carrying value of hedged debt was \$41.1 billion and \$41.8 billion at December 31, 2024 and June 30, 2025, respectively.

FORD MOTOR COMPANY AND SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS

NOTE 13. DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGING ACTIVITIES

In the normal course of business, our operations are exposed to global market risks, including the effect of changes in foreign currency exchange rates, certain commodity prices, and interest rates. To manage these risks, we enter into derivative contracts. We have elected to apply hedge accounting to certain derivatives. Derivatives that are designated in hedging relationships are evaluated for effectiveness using regression analysis at the time they are designated and throughout the hedge period. Some derivatives do not qualify for hedge accounting; for others, we elect not to apply hedge accounting.

Income Effect of Derivative Financial Instruments

The gains/(losses), by hedge designation, reported in income for the periods ended June 30 were as follows (in millions):

	Second Quarter		First Half	
	2024	2025	2024	2025
Cash flow hedges				
Reclassified from AOCI to Cost of sales				
Foreign currency exchange contracts (a)	\$ 50	\$ 21	\$ 64	\$ 95
Commodity contracts (b)	(3)	(1)	(29)	10
Fair value hedges				
Interest rate contracts				
Net interest settlements and accruals on hedging instruments	(106)	(44)	(202)	(92)
Fair value changes on hedging instruments	(26)	235	(269)	564
Fair value changes on hedged debt	17	(219)	237	(543)
Cross-currency interest rate swap contracts				
Net interest settlements and accruals on hedging instruments	(35)	(18)	(64)	(43)
Fair value changes on hedging instruments	(47)	358	(111)	504
Fair value changes on hedged debt	40	(339)	102	(475)
Derivatives not designated as hedging instruments				
Foreign currency exchange contracts (c)	126	(69)	195	(9)
Cross-currency interest rate swap contracts	(30)	246	(196)	348
Interest rate contracts	3	(18)	51	(63)
Commodity contracts	9	11	(11)	22
Total	\$ (2)	\$ 163	\$ (233)	\$ 318

- (a) For the second quarter and first half of 2024, a \$49 million gain and a \$337 million gain, respectively, were reported in *Other comprehensive income/(loss), net of tax*. For the second quarter and first half of 2025, a \$527 million loss and a \$605 million loss, respectively, were reported in *Other comprehensive income/(loss), net of tax*.
- (b) For the second quarter and first half of 2024, a \$54 million gain and a \$22 million gain, respectively, were reported in *Other comprehensive income/(loss), net of tax*. For the second quarter and first half of 2025, a \$12 million gain and an \$8 million gain, respectively, were reported in *Other comprehensive income/(loss), net of tax*.
- (c) For the second quarter and first half of 2024, an \$81 million gain and a \$58 million gain, respectively, were reported in *Cost of sales*, and a \$45 million gain and a \$137 million gain, respectively, were reported in *Other income/(loss), net*. For the second quarter and first half of 2025, a \$56 million gain and a \$126 million gain, respectively, were reported in *Cost of sales*, and a \$125 million loss and a \$135 million loss, respectively, were reported in *Other income/(loss), net*.

FORD MOTOR COMPANY AND SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS

NOTE 13. DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGING ACTIVITIES (Continued)**Balance Sheet Effect of Derivative Financial Instruments**

Derivative assets and liabilities are reported on our consolidated balance sheets at fair value and are presented on a gross basis. The notional amounts of the derivative instruments do not necessarily represent amounts exchanged by the parties and are not a direct measure of our financial exposure. We also enter into master agreements with counterparties that may allow for netting of exposures in the event of default or breach of the counterparty agreement. Collateral represents cash received or paid under reciprocal arrangements that we have entered into with our derivative counterparties, which we do not use to offset our derivative assets and liabilities.

The fair value of our derivative instruments and the associated notional amounts were as follows (in millions):

	December 31, 2024			June 30, 2025		
	Notional	Fair Value of Assets	Fair Value of Liabilities	Notional	Fair Value of Assets	Fair Value of Liabilities
Cash flow hedges						
Foreign currency exchange contracts	\$ 20,027	\$ 578	\$ 123	\$ 17,900	\$ 75	\$ 245
Commodity contracts	959	22	13	966	19	9
Fair value hedges						
Interest rate contracts	16,194	66	645	19,563	457	309
Cross-currency interest rate swap contracts	3,802	9	139	3,802	381	—
Derivatives not designated as hedging instruments						
Foreign currency exchange contracts	20,799	301	192	26,220	291	315
Cross-currency interest rate swap contracts	5,455	133	246	5,325	352	49
Interest rate contracts	76,977	305	845	84,941	330	804
Commodity contracts	944	14	31	882	19	20
Total derivative financial instruments, gross (a) (b)	\$ 145,157	\$ 1,428	\$ 2,234	\$ 159,599	\$ 1,924	\$ 1,751
Current portion		\$ 869	\$ 1,311		\$ 544	\$ 1,017
Non-current portion		559	923		1,380	734
Total derivative financial instruments, gross		\$ 1,428	\$ 2,234		\$ 1,924	\$ 1,751

(a) At December 31, 2024 and June 30, 2025, we held collateral of \$27 million and \$38 million, respectively, and we posted collateral of \$127 million and \$125 million, respectively.

(b) At December 31, 2024 and June 30, 2025, the fair value of assets and liabilities available for counterparty netting was \$780 million and \$1,067 million, respectively. All derivatives are categorized within Level 2 of the fair value hierarchy.

FORD MOTOR COMPANY AND SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS

NOTE 14. EMPLOYEE SEPARATION ACTIONS AND EXIT AND DISPOSAL ACTIVITIES

We generally record costs associated with voluntary separations at the time of employee acceptance. We generally record costs associated with involuntary separation programs when management has approved the plan for separation, the affected employees are identified, and it is unlikely that actions required to complete the separation plan will change significantly. Costs associated with benefits that are contingent on the employee continuing to provide service are accrued over the required service period.

Company Excluding Ford Credit

Employee separation actions and exit and disposal activities include employee separation costs, facility and other asset-related charges (e.g., impairment, accelerated depreciation), dealer and supplier payments, other statutory and contractual obligations, and other expenses, which are recorded in *Cost of sales* and *Selling, administrative, and other expenses*. Below are actions we have initiated:

In 2021, we ceased vehicle manufacturing in Sanand, India and exited manufacturing operations in Brazil. In 2022, we ceased manufacturing in Chennai, India and ceased production of the Mondeo in Valencia, Spain. We do not expect significant additional costs for these actions; however, the remaining cash outflows are expected to be finalized over several years.

In 2023, we announced our plan to phase-out production of the Focus at our Saarlouis Body and Assembly plant in Germany. We will cease production in 2025, and we plan to repurpose the facility into a technology center, retaining 1,000 positions.

In 2023, 2024, and 2025, we also had separation programs for salaried workers, primarily in Europe, and expect these programs to be substantially complete by the end of 2027. In addition, in 2024, we offered voluntary separation packages to certain members of our hourly workforce in North America, and these programs are substantially complete.

The following table summarizes the activities for the periods ended June 30, which are recorded in *Other liabilities* and *deferred revenue* (in millions):

	Second Quarter		First Half	
	2024	2025	2024	2025
Beginning balance	\$ 1,466	\$ 999	\$ 1,086	\$ 1,098
Changes in accruals (a)	195	51	789	98
Payments	(315)	(67)	(503)	(245)
Foreign currency translation and other	(13)	67	(39)	99
Ending balance	\$ 1,333	\$ 1,050	\$ 1,333	\$ 1,050

(a) Excludes pension costs of \$50 million and \$11 million in the second quarter of 2024 and 2025, respectively, and \$64 million and \$35 million in the first half of 2024 and 2025, respectively.

We recorded costs of \$853 million and \$133 million in the first half of 2024 and 2025, respectively, related to the initiated actions above. We estimate that we will incur about \$500 million in total charges in 2025 related to such actions, primarily attributable to employee separations; some charges are related to plans that are subject to negotiations with a works council, union, or other social partner. In addition, we continue to review our global businesses and may take additional restructuring actions where a path to sustained profitability is not feasible.

NOTE 15. ACQUISITIONS AND DIVESTITURES

Ford Motor Company A/S ("Denmark"). In the third quarter of 2024, we entered into an agreement to sell 100% of our equity interest in Denmark. The entity was classified as held for sale in the fourth quarter of 2024 once all criteria were met. Accordingly, as of December 31, 2024, we reported \$52 million of held-for-sale assets, including \$47 million of cash, and \$33 million of held-for-sale liabilities in *Other assets* and *Other liabilities*, respectively. We determined the assets held for sale were not impaired. On January 2, 2025, we completed the sale of Denmark. The consideration received approximated the carrying value of Denmark at the time of sale.

FORD MOTOR COMPANY AND SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS

NOTE 16. ACCUMULATED OTHER COMPREHENSIVE INCOME/(LOSS)

The changes in the balances for each component of accumulated other comprehensive income/(loss) attributable to Ford Motor Company for the periods ended June 30 were as follows (in millions):

	Second Quarter		First Half	
	2024	2025	2024	2025
Foreign currency translation				
Beginning balance	\$ (5,557)	\$ (6,378)	\$ (5,443)	\$ (6,899)
Gains/(Losses) on foreign currency translation	(496)	1,229	(614)	1,726
Less: Tax/(Tax benefit) (a)	23	(44)	19	(72)
Net gains/(losses) on foreign currency translation	(519)	1,273	(633)	1,798
(Gains)/Losses reclassified from AOCI to net income (b)	(1)	—	(1)	(4)
Other comprehensive income/(loss), net of tax (c)	(520)	1,273	(634)	1,794
Ending balance	\$ (6,077)	\$ (5,105)	\$ (6,077)	\$ (5,105)
Marketable securities				
Beginning balance	\$ (178)	\$ 17	\$ (170)	\$ (50)
Gains/(Losses) on available for sale securities	30	51	15	139
Less: Tax/(Tax benefit)	5	13	3	32
Net gains/(losses) on available for sale securities	25	38	12	107
(Gains)/Losses reclassified from AOCI to net income	5	(3)	11	(5)
Less: Tax/(Tax benefit)	2	(1)	3	(1)
Net (gains)/losses reclassified from AOCI to net income (b)	3	(2)	8	(4)
Other comprehensive income/(loss), net of tax	28	36	20	103
Ending balance	\$ (150)	\$ 53	\$ (150)	\$ 53
Derivative instruments				
Beginning balance	\$ (126)	\$ 148	\$ (331)	\$ 277
Gains/(Losses) on derivative instruments	103	(515)	359	(597)
Less: Tax/(Tax benefit)	24	(120)	84	(139)
Net gains/(losses) on derivative instruments	79	(395)	275	(458)
(Gains)/Losses reclassified from AOCI to net income	(47)	(20)	(35)	(105)
Less: Tax/(Tax benefit)	(11)	(5)	(8)	(24)
Net (gains)/losses reclassified from AOCI to net income (d)	(36)	(15)	(27)	(81)
Other comprehensive income/(loss), net of tax	43	(410)	248	(539)
Ending balance	\$ (83)	\$ (262)	\$ (83)	\$ (262)
Pension and other postretirement benefits				
Beginning balance	\$ (3,071)	\$ (2,945)	\$ (3,098)	\$ (2,967)
Amortization and recognition of prior service costs/(credits)	33	30	64	60
Less: Tax/(Tax benefit)	7	8	15	15
Net prior service costs/(credits) reclassified from AOCI to net income	26	22	49	45
Translation impact on non-U.S. plans	(2)	(5)	2	(6)
Other comprehensive income/(loss), net of tax	24	17	51	39
Ending balance	\$ (3,047)	\$ (2,928)	\$ (3,047)	\$ (2,928)
Total AOCI ending balance at June 30	\$ (9,357)	\$ (8,242)	\$ (9,357)	\$ (8,242)

(a) We do not recognize deferred taxes for a majority of the foreign currency translation gains and losses because we do not anticipate reversal in the foreseeable future. However, we have made elections to tax certain non-U.S. operations simultaneously in U.S. tax returns, and have recorded deferred taxes for temporary differences that will reverse, independent of repatriation plans, in U.S. tax returns. Taxes or tax benefits resulting from foreign currency translation of the temporary differences are recorded in *Other comprehensive income/(loss), net of tax*.

(b) Reclassified to *Other income/(loss), net*.

(c) Excludes a \$1 million loss related to noncontrolling interests in both 2024 and 2025, respectively.

(d) Reclassified to *Cost of sales*. During the next twelve months, we expect to reclassify existing net losses on cash flow hedges of \$136 million (see Note 13).

**FORD MOTOR COMPANY AND SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 17. VARIABLE INTEREST ENTITIES

Certain of our affiliates are VIEs in which we are not the primary beneficiary. Our maximum exposure to any potential losses associated with these unconsolidated affiliates is limited to our equity investments, accounts receivable, loans, and guarantees and was \$9.3 billion and \$7.6 billion at December 31, 2024 and June 30, 2025, respectively. The guarantee exposure is related to certain debt at our unconsolidated affiliates, which includes amounts outstanding as well as potential future draws up to a maximum amount of \$4.9 billion at both December 31, 2024 and June 30, 2025, related to certain obligations of our VIEs, and is also included in Note 18.

In July 2022, Ford, SK On Co., Ltd., and SK Battery America, Inc. (a wholly owned subsidiary of SK On) completed the creation of BlueOval SK, LLC ("BOSK"), a 50/50 joint venture that is building and will operate electric vehicle battery plants in Tennessee and Kentucky to supply batteries to Ford and Ford affiliates. BOSK is a VIE of which we are not the primary beneficiary, and we use the equity method of accounting for our investment. In December 2024, BOSK entered into a loan agreement with the United States Department of Energy ("DOE") of up to \$9.6 billion (the "BOSK DOE Loan"). In conjunction with the loan agreement, Ford has agreed to guarantee its 50% share of BOSK's payment obligations under the BOSK DOE Loan. After drawing on the BOSK DOE Loan, BOSK has distributed \$3.1 billion (including \$1.7 billion in the first quarter of 2025) to Ford as returns of capital. As of June 30, 2025, Ford has recognized contributions (net of returns of capital) to BOSK of \$2.6 billion of its agreed capital contribution of up to \$6.6 billion through 2026. The total amount of capital contributions is subject to adjustments agreed to by the parties.

**FORD MOTOR COMPANY AND SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 18. COMMITMENTS AND CONTINGENCIES

Commitments and contingencies primarily consist of guarantees and indemnifications, litigation and claims, and warranty and field service actions.

Guarantees and Indemnifications

Financial Guarantees. Financial guarantees and indemnifications are recorded at fair value at their inception. Subsequent to initial recognition, the guarantee liability is adjusted at each reporting period to reflect the current estimate of expected payments resulting from possible default events over the remaining life of the guarantee. The maximum potential payments for financial guarantees were \$5.3 billion and \$5.4 billion at December 31, 2024 and June 30, 2025, respectively. See Note 17 for additional information. The carrying value of recorded liabilities related to financial guarantees was \$144 million and \$109 million at December 31, 2024 and June 30, 2025, respectively.

Our financial guarantees consist of debt and lease obligations of certain joint ventures, as well as certain financial obligations of outside third parties, including suppliers, to support our business and economic growth. Expiration dates vary through 2040, and guarantees will terminate on payment and/or cancellation of the underlying obligation. A payment by us would be triggered by failure of the joint venture or other third party to fulfill its obligation covered by the guarantee. In some circumstances, we are entitled to recover from a third party amounts paid by us under the guarantee.

Non-Financial Guarantees. Non-financial guarantees and indemnifications are recorded at fair value at their inception. We regularly review our performance risk under these arrangements, and in the event it becomes probable we will be required to perform under a guarantee or indemnity, the probable amount of payment is recorded. The maximum potential payments and carrying values of recorded liabilities related to non-financial guarantees were de minimis at both December 31, 2024 and June 30, 2025.

In the ordinary course of business, we execute contracts involving indemnifications standard in the industry and indemnifications specific to a transaction, such as the sale of a business. These indemnifications might include and are not limited to claims relating to any of the following: environmental, tax, and shareholder matters; intellectual property rights; power generation contracts; governmental regulations and employment-related matters; dealer, supplier, and other commercial contractual relationships; and financial matters, such as securitizations. Performance under these indemnities generally would be triggered by a breach of contract claim brought by a counterparty, including a joint venture or alliance partner, or a third-party claim. While some of these indemnifications are limited in nature, many of them do not limit potential payment. Therefore, we are unable to estimate a maximum amount of future payments that could result from claims made under these unlimited indemnities.

**FORD MOTOR COMPANY AND SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 18. COMMITMENTS AND CONTINGENCIES (Continued)

Litigation and Claims

Various legal actions, proceedings, and claims (generally, "matters") are pending or may be instituted or asserted against us. These include, but are not limited to, matters arising out of alleged defects in our products; product warranties; governmental regulations relating to safety, emissions, and fuel economy or other matters; government incentives; tax matters, including trade and customs; alleged illegal acts resulting in fines or penalties; financial services; employment-related matters; dealer, supplier, and other contractual relationships; intellectual property rights; environmental matters; shareholder or investor matters; and financial reporting matters. Certain of the pending legal actions are, or purport to be, class actions. Some of the matters involve or may involve claims for compensatory, punitive, or antitrust or other treble damages that are significant, or demands for field service actions, environmental remediation programs, sanctions, loss of government incentives, assessments, or other relief, which, if granted, would require significant expenditures.

The extent of our financial exposure to these matters is difficult to estimate. Many matters do not specify a dollar amount for damages, and many others specify only a jurisdictional minimum. To the extent an amount is asserted, our historical experience suggests that in most instances the amount asserted is not a reliable indicator of the ultimate outcome.

We accrue for matters when losses are deemed probable and reasonably estimable. In evaluating matters for accrual and disclosure purposes, we take into consideration factors such as our historical experience with matters of a similar nature, the specific facts and circumstances asserted, the likelihood that we will prevail, and the severity of any potential loss. We reevaluate and update our accruals as matters progress over time.

For the majority of matters, which generally arise out of alleged defects in our products, we establish an accrual based on our extensive historical experience with similar matters. We do not believe there is a reasonably possible outcome materially in excess of our accrual for these matters. For the remaining matters, where our historical experience with similar matters is of more limited value (i.e., "non-pattern matters"), we evaluate the matters primarily based on the individual facts and circumstances. For non-pattern matters, we evaluate whether there is a reasonable possibility of a material loss in excess of any accrual that can be estimated.

Our estimate of reasonably possible loss in excess of our accruals for all material matters currently reflects indirect tax and regulatory matters, for which we estimate the aggregate risk to be a range of up to about \$0.6 billion.

As noted, the litigation process is subject to many uncertainties, and the outcome of individual matters is not predictable with assurance. Our assessments are based on our knowledge and experience, but the ultimate outcome of any matter could require payment substantially in excess of the amount that we have accrued and/or disclosed.

FORD MOTOR COMPANY AND SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS

NOTE 18. COMMITMENTS AND CONTINGENCIES (Continued)**Warranty and Field Service Actions**

We accrue the estimated cost of both base warranty coverages and field service actions at the time of sale. We establish our estimate of base warranty obligations using a patterned estimation model, using historical information regarding the nature, frequency, and average cost of claims for each vehicle line by model year. We establish our estimates of field service action obligations using a patterned estimation model, using historical information regarding the nature, frequency, severity, and average cost of claims for each model year. In addition, from time to time, we issue extended warranties at our expense, the estimated cost of which is accrued at the time of issuance. Warranty and field service action obligations are reported in *Other liabilities and deferred revenue*. We reevaluate the adequacy of our accruals on a regular basis.

We recognize the benefit from a recovery of the costs associated with our warranty and field service actions when specifics of the recovery have been agreed with our supplier and the amount of recovery is virtually certain. Recoveries are reported in *Trade and other receivables, net* and *Other assets*.

The estimate of our future warranty and field service action costs, net of estimated supplier recoveries, for the periods ended June 30 was as follows (in millions):

	First Half	
	2024	2025
Beginning balance	\$ 11,504	\$ 14,032
Payments made during the period	(2,862)	(2,801)
Changes in accrual related to warranties issued during the period	2,671	3,351
Changes in accrual related to pre-existing warranties	1,438	1,586
Foreign currency translation and other	(198)	69
Ending balance	<u>\$ 12,553</u>	<u>\$ 16,237</u>

Changes to our estimated costs are reported as changes in accrual related to pre-existing warranties in the table above, which includes a \$571 million charge in the second quarter of 2025 for a field service action related to fuel injectors. In addition, our estimate of reasonably possible costs in excess of our accruals for material field service actions and customer satisfaction actions is a range of up to about \$1.7 billion in the aggregate.

**FORD MOTOR COMPANY AND SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 19. SEGMENT INFORMATION

We report segment information consistent with the way our chief operating decision maker (“CODM”), our President and Chief Executive Officer, evaluates the operating results and performance of the Company. Accordingly, we analyze the results of our business through the following segments: Ford Blue, Ford Model e, Ford Pro, and Ford Credit.

Beginning January 1, 2025, the expenses and investments for emerging business initiatives in vehicle-adjacent market segments (previously the Ford Next segment) are reflected in the reportable segments that benefit from those expenses and investments or Corporate Other. Prior period amounts were adjusted retrospectively to reflect the change.

Below is a description of our reportable segments and other activities.

Ford Blue Segment

Ford Blue primarily includes the sale of Ford and Lincoln internal combustion engine (“ICE”) and hybrid vehicles, service parts, accessories, and digital services for retail customers, together with the associated costs of development, manufacture, and distribution of the vehicles, parts, accessories, and services. This segment focuses on developing Ford and Lincoln ICE and hybrid vehicles. Additionally, this segment provides hardware engineering and manufacturing capabilities to Ford Model e and manufactures vehicles on behalf of Ford Pro and, in certain cases, Ford Model e. Ford Blue also includes:

- All sales for markets not presently in scope for Ford Model e or Ford Pro (as further described below)
- In markets outside of the United States and Canada, sales to commercial, government, and rental customers of ICE and hybrid vehicles not considered core to Ford Pro
- Sales of electric vehicles (“EVs”) by our unconsolidated affiliates in China
- All sales of vehicles manufactured and sold to other OEMs

Ford Model e Segment

Ford Model e primarily includes the sale of our electric vehicles, service parts, accessories, and digital services for retail customers, together with the associated costs of development, manufacture, and distribution of the vehicles, parts, accessories, and services. This segment focuses on developing EV and digital vehicle technologies, as well as software development. Additionally, this segment provides software and connected vehicle technologies on behalf of the enterprise, and manufactures certain EVs, including for Ford Pro. Ford Model e operates in North America, Europe, and China. Ford Model e also includes EV and related sales not considered core to Ford Pro to commercial, government, and rental customers in Europe, China, and Mexico.

Ford Pro Segment

Ford Pro primarily includes the sale of Ford and Lincoln vehicles, service parts, accessories, and services for commercial, government, and rental customers. Included in this segment are sales of all core Ford Pro vehicles, such as Super Duty and the Transit range of vans in North America and Europe and all sales of Ranger in Europe. In the United States and Canada, Ford Pro also includes all vehicle sales to commercial, government, and rental customers. This segment focuses on selling ICE, hybrid, and electric vehicles, and providing digital and physical services to optimize and maintain fleets, including telematics and EV charging solutions. This segment reflects external sales of vehicles produced by Ford Blue and Ford Model e, and the costs (including intersegment markup) associated with acquiring vehicles for sale and providing services are reflected in this segment. Ford Pro operates in North America and Europe.

Ford Credit Segment

The Ford Credit segment is comprised of the Ford Credit business on a consolidated basis, which is primarily vehicle-related financing and leasing activities.

**FORD MOTOR COMPANY AND SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 19. SEGMENT INFORMATION (Continued)

Corporate Other

Corporate Other primarily includes corporate governance expenses, past service pension and OPEB income and expense, interest income (excluding Ford Credit interest income and interest earned on our extended service contract portfolio) and gains and losses from our cash, cash equivalents, and marketable securities, and foreign exchange derivatives gains and losses associated with intercompany lending. Corporate governance expenses are primarily administrative, delivering benefit on behalf of the global enterprise, that are not allocated to operating segments. These include expenses related to setting and directing global policy, providing oversight and stewardship, and promoting the Company's interests. Corporate Other assets include: cash, cash equivalents, and marketable securities; tax-related assets; defined benefit pension plan net assets; and other assets managed centrally.

Interest on Debt

Interest on Debt is presented as a separate reconciling item and consists of interest expense on Company debt excluding Ford Credit.

Special Items

Special Items are presented as a separate reconciling item. They consist of (i) pension and OPEB remeasurement gains and losses, (ii) significant personnel expenses, supplier- and 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 (iii) other items that we do not generally consider to be indicative of earnings from ongoing operating activities. Our management excludes these items from its review of the results of the operating segments for purposes of measuring segment profitability and allocating resources. We also report these special items separately to help investors track amounts related to these activities and to allow investors analyzing our results to identify certain infrequent significant items that they may wish to exclude when analyzing operating results.

CODM Evaluation of the Business

When we report segment earnings before interest and taxes ("Segment EBIT") for each of the Ford Blue, Ford Model e, and Ford Pro segments, it consists of the earnings for the particular segment and does not include interest and taxes. Ford Credit segment earnings include interest and exclude taxes ("Segment EBT"). Each segment's EBIT/EBT also excludes the results reported in Corporate Other and Special Items. For the Ford Blue, Ford Model e, and Ford Pro segments, our CODM reviews Segment EBIT and Segment EBIT margin, as well as market share, revenue, and wholesale volume to evaluate performance and allocate resources, predominately in the budgeting, planning, and forecasting processes. For Segment EBIT, our CODM reviews the year-over-year change in EBIT, sequential change in EBIT, and change in EBIT from internal forecasts/budgets. Revenue and certain of our costs, such as material costs, generally vary directly with changes in volume and mix of vehicles. As a result, our CODM reviews the EBIT impact driven by changes in volume and mix, the EBIT impact driven by changes in exchange, and the EBIT impact driven by changes in net pricing and cost categories at constant volume and mix and/or exchange. For the Ford Credit segment, our CODM reviews Segment EBT to evaluate performance and allocate resources. Expense information is provided to and reviewed by the CODM on a consolidated basis to evaluate cost efficiency and company level performance.

FORD MOTOR COMPANY AND SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS

NOTE 19. SEGMENT INFORMATION (Continued)**Segment Revenue, Cost, and Asset Principles for Ford Blue, Ford Model e, and Ford Pro**

External vehicle and digital services revenue is generally vehicle-specific and included in the segment responsible for the external vehicle sale. A majority of parts and accessories revenue and cost is attributed to customer sales channels or vehicle lines based on recent end-customer sales and is included in the respective segment.

In the normal course of business, Ford Blue, Ford Model e, and Ford Pro transact between segments and cooperate to leverage synergies, including developing and manufacturing vehicles on behalf of another segment. When one segment produces a vehicle that is sold externally by another segment, an intersegment transaction occurs. The producing segment will report intersegment revenue to recoup the costs associated with the unit produced. This includes material cost, labor and overhead (including depreciation and amortization), inbound freight, and an intersegment markup. The intersegment markup amount is set to deliver a competitive return to the producing segment for its manufacturing and distribution service. Costs are reflected in the associated segment externally reporting the vehicle sale, as detailed in the table below:

Income Statement Elements	Examples	Segment Reporting
Costs specific to a particular vehicle	Bill of material cost and initial warranty accrual	Reported in the segment externally selling the vehicle
Costs identifiable by product line	Manufacturing and logistics costs, depreciation & amortization expense, direct research & development costs	Typically identifiable to the product line or production location. Reported in the segment externally selling the vehicle, based on relative volume
Shared costs	Selling, general & administrative expense, and indirect/cross product line research & development costs	Typically shared across all segments, generally based on relative volume. Certain costs clearly linked to a segment are reported in the specific segment
Intersegment markup costs for intersegment vehicle transactions	Contract manufacturing and distribution fees	Reported in the segment externally selling the vehicle, for each applicable vehicle transaction

Assets are reported in each segment, aligned to the appropriate operational responsibility. Manufacturing assets, e.g., our plants and the machinery and equipment therein, are included in our Ford Blue and Ford Model e segments. Manufacturing assets producing only, or primarily, EVs and related components are reflected in Ford Model e. Manufacturing assets that support the production of ICE and hybrid vehicles, including those producing ICE and electric vehicles in the same facility, are included in Ford Blue. Company-owned vendor tooling dedicated to producing EV parts is reported in Ford Model e. Purchased regulatory credit compliance assets are reported in Ford Blue. There are no Ford manufacturing, Company-owned vendor tooling, or regulatory credit compliance assets reported in Ford Pro. Depreciation and amortization expense is reflected on the basis of production volume. Regulatory compliance credit expense is allocated by vehicle line between the Ford Blue and Ford Pro segments. Regardless of the segment reporting the asset, the related expenses are reported in the segment that reports the external vehicle sale.

Equity in net income/(loss) of affiliated companies is included in *Income/(Loss) before income taxes*, based primarily on which segment the entity supports or has the majority of the entity's purchases or sales. The table below shows the segment reporting for our most significant unconsolidated entities:

Ford Blue

- Changan Ford Automobile Corporation, Ltd. ("CAF")
- Jiangling Motors Corporation, Ltd. ("JMC")
- AutoAlliance (Thailand) Co., Ltd. ("AAT")

Ford Model e

- BlueOval SK, LLC

Ford Pro

- Ford Otomotiv Sanayi Anonim Sirketi ("Ford Otosan")

FORD MOTOR COMPANY AND SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS

NOTE 19. SEGMENT INFORMATION (Continued)

Key financial information for the periods ended or at June 30 was as follows (in millions):

	Ford Blue	Ford Model e	Ford Pro	Ford Credit	Unallocated Amounts and Eliminations (a)	Total
Second Quarter 2024						
External revenues	\$ 26,670	\$ 1,150	\$ 16,988	\$ 2,997	\$ 3	\$ 47,808
Intersegment revenues (b)	11,306	112	—	—	(11,418)	—
Total revenues	\$ 37,976	\$ 1,262	\$ 16,988	\$ 2,997	\$ (11,415)	\$ 47,808
Other segment items (c)	36,809	2,412	14,426	2,654		
Segment EBIT/EBT	\$ 1,167	\$ (1,150)	\$ 2,562	\$ 343		\$ 2,922
<i>Reconciliation of Segment EBIT/EBT</i>						
Unallocated amounts:						
Corporate Other						(165)
Interest on debt (excludes \$1,897 of Ford Credit interest on debt)						(270)
Special items (d)						(49)
Income/(Loss) before income taxes						<u>\$ 2,438</u>
<i>Other Segment Disclosures</i>						
Depreciation and tooling amortization	\$ 754	\$ 152	\$ 356	\$ 623	\$ 29	\$ 1,914
Investment-related interest income	41	—	13	122	191	367
Equity in net income/(loss) of affiliated companies	95	(20)	111	10	1	197
Cash outflow for capital spending (e)	1,051	973	8	22	46	2,100
Total assets	59,907	16,861	3,287	150,159	46,372	276,586
Second Quarter 2025						
External revenues	\$ 25,784	\$ 2,357	\$ 18,797	\$ 3,241	\$ 5	\$ 50,184
Intersegment revenues (b)	13,527	192	—	—	(13,719)	—
Total revenues	\$ 39,311	\$ 2,549	\$ 18,797	\$ 3,241	\$ (13,714)	\$ 50,184
Other segment items (c)	38,650	3,878	16,479	2,596		
Segment EBIT/EBT	\$ 661	\$ (1,329)	\$ 2,318	\$ 645		\$ 2,295
<i>Reconciliation of Segment EBIT/EBT</i>						
Unallocated amounts:						
Corporate Other						(155)
Interest on debt (excludes \$1,759 of Ford Credit interest on debt)						(297)
Special items (f)						(1,302)
Income/(Loss) before income taxes						<u>\$ 541</u>
<i>Other Segment Disclosures</i>						
Depreciation and tooling amortization	\$ 764	\$ 154	\$ 349	\$ 615	\$ 17	\$ 1,899
Investment-related interest income	50	1	15	91	211	368
Equity in net income/(loss) of affiliated companies	52	(17)	96	13	(394)	(250)
Cash outflow for capital spending (e)	1,063	952	16	34	23	2,088
Total assets	64,141	16,304	4,566	157,804	49,910	292,725

FORD MOTOR COMPANY AND SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS

NOTE 19. SEGMENT INFORMATION (Continued)

Key financial information for the periods ended or at June 30 was as follows (in millions):

	Ford Blue	Ford Model e	Ford Pro	Ford Credit	Unallocated Amounts and Eliminations (a)	Total
First Half 2024						
External revenues	\$ 48,424	\$ 1,266	\$ 35,007	\$ 5,884	\$ 4	\$ 90,585
Intersegment revenues (b)	23,047	133	—	—	(23,180)	—
Total revenues	\$ 71,471	\$ 1,399	\$ 35,007	\$ 5,884	\$ (23,176)	\$ 90,585
Other segment items (c)	69,403	3,876	29,439	5,215		
Segment EBIT/EBT	\$ 2,068	\$ (2,477)	\$ 5,568	\$ 669		\$ 5,828
<i>Reconciliation of Segment EBIT/EBT</i>						
Unallocated amounts:						
Corporate Other						(308)
Interest on debt (excludes \$3,745 of Ford Credit interest on debt)						(548)
Special items (g)						(922)
Income/(Loss) before income taxes						<u>\$ 4,050</u>
<i>Other Segment Disclosures</i>						
Depreciation and tooling amortization	\$ 1,479	\$ 295	\$ 716	\$ 1,245	\$ 60	\$ 3,795
Investment-related interest income	77	1	24	267	408	777
Equity in net income/(loss) of affiliated companies	156	(39)	228	18	1	364
Cash outflow for capital spending (e)	2,100	1,948	17	43	86	4,194
First Half 2025						
External revenues	\$ 46,781	\$ 3,599	\$ 33,978	\$ 6,478	\$ 7	\$ 90,843
Intersegment revenues (b)	24,132	308	—	—	(24,440)	—
Total revenues	\$ 70,913	\$ 3,907	\$ 33,978	\$ 6,478	\$ (24,433)	\$ 90,843
Other segment items (c)	70,156	6,085	30,351	5,253		
Segment EBIT/EBT	\$ 757	\$ (2,178)	\$ 3,627	\$ 1,225		\$ 3,431
<i>Reconciliation of Segment EBIT/EBT</i>						
Unallocated amounts:						
Corporate Other						(272)
Interest on debt (excludes \$3,549 of Ford Credit interest on debt)						(585)
Special items (f)						(1,412)
Income/(Loss) before income taxes						<u>\$ 1,162</u>
<i>Other Segment Disclosures</i>						
Depreciation and tooling amortization	\$ 1,493	\$ 292	\$ 697	\$ 1,233	\$ 32	\$ 3,747
Investment-related interest income	98	2	30	182	407	719
Equity in net income/(loss) of affiliated companies	114	(37)	136	23	(392)	(156)
Cash outflow for capital spending (e)	2,050	1,713	23	62	58	3,906

(a) Unallocated amounts include Corporate Other (see above description of corporate expenses and corporate assets) and Special Items. Eliminations include intersegment transactions occurring in the ordinary course of business.

(b) Intersegment revenues only reflect finished vehicle transactions between Ford Blue, Ford Model e, and Ford Pro where there is an intersegment markup and are recognized at the time of the intersegment transaction.

(c) Other segment items for the Ford Blue, Ford Model e, and Ford Pro segments primarily consists of: material costs (including commodities and components and purchased vehicles from partners), manufacturing costs (including hourly and salaried wages and fringe, and plant overhead such as utilities and taxes), warranty coverages and field service action costs (including estimated costs to repair, replace, or adjust parts on a vehicle that are defective in factory supplied materials or workmanship), freight and duty costs (including related to the receiving and shipping of components and vehicles), vehicle and software engineering and connectivity costs (including wages and fringe for personnel, prototype materials, testing, and outside services), spending-related costs (including depreciation and amortization of manufacturing and engineering assets, asset retirements, and operating leases), advertising and sales promotions costs (including costs for advertising, marketing programs, brand promotions, customer mailings and promotional events, and auto shows), and administrative, IT, and selling costs (primarily including wages and fringe for salaried personnel and purchased services). Other segment items for Ford Credit primarily consists of interest expense and depreciation.

(d) Primarily reflects restructuring actions in Europe (which triggered remeasurement of certain European pension plans) and updated assumptions for the duration of the Oakville Assembly Plant changeover, which is now shorter than originally planned.

(e) Ford Blue recognized \$248 million and \$195 million of spending attributable to electric vehicles at shared manufacturing plants during the second quarter of 2024 and 2025, respectively, and \$471 million and \$358 million in the first half of 2024 and 2025, respectively. Total electric vehicle spending, including Ford Blue and Ford Model e, was \$1,221 million and \$1,147 million during the second quarter of 2024 and 2025, respectively, and \$2,419 million and \$2,071 million in the first half of 2024 and 2025, respectively.

(f) Primarily reflects a field service action for fuel injectors, our share of equity method investment asset impairments and write downs and other expenses, and charges related to the cancellation of a previously planned all-electric three-row SUV program and resulting actions.

(g) Primarily reflects restructuring actions in Europe, buyouts for hourly employees in North America, and the extended duration of the Oakville Assembly Plant changeover.

ITEM 2. *Management's Discussion and Analysis of Financial Condition and Results of Operations.*

RECENT DEVELOPMENTS

Trade Policy and Tariffs

To the extent governments in various regions implement or intensify barriers to trade, such as erecting tariff or non-tariff barriers, implementing export controls, or manipulating their currency to provide advantages to domestic companies, there can be a significant negative impact on manufacturers based in other markets.

Tariffs implemented to date in the United States and elsewhere have caused significant disruption, increased costs (both directly and indirectly), and uncertainty in the automotive industry, including for Ford, other OEMs, suppliers, and dealers, as well as customers. Moreover, tariffs implemented in the United States and elsewhere in the future may exacerbate these impacts. Further, fragility in the supply chain exacerbated by tariffs and other industry concerns, such as China's restriction on the export of rare earth minerals, increases the risk of production disruptions and may further increase costs. Tariffs have affected and will continue to affect all OEMs, to various degrees.

In the second quarter of 2025, Ford's net EBIT impact related to tariffs implemented or revised in 2025 was about \$800 million, including the impact of preferential tariff treatment and import adjustment offset amounts. These offsets are subject to periodic approval by the U.S. Department of Commerce and may be revised based on ultimate production and import levels.

Although there is uncertainty regarding the application, scope, duration, and timing for implementation of tariffs (including related offsets), those that have been implemented and any additional tariffs or other measures that are implemented in the United States and retaliatory tariffs or other measures or restrictions that are implemented by other governments and the potential related market impacts, should they be sustained for an extended period of time, would have a significant adverse effect, including both operationally and financially, on the overall automotive industry, Ford, and our supply chain in 2025 and beyond.

For additional information regarding the impact and potential impact of trade policy and tariffs on our business, see the Outlook section on page 55 of this 10-Q Report and Item 1A. Risk Factors in our 2024 Form 10-K Report as updated by Item 1A. Risk Factors in our Quarterly Report on Form 10-Q for the period ended March 31, 2025.

Electric Vehicle Market

Although we continue to invest in our electric vehicle strategy, we have observed lower-than-anticipated industrywide electric vehicle adoption rates and near-term pricing pressures, which has led us, and may in the future lead us, to adjust our investments, spending, production, and/or product or future technology launches to better match the pace of electric vehicle adoption. We previously announced the cancellation of an all-electric three-row SUV program. In addition to incurring expenses of \$1.3 billion through the first quarter of 2025 for the cancellation of that program and for which we may continue to incur expenses, the impact of that cancellation has resulted in changes to future technology and product launches, for which we have incurred and may continue to incur additional expenses. In the second quarter of 2025, we recorded \$308 million of expenses related to the program cancellation and resulting actions. We may incur additional expenses and cash expenditures of about \$1.5 billion and will reflect those in the quarter they are incurred as a special item. Further, significant unexpected changes in the EV demand environment have led, and may in the future lead, to incremental competitive pricing actions, and we may continue to incur expenses related to payments to our electric vehicle-related suppliers (battery, raw material, or otherwise), asset write-downs, or other matters. These market dynamics may continue to occur, which could have a substantial adverse impact on our business, including our investments in supply, production capacity, and equity method investments. In addition, policy changes in the United States are currently phasing out certain demand-side incentives to purchase EVs and may further reduce supply-side benefits to produce EVs, all of which may result in slower adoption of EVs or otherwise disrupt the market for EVs.

Further, the pace of EV adoption and slower-than-anticipated development of the EV market may impact our strategy to comply with regulatory standards. Although recent actions taken or expected to be taken in the United States and elsewhere may reduce the stringency of such standards, if consumers do not purchase our EVs and other highly fuel-efficient vehicles in sufficient numbers, it may be difficult for Ford to meet applicable environmental standards in certain markets and may force us to take various product-led actions (e.g., curtailing the production and sale of certain internal combustion vehicles) that could have substantial adverse effects on our sales volume and operations. As previously reported, we have entered into agreements to purchase regulatory compliance credits for current and future model years in various regions, as, in some cases, we plan to utilize credits purchased from third parties to demonstrate regulatory

compliance. Our obligations under these agreements generally are dependent on the continued existence of an underlying regulatory compliance requirement in the applicable jurisdiction. Following federal legislative action taken in the United States in the second quarter of 2025 that eliminated certain state compliance programs, we exercised our contractual right to terminate some of the credit purchase transactions under those agreements. As a result of these terminations, in addition to the delivery of credits to us under our purchase agreements and accruals we recorded for credits we are obligated to receive, our future purchase obligations under our compliance credit purchase agreements as of June 30, 2025 totaled about \$2.8 billion, down from about \$4.2 billion at December 31, 2024. In addition, we have written off, and may in the future write off, compliance credit assets that we are no longer able to use as a result of legislative or regulatory changes. Write-offs to date for such credit assets have been immaterial.

See Item 1A. Risk Factors in our 2024 Form 10-K Report for additional discussion of the risks related to lower-than-anticipated electric vehicle volumes and our planned transition to a greater mix of electric vehicles.

RESULTS OF OPERATIONS

In the second quarter of 2025, the net loss attributable to Ford Motor Company was \$36 million, and Company adjusted EBIT was \$2,140 million.

Net income/(loss) includes certain items ("special items") that are excluded from Company adjusted EBIT. These items are discussed in more detail in Note 19 of the Notes to the Financial Statements. We report special items separately to allow investors analyzing our results to identify certain infrequent significant items that they may wish to exclude when analyzing operating results. Our pre-tax and tax special items were as follows (in millions):

	Second Quarter		First Half	
	2024	2025	2024	2025
Restructuring (by Geography)				
Europe	\$ (226)	\$ (18)	\$ (547)	\$ (50)
North America Hourly Buyouts	—	—	(260)	—
Subtotal Restructuring	\$ (226)	\$ (18)	\$ (807)	\$ (50)
Other Items				
Fuel injector field service action	\$ —	\$ (571)	\$ —	\$ (571)
EV program cancellation	—	(308)	—	(372)
Ford share of equity method investment's asset impairments	—	(201)	—	(201)
Ford share of BlueOval SK's asset write down / other	—	(193)	—	(193)
Extended Oakville Assembly Plant Changeover	45	—	(246)	—
Other	7	—	9	—
Subtotal Other Items	\$ 52	\$ (1,273)	\$ (237)	\$ (1,337)
Pension and OPEB Gain/(Loss)				
Pension and OPEB remeasurement	\$ 172	\$ —	\$ 183	\$ 10
Pension settlements, curtailments, and separations costs	(47)	(11)	(61)	(35)
Subtotal Pension and OPEB Gain/(Loss)	\$ 125	\$ (11)	\$ 122	\$ (25)
Total EBIT Special Items	\$ (49)	\$ (1,302)	\$ (922)	\$ (1,412)
Provision for/(Benefit from) tax special items (a)	\$ 30	\$ 233	\$ (190)	\$ 204

(a) Includes related tax effect on special items and tax special items.

We recorded \$1,302 million of pre-tax special item charges in the second quarter of 2025, primarily reflecting a field service action for fuel injectors, expenses related to the cancellation of a previously planned all-electric three-row SUV program and resulting actions (for additional details, please see the discussion of the *Electric Vehicle Market* in the "Recent Developments" section on page 34), our share of asset impairments at an equity method investment, and our share of BOSK's asset write downs and other expenses due to BOSK's alternative capacity usage plans.

We recorded a \$233 million provision for tax special items in the second quarter of 2025, including a \$471 million non-cash charge to deferred tax assets associated with resolving transfer price matters in certain non-U.S. operations.

In Note 19 of the Notes to the Financial Statements, special items are reflected as a separate reconciling item, as opposed to being allocated among our segments. This reflects the fact that management excludes these items from its review of operating segment results for purposes of measuring segment profitability and allocating resources.

COMPANY KEY METRICS

The table below shows our second quarter and first half 2025 key metrics for the Company, compared to a year ago.

	Second Quarter			First Half		
	2024	2025	H / (L)	2024	2025	H / (L)
GAAP Financial Measures						
Cash Flows from Operating Activities (\$B)	\$ 5.5	\$ 6.3	\$ 0.8	\$ 6.9	\$ 10.0	\$ 3.1
Revenue (\$M)	47,808	50,184	5 %	90,585	90,843	— %
Net Income/(Loss) (\$M)	1,831	(36)	\$ (1,867)	3,163	435	\$ (2,728)
Net Income/(Loss) Margin (%)	3.8 %	(0.1)%	(3.9) pts	3.5 %	0.5 %	(3.0) pts
EPS (Diluted)	\$ 0.46	\$ (0.01)	\$ (0.47)	\$ 0.79	\$ 0.11	\$ (0.68)

Non-GAAP Financial Measures (a)

Company Adj. Free Cash Flow (\$B)	\$ 3.2	\$ 2.8	\$ (0.4)	\$ 2.8	\$ 1.3	\$ (1.4)
Company Adj. EBIT (\$M)	2,757	2,140	(617)	5,520	3,159	(2,361)
Company Adj. EBIT Margin (%)	5.8 %	4.3 %	(1.5) pts	6.1 %	3.5 %	(2.6) pts
Adjusted EPS (Diluted)	\$ 0.47	\$ 0.37	\$ (0.10)	\$ 0.97	\$ 0.51	\$ (0.46)
Adjusted ROIC (Trailing Four Quarters)	11.1 %	10.1 %	(1.0) pts			

(a) See *Non-GAAP Financial Measure Reconciliations* section for reconciliation to GAAP.

In the second quarter of 2025, our diluted earnings per share of Common and Class B Stock was a loss of \$0.01, and our diluted adjusted earnings per share was \$0.37.

Net income/(loss) margin was negative 0.1% in the second quarter of 2025, down 3.9 percentage points from a year ago. Company adjusted EBIT margin was 4.3% in the second quarter of 2025, down 1.5 percentage points from a year ago.

The table below shows the details of our second quarter and first half 2025 net income/(loss) attributable to Ford and Company adjusted EBIT (in millions).

	Second Quarter			First Half		
	2024	2025	H / (L)	2024	2025	H / (L)
Ford Blue	\$ 1,167	\$ 661	\$ (506)	\$ 2,068	\$ 757	\$ (1,311)
Ford Model e	(1,150)	(1,329)	(179)	(2,477)	(2,178)	299
Ford Pro	2,562	2,318	(244)	5,568	3,627	(1,941)
Ford Credit	343	645	302	669	1,225	556
Corporate Other	(165)	(155)	10	(308)	(272)	36
Company Adjusted EBIT (a)	2,757	2,140	(617)	5,520	3,159	(2,361)
Interest on Debt	(270)	(297)	(27)	(548)	(585)	(37)
Special Items	(49)	(1,302)	(1,253)	(922)	(1,412)	(490)
Taxes / Noncontrolling Interests	(607)	(577)	30	(887)	(727)	160
Net Income/(Loss)	\$ 1,831	\$ (36)	\$ (1,867)	\$ 3,163	\$ 435	\$ (2,728)

(a) See *Non-GAAP Financial Measure Reconciliations* section for reconciliation to GAAP.

The year-over-year decrease of \$1,867 million in net income and \$617 million in Company adjusted EBIT in the second quarter of 2025 was driven by lower Ford Blue, Ford Pro, and Model e EBIT, offset partially by higher Ford Credit EBT. The decrease in net income was also driven by higher special item charges, as described on page 36.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations (Continued)

The tables below and on the following pages provide second quarter and first half 2025 key metrics and the change in second quarter 2025 EBIT compared with second quarter 2024 by causal factor for each of our Ford Blue, Ford Model e, and Ford Pro segments. For a description of these causal factors, see *Definitions and Information Regarding Ford Blue, Ford Model e, Ford Pro Causal Factors*.

Ford Blue Segment

Key Metrics	Second Quarter			First Half		
	2024	2025	H / (L)	2024	2025	H / (L)
Wholesale Units (000) (a)	741	696	(45)	1,367	1,284	(84)
Revenue (\$M)	\$ 26,670	\$ 25,784	\$ (886)	\$ 48,424	\$ 46,781	\$ (1,643)
EBIT (\$M)	1,167	661	(506)	2,068	757	(1,311)
EBIT Margin (%)	4.4%	2.6%	(1.8) ppts	4.3%	1.6%	(2.7) ppts

(a) Includes Ford and Lincoln brand and JMC brand vehicles produced and sold in China by our unconsolidated affiliates (about 105,000 units in Q2 2024 and 97,000 units in Q2 2025).

Change in EBIT by Causal Factor (in millions)

Second Quarter 2024 EBIT	\$ 1,167
Volume / Mix	(508)
Net Pricing	174
Cost	307
Exchange	(383)
Other	(96)
Second Quarter 2025 EBIT	\$ 661

In the second quarter of 2025, Ford Blue's wholesales decreased 6% from a year ago. The decrease primarily reflects lower F-150 wholesales due to the non-repeat of the stock build in 2024 following the launch of the new model. Second quarter 2025 revenue decreased 3%, driven primarily by lower wholesales and unfavorable exchange, offset partially by favorable mix and pricing.

Ford Blue's second quarter 2025 EBIT was \$661 million, a decrease of \$506 million from a year ago, with an EBIT margin of 2.6%. The lower EBIT primarily reflects lower volume and adverse exchange, offset partially by lower costs and favorable net pricing. The lower costs reflect ongoing cost reduction initiatives, including lower warranty costs, which more than offset increased tariff-related costs.

Ford Model e Segment

Key Metrics	Second Quarter			First Half		
	2024	2025	H / (L)	2024	2025	H / (L)
Wholesale Units (000)	26	60	34	36	91	55
Revenue (\$M)	\$ 1,150	\$ 2,357	\$ 1,207	\$ 1,266	\$ 3,599	\$ 2,333
EBIT (\$M)	(1,150)	(1,329)	(179)	(2,477)	(2,178)	299
EBIT Margin (%)	(99.9)%	(56.4)%	43.6 ppts	(195.5)%	(60.5)%	135.0 ppts

Change in EBIT by Causal Factor (in millions)

Second Quarter 2024 EBIT	\$	(1,150)
Volume / Mix		(24)
Net Pricing		(52)
Cost		(113)
Exchange		3
Other		7
Second Quarter 2025 EBIT	\$	(1,329)

In the second quarter of 2025, Ford Model e's wholesales increased significantly from a year ago, primarily due to the launch of EV products in Europe, including the Explorer, Puma, and Capri, and higher F-150 Lightning and Mustang Mach-E wholesales in North America. Second quarter 2025 revenue increased by \$1,207 million, reflecting higher wholesales.

Ford Model e's second quarter 2025 EBIT loss was \$1,329 million, a \$179 million higher loss than a year ago, with an EBIT margin of negative 56.4%. The increased EBIT loss was primarily driven by tariff-related costs, volume-related manufacturing costs, and adverse net pricing.

Ford Pro Segment

Key Metrics	Second Quarter			First Half		
	2024	2025	H / (L)	2024	2025	H / (L)
Wholesale Units (000) (a)	375	429	54	783	781	(2)
Revenue (\$M)	\$ 16,988	\$ 18,797	\$ 1,809	\$ 35,007	\$ 33,978	\$ (1,029)
EBIT (\$M)	2,562	2,318	(244)	5,568	3,627	(1,941)
EBIT Margin (%)	15.1%	12.3%	(2.7) ppts	15.9%	10.7%	(5.2) ppts

(a) Includes Ford brand vehicles produced and sold by our unconsolidated affiliate Ford Otosan in Türkiye (about 21,000 units in both Q2 2024 and Q2 2025).

Change in EBIT by Causal Factor (in millions)

Second Quarter 2024 EBIT	\$	2,562
Volume / Mix		721
Net Pricing		(491)
Cost		(489)
Exchange		26
Other		(11)
Second Quarter 2025 EBIT	\$	2,318

In the second quarter of 2025, Ford Pro's wholesales increased 15% from a year ago, driven by higher daily rental volume and higher sales of the Transit family of vehicles, including the launch of the E-Transit Custom and E-Transit Courier in Europe. Second quarter 2025 revenue increased 11%, primarily reflecting higher wholesales, offset partially by moderated pricing across fleets (including daily rental).

Ford Pro's second quarter 2025 EBIT was \$2,318 million, a decrease of \$244 million from a year ago, with an EBIT margin of 12.3%. The lower EBIT was primarily driven by unfavorable fleet pricing (including daily rental), tariff-related costs, and volume-related manufacturing costs, offset partially by higher volume.

Definitions and Information Regarding Ford Blue, Ford Model e, and Ford Pro Causal Factors

In general, we measure year-over-year change in Ford Blue, Ford Model e, and Ford Pro segment EBIT using the causal factors listed below, with net pricing and cost variances calculated at present-period volume and mix and exchange:

- *Market Factors* (exclude the impact of unconsolidated affiliate wholesale units):
 - *Volume and Mix* – primarily measures EBIT variance from changes in wholesale unit volumes (at prior-year average contribution margin per unit) driven by changes in industry volume, market share, and dealer stocks, as well as the EBIT variance resulting from changes in product mix, including mix among vehicle lines and mix of trim levels and options within a vehicle line
 - *Net Pricing* – primarily measures EBIT variance driven by changes in wholesale unit prices to dealers and marketing incentive programs such as rebate programs, low-rate financing offers, special lease offers, and stock adjustments on dealer inventory
- *Cost:*
 - *Contribution Costs* – primarily measures EBIT variance driven by per-unit changes in cost categories that typically vary with volume, such as material costs (including commodity and component costs), warranty expense, and freight and duty (including tariff) costs
 - *Structural Costs* – primarily measures EBIT variance driven by absolute change in cost categories that typically do not have a directly proportionate relationship to production volume. Structural costs include the following cost categories:
 - *Manufacturing, Including Volume-Related* – consists primarily of costs for hourly and salaried manufacturing personnel, plant overhead (such as utilities and taxes), and new product launch expense. These costs could be affected by volume for operating pattern actions such as overtime, line-speed, and shift schedules
 - *Engineering and Connectivity* – consists primarily of costs for vehicle and software engineering personnel, prototype materials, testing, and outside engineering and software services
 - *Spending-Related* – consists primarily of depreciation and amortization of our manufacturing and engineering assets, but also includes asset retirements and operating leases
 - *Advertising and Sales Promotions* – includes costs for advertising, marketing programs, brand promotions, customer mailings and promotional events, and auto shows
 - *Administrative, Information Technology, and Selling* – includes primarily costs for salaried personnel and purchased services related to our staff activities, information technology, and selling functions
- *Exchange* – primarily measures EBIT variance driven by one or more of the following: (i) transactions denominated in currencies other than the functional currencies of the relevant entities, (ii) effects of converting functional currency income to U.S. dollars, (iii) effects of remeasuring monetary assets and liabilities of the relevant entities in currencies other than their functional currency, or (iv) results of our foreign currency hedging
- *Other* – includes a variety of items, such as parts and services earnings, royalties, government incentives, compensation-related changes, and regulatory compliance expenses

In addition, definitions and calculations used in this report include:

- *Wholesales and Revenue* – wholesale unit volumes include all Ford and Lincoln badged units (whether produced by Ford or by an unconsolidated affiliate) that are sold to dealerships or others, units manufactured by Ford that are sold to other manufacturers, units distributed by Ford for other manufacturers, and local brand units produced by our China joint venture, Jiangling Motors Corporation, Ltd. ("JMC"), that are sold to dealerships or others. Vehicles sold to daily rental car companies that are subject to a guaranteed repurchase option (i.e., rental repurchase), as well as other sales of finished vehicles for which the recognition of revenue is deferred (e.g., consignments), also are included in wholesale unit volumes. Revenue from certain vehicles in wholesale unit volumes (specifically, Ford badged vehicles produced and distributed by our unconsolidated affiliates, as well as JMC brand vehicles) are not included in our revenue. Excludes transactions between Ford Blue, Ford Model e, and Ford Pro segments
- *Industry Volume and Market Share* – based, in part, on estimated vehicle registrations; includes medium and heavy duty trucks
- *SAAR* – seasonally adjusted annual rate

Ford Credit Segment

Ford Credit files periodic reports with the SEC that contain additional information regarding Ford Credit. The reports are available through Ford Credit's website located at www.ford.com/finance/investor-center and can also be found on the SEC's website located at www.sec.gov. The foregoing information regarding Ford Credit's website and its content is for convenience only and not deemed to be incorporated by reference into this Report nor filed with the SEC.

The tables below provide second quarter and first half 2025 key metrics and the change in second quarter 2025 EBT compared with second quarter 2024 by causal factor for the Ford Credit segment. For a description of these causal factors, see *Definitions and Information Regarding Ford Credit Causal Factors*.

Key Metrics	Second Quarter			First Half		
	2024	2025	H / (L)	2024	2025	H / (L)
Total Net Receivables (\$B)	\$ 137.7	\$ 143.7	\$ 6.0			
Loss-to-Receivables (bps) (a)	41	48	7	44	56	12
Auction Values (b)	\$ 31,045	\$ 32,410	4%	\$ 30,305	\$ 31,485	4%
EBT (\$M)	343	645	\$ 302	669	1,225	\$ 556
ROE (%)	7.6%	14.9%	7.3 pts	7.3%	13.6%	6.3 pts
Other Balance Sheet Metrics						
Debt (\$B)	\$ 130.5	\$ 137.4	\$ 6.9			
Net Liquidity (\$B)	28.3	27.0	(1.3)			
Financial Statement Leverage (to 1)	9.6	9.4	(0.2)			

(a) U.S. retail financing only.

(b) U.S. portfolio off-lease second quarter auction values at Q2 2025 mix and YTD amounts at YTD 2025 mix.

Change in EBT by Causal Factor (in millions)

Second Quarter 2024 EBT	\$ 343
Volume / Mix	21
Financing Margin	197
Credit Loss	(19)
Lease Residual	23
Exchange	(2)
Other	82
Second Quarter 2025 EBT	\$ 645

Ford Credit's total net receivables of \$143.7 billion were 4% higher than a year ago, explained primarily by a larger operating lease portfolio, higher consumer financing, and exchange. The second quarter 2025 U.S. loss-to-receivables ("LTR") ratio of 48 basis points increased from a year ago, reflecting higher repossessions and increased loss severity. U.S. auction values increased 4% year over year, reflecting industrywide low used vehicle supply and high demand.

Ford Credit's second quarter 2025 EBT of \$645 million was \$302 million higher than a year ago, explained primarily by higher financing margin and receivables and a favorable derivative market valuation adjustment (included in Other), partially offset by an accrual related to an industrywide review of historical U.K. discretionary dealer commissions (also included in Other).

Definitions and Information Regarding Ford Credit Causal Factors

In general, we measure year-over-year changes in Ford Credit's EBT using the causal factors listed below:

- *Volume and Mix:*
 - Volume primarily measures changes in net financing margin driven by changes in average net receivables excluding the allowance for credit losses at prior period financing margin yield (defined below in financing margin) at prior period exchange rates. Volume changes are primarily driven by the volume of new and used vehicles sold and leased, the extent to which Ford Credit purchases retail financing and operating lease contracts, the extent to which Ford Credit provides wholesale financing, the sales price of the vehicles financed, the level of dealer inventories, Ford-sponsored special financing programs available exclusively through Ford Credit, and the availability of cost-effective funding
 - Mix primarily measures changes in net financing margin driven by period-over-period changes in the composition of Ford Credit's average net receivables excluding the allowance for credit losses by product within each region
- *Financing Margin:*
 - Financing margin variance is the period-over-period change in financing margin yield multiplied by the present period average net receivables excluding the allowance for credit losses at prior period exchange rates. This calculation is performed at the product and country level and then aggregated. Financing margin yield equals revenue, less interest expense and scheduled depreciation for the period, divided by average net receivables excluding the allowance for credit losses for the same period
 - Financing margin changes are driven by changes in revenue and interest expense. Changes in revenue are primarily driven by the level of market interest rates, cost assumptions in pricing, mix of business, and competitive environment. Changes in interest expense are primarily driven by the level of market interest rates, borrowing spreads, and asset-liability management
- *Credit Loss:*
 - Credit loss is the change in the provision for credit losses at prior period exchange rates. For analysis purposes, management splits the provision for credit losses into net charge-offs and the change in the allowance for credit losses
 - Net charge-off changes are primarily driven by the number of repossessions, severity per repossession, and recoveries. Changes in the allowance for credit losses are primarily driven by changes in historical trends in credit losses and recoveries, changes in the composition and size of Ford Credit's present portfolio, changes in trends in historical used vehicle values, and changes in forward looking macroeconomic conditions. For additional information, refer to the "Critical Accounting Estimates - Allowance for Credit Losses" section of Item 7 of Part II of our 2024 Form 10-K Report
- *Lease Residual:*
 - Lease residual measures changes to residual performance at prior period exchange rates. For analysis purposes, management splits residual performance primarily into residual gains and losses, and the change in accumulated supplemental depreciation
 - Residual gain and loss changes are primarily driven by the number of vehicles returned to Ford Credit and sold, and the difference between the auction value and the depreciated value (which includes both base and accumulated supplemental depreciation) of the vehicles sold. Changes in accumulated supplemental depreciation are primarily driven by changes in Ford Credit's estimate of the expected auction value at the end of the lease term and changes in Ford Credit's estimate of the number of vehicles that will be returned to it and sold. Depreciation on vehicles subject to operating leases includes early termination losses on operating leases due to customer default events. For additional information, refer to the "Critical Accounting Estimates - Accumulated Depreciation on Vehicles Subject to Operating Leases" section of Item 7 of Part II of our 2024 Form 10-K Report
- *Exchange:*
 - Reflects changes in EBT driven by the effects of converting functional currency income to U.S. dollars
- *Other:*
 - Primarily includes operating expenses, other revenue, insurance expenses, and other income/(loss) at prior period exchange rates
 - Changes in operating expenses are primarily driven by salaried personnel costs, facilities costs, and costs associated with the origination and servicing of customer contracts
 - In general, other income/(loss) changes are primarily driven by changes in earnings related to market valuation adjustments to derivatives (primarily related to movements in interest rates) and other miscellaneous items

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations (Continued)

In addition, the following definitions and calculations apply to Ford Credit when used in this Report:

- *Cash* (as shown in the Funding Structure and Liquidity tables) – Cash, cash equivalents, marketable securities, and restricted cash, excluding amounts related to insurance activities
- *Debt* (as shown in the Key Metrics and Leverage tables) – Debt on Ford Credit's balance sheets. Includes debt issued in securitizations and payable only out of collections on the underlying securitized assets and related enhancements. Ford Credit holds the right to receive the excess cash flows not needed to pay the debt issued by, and other obligations of, the securitization entities that are parties to those securitization transactions
- *Earnings Before Taxes ("EBT")* – Reflects Ford Credit's income before income taxes
- *Loss-to-Receivables ("LTR") Ratio* – LTR ratio is calculated using net charge-offs divided by average finance receivables, excluding unearned interest supplements and the allowance for credit losses
- *Return on Equity ("ROE")* (as shown in the Key Metrics table) – Reflects return on equity calculated by annualizing net income for the period and dividing by monthly average equity for the period
- *Securitization and Restricted Cash* (as shown in the Liquidity table) – Securitization cash is held for the benefit of the securitization investors (for example, a reserve fund). Restricted cash primarily includes cash held to meet certain local governmental and regulatory reserve requirements and cash held under the terms of certain contractual agreements
- *Securitizations* (as shown in the Public Term Funding Plan table) – Public securitization transactions, Rule 144A offerings sponsored by Ford Credit, and widely distributed offerings by Ford Credit Canada
- *Term Asset-Backed Securities* (as shown in the Funding Structure table) – Obligations issued in securitization transactions that are payable only out of collections on the underlying securitized assets and related enhancements
- *Total Net Receivables* (as shown in the Key Metrics table) – Includes finance receivables (retail financing and wholesale) sold for legal purposes and net investment in operating leases included in securitization transactions that do not satisfy the requirements for accounting sale treatment. These receivables and operating leases are reported on Ford Credit's balance sheets and are available only for payment of the debt issued by, and other obligations of, the securitization entities that are parties to those securitization transactions; they are not available to pay the other obligations of Ford Credit or the claims of Ford Credit's other creditors

Corporate Other

Corporate Other primarily includes corporate governance expenses, past service pension and OPEB income and expense, interest income (excluding Ford Credit interest income and interest earned on our extended service contract portfolio) and gains and losses from our cash, cash equivalents, and marketable securities, and foreign exchange derivatives gains and losses associated with intercompany lending. Corporate governance expenses are primarily administrative, delivering benefit on behalf of the global enterprise, that are not allocated to operating segments. These include expenses related to setting and directing global policy, providing oversight and stewardship, and promoting the Company's interests. In the second quarter of 2025, Corporate Other had a \$155 million EBIT loss, compared to a \$165 million EBIT loss a year ago.

Interest on Debt

Interest on Debt, which consists of interest expense on Company debt excluding Ford Credit, was \$297 million in the second quarter of 2025, \$27 million higher than a year ago.

Taxes

Our *Provision for/(Benefit from) income taxes* for the second quarter and first half of 2025 was \$570 million and \$718 million, respectively, resulting in effective tax rates of 105.4% and 61.8%, respectively. During the second quarter of 2025, we recognized a non-cash charge to deferred tax assets of \$471 million associated with resolving transfer pricing matters in certain non-U.S. operations.

Our second quarter and first half 2025 adjusted effective tax rates, which exclude special items, were 18.3% and 20.0%, respectively.

On July 4, 2025, P.L. 119-21 (otherwise known as the "One Big Beautiful Bill Act") was signed into law. We are analyzing the provisions within the act; however, we do not expect a material impact on our 2025 consolidated financial statements.

During the third quarter of 2025, we expect to recognize a non-cash charge to deferred tax assets of about \$400 million to recognize the impact of tax legislation enacted in Germany on July 18, 2025. We expect the charge to be treated as a tax special item.

We regularly review our organizational structure and income tax elections for affiliates in non-U.S. and U.S. tax jurisdictions, which may result in changes in affiliates that are included in or excluded from our U.S. tax return. Any future changes to our structure, as well as any changes in income tax laws in the countries that we operate, could cause increases or decreases to our deferred tax balances and related valuation allowances. For example, in the near-term, we anticipate releasing valuation allowances in certain jurisdictions where restructuring actions have improved business operations.

LIQUIDITY AND CAPITAL RESOURCES

At June 30, 2025, total cash, cash equivalents, marketable securities, and restricted cash, including Ford Credit and entities held for sale, was \$37.7 billion.

We consider our key balance sheet metrics to be: (i) Company cash, which includes cash equivalents, marketable securities, and restricted cash (including cash held for sale), excluding Ford Credit's cash, cash equivalents, marketable securities, and restricted cash; and (ii) Company liquidity, which includes Company cash, less restricted cash, and total available committed credit lines, excluding Ford Credit's total available committed credit lines.

Company excluding Ford Credit

	December 31, 2024	June 30, 2025
<u>Balance Sheets (\$B)</u>		
Company Cash	\$ 28.5	\$ 28.4
Liquidity	46.7	46.6
Debt (excluding finance leases)	(19.9)	(19.5)
Cash Net of Debt (excluding finance leases)	8.7	8.9
<u>Pension Funded Status (\$B) (a)</u>		
Funded Plans	\$ 3.4	\$ 4.0
Unfunded Plans	(3.9)	(3.9)
Total Global Pension	<u>\$ (0.5)</u>	<u>\$ 0.1</u>
Total Funded Status OPEB	\$ (4.4)	\$ (4.4)

(a) Balances at June 30, 2025 reflect net funded status at December 31, 2024, updated for: service and interest cost; expected return on assets; curtailments, settlements, and associated interim remeasurement (where applicable); separation expense; actual benefit payments; and cash contributions. The discount rate and rate of expected return assumptions are unchanged from year-end 2024.

Liquidity. Our key priority is to maintain a strong balance sheet to withstand potential stress scenarios, while having resources available to invest in and grow our business. At June 30, 2025, we had Company cash of \$28.4 billion and liquidity of \$46.6 billion. At June 30, 2025, about 82% of Company cash was held by consolidated entities domiciled in the United States.

To be prepared for an economic downturn and other stress scenarios, we target an ongoing Company cash balance at or above \$20 billion plus significant additional liquidity above our Company cash target. We expect to have periods when we will be above or below this amount due to: (i) future cash flow expectations, such as for investments in future opportunities, capital investments, debt maturities, pension contributions, or restructuring requirements, (ii) short-term timing differences, and (iii) changes in the global economic or operating environment.

Our Company cash investments primarily include U.S. Department of Treasury obligations, federal agency securities, bank time deposits with investment-grade institutions, investment-grade corporate securities, investment-grade commercial paper, and debt obligations of a select group of non-U.S. governments, non-U.S. governmental agencies, and supranational institutions. The average maturity of these investments is approximately one year and adjusted based on market conditions and liquidity needs. We monitor our Company cash levels and average maturity on a daily basis.

Material Cash Requirements. Our material cash requirements include:

- Capital expenditures (for additional information, see the "Changes in Company Cash" section below) and other payments for engineering, software, product development, and implementation of our plans for electric vehicles
- Purchase of raw materials and components to support the manufacturing and sale of vehicles (including electric vehicles), parts, and accessories (for additional information, see the Aggregate Contractual Obligations table and the accompanying description of our "Purchase obligations" in the "Liquidity and Capital Resources - Company Excluding Ford Credit" section in Item 7 of our 2024 Form 10-K Report)
- Purchase of regulatory compliance credits
- Marketing incentive payments to dealers
- Payments for warranty and field service actions (for additional information, see Note 18 of the Notes to the Financial Statements herein)
- Debt repayments including finance lease payments (for additional information, see the Aggregate Contractual Obligations table in the "Liquidity and Capital Resources - Company Excluding Ford Credit" section in Item 7 and Note 18 of the Notes to the Financial Statements in our 2024 Form 10-K Report)
- Discretionary and mandatory payments to our global pension plans (for additional information, see the "Liquidity and Capital Resources - Total Company" section in Item 7 of our 2024 Form 10-K Report, the "Changes in Company Cash" section below, and Note 11 of the Notes to the Financial Statements herein)
- Employee wages, benefits, and incentives
- Operating lease payments (for additional information, see the Aggregate Contractual Obligations table in the "Liquidity and Capital Resources - Company Excluding Ford Credit" section in Item 7 and Note 17 of the Notes to the Financial Statements in our 2024 Form 10-K Report)
- Cash effects related to the restructuring of our business
- Strategic acquisitions and investments to grow our business, including electrification

Subject to approval by our Board of Directors, shareholder distributions in the form of dividend payments and/or a share repurchase program (including share repurchases to offset the anti-dilutive effect of increased share-based compensation) may require the expenditure of a material amount of cash. We target shareholder distributions of 40% to 50% of adjusted free cash flow. Moreover, we may be subject to additional material cash requirements that are contingent upon the occurrence of certain events, e.g., legal contingencies, uncertain tax positions, and other matters.

We plan to utilize our liquidity (as described above) and our cash flows from business operations to fund our material cash requirements.

Changes in Company Cash. In managing our business, we classify changes in Company cash into operating and non-operating items. Operating items include: Company adjusted EBIT excluding Ford Credit EBT; capital spending; depreciation and tooling amortization; changes in working capital; Ford Credit distributions; interest on debt; cash taxes; and all other and timing differences (including timing differences between accrual-based EBIT and associated cash flows). Non-operating items include: restructuring costs; changes in Company debt excluding Ford Credit and finance lease payments; finance lease payments; contributions to funded pension plans; shareholder distributions; and other items (including gains and losses on investments in equity securities, acquisitions and divestitures, equity investments, and other transactions with Ford Credit).

With respect to "Changes in working capital," in general, the Company excluding Ford Credit carries relatively low trade receivables compared with our trade payables because the majority of our wholesales are financed (primarily by Ford Credit) immediately upon the sale of vehicles to dealers, which generally occurs shortly after being produced. In contrast, our trade payables are based primarily on industry-standard production supplier payment terms of about 45 days. As a result, our cash flow deteriorates if wholesale volumes (and the corresponding revenue) decrease while trade payables continue to become due. Conversely, our cash flow improves if wholesale volumes (and the corresponding revenue) increase while new trade payables are generally not due for about 45 days. For example, the suspension of production at most of our assembly plants and lower industry volumes due to COVID-19 in early 2020 resulted in an initial deterioration of our cash flow, while the subsequent resumption of manufacturing operations and return to pre-COVID-19 production levels at most of our assembly plants resulted in a subsequent improvement of our cash flow. Even in normal economic conditions, however, these working capital balances generally are subject to seasonal changes that can impact cash flow. For example, we typically experience cash flow timing differences associated with inventories and payables due to our annual shutdown periods when production, and therefore inventories and wholesale volumes, are usually at their lowest levels, while payables continue to come due and be paid. The net impact of this typically results in cash outflows from changes in our working capital balances during these shutdown periods.

Our finished product inventory at June 30, 2025 was higher than at December 31, 2024, reflecting higher in-transit and in-plant inventory.

In response to, or in anticipation of, supplier disruptions, we may stockpile certain components or raw materials to help prevent disruption in our production of vehicles. Such actions could have a short-term adverse impact on our cash and increase our inventory. Moreover, in order to secure critical materials for production of electric vehicles, we have entered into and we may, in the future, enter into offtake agreements with raw material suppliers and make investments in certain raw material and battery suppliers, including contributing up to a maximum of \$6.6 billion in capital to BlueOval SK, LLC ("BOSK") over a five-year period ending in 2026. As of June 30, 2025, we have recognized contributions (net of returns of capital) to BOSK of \$2.6 billion (for additional information, see Note 17 of the Notes to the Financial Statements herein). Our actual capital outlay could vary significantly based on the final project costs and potential financing opportunities. Such investments could have an additional adverse impact on our cash in the near-term.

The terms of the offtake agreements we have entered into, and those we may enter into in the future, vary by transaction, though they generally obligate us to purchase a certain percentage or minimum amount of output produced by the counterparty over an agreed upon period of time. The purchase price mechanisms included in the offtake agreements are typically based on the market price of the material at the time of delivery. The terms may also include conditions to our obligation to purchase the materials, such as quality or minimum output. Subject to satisfaction of those conditions, we will be obligated to purchase the materials or otherwise compensate the supplier in an amount determined by the contract. As of June 30, 2025, our estimated expenditures for the maximum quantity that we are committed to purchase under these offtake agreements through 2035, subject to certain conditions, consist of approximately \$1.7 billion of purchase obligations and approximately \$4.8 billion of contingent purchase obligations based on our present forecast; however, our forecast could fluctuate from period to period based on market prices, which may result in significant increases or decreases in our estimate. The actual price paid for these materials will be recorded on our balance sheet at the time of purchase. In the event that we do not expect to consume all of the materials we are obligated to purchase pursuant to the terms of these agreements, we may sell the excess materials back to the supplier or another party. The resale price may or may not be the same as the original purchase price, depending on then-current market conditions and negotiated terms. As a result, we have recorded, and may in the future record, accruals related to either the resale when the purchase price mechanism under our agreements is higher than the expected resale price of the excess materials or when we are required to otherwise compensate the supplier. Accruals recorded to date for such items have been immaterial.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations (Continued)

As market conditions dictate, we have entered, and may in the future enter, into additional offtake agreements with raw material suppliers or renegotiate existing agreements. In addition, as mentioned above, we may seek to resell excess materials. See Item 1A. Risk Factors in our 2024 Form 10-K Report and as updated by our subsequent filings with the SEC for a discussion of the risks related to our offtake agreements and other long-term purchase contracts.

Financial institutions participate in a supply chain finance ("SCF") program that enables our suppliers, at their sole discretion, to sell their Ford receivables (i.e., our payment obligations to the suppliers) to the financial institutions on a non-recourse basis in order to be paid earlier than our payment terms provide. Our suppliers' voluntary inclusion of invoices in the SCF program has no bearing on our payment terms, the amounts we pay, or our liquidity. We have no economic interest in a supplier's decision to participate in the SCF program, and we do not provide any guarantees in connection with it. As of June 30, 2025, the outstanding amount of Ford receivables that suppliers elected to sell to the SCF financial institutions was \$164 million. The amount settled through the SCF program during the first half of 2025 was \$605 million.

Changes in Company cash excluding Ford Credit are summarized below (in billions):

	Second Quarter		First Half	
	2024	2025	2024	2025
<u>Company Excluding Ford Credit</u>				
Company Adjusted EBIT excluding Ford Credit (a)	\$ 2.4	\$ 1.5	\$ 4.9	\$ 1.9
Capital spending	\$ (2.1)	\$ (2.1)	\$ (4.2)	\$ (3.8)
Depreciation and tooling amortization	1.3	1.3	2.5	2.5
Net spending	\$ (0.8)	\$ (0.8)	\$ (1.6)	\$ (1.3)
Receivables	\$ (0.2)	\$ (1.7)	\$ (0.2)	\$ (2.2)
Inventory	1.3	1.2	(1.8)	(1.4)
Trade Payables	(1.2)	0.8	0.8	3.4
Changes in working capital	\$ —	\$ 0.3	\$ (1.2)	\$ (0.3)
Ford Credit distributions	\$ 0.2	\$ 0.5	\$ 0.2	\$ 0.7
Interest on debt and cash taxes	(0.5)	(0.4)	(1.2)	(0.9)
All other and timing differences	2.0	1.8	1.8	1.2
Company adjusted free cash flow (a)	\$ 3.2	\$ 2.8	\$ 2.8	\$ 1.3
Restructuring	\$ (0.3)	\$ 0.2	\$ (0.5)	\$ 0.1
Changes in debt excluding finance lease payments	0.2	(0.7)	0.4	(0.7)
Finance lease payments	—	—	(0.1)	(0.1)
Funded pension contributions	(0.1)	(0.3)	(0.6)	(0.5)
Shareholder distributions	(0.8)	(0.6)	(2.2)	(1.8)
All other	(0.7)	(0.1)	(2.1)	1.4
Change in cash	\$ 1.5	\$ 1.3	\$ (2.2)	\$ (0.1)

(a) See *Non-GAAP Financial Measure Reconciliations* section for reconciliation to GAAP.

Note: Numbers may not sum due to rounding.

Our second quarter 2025 *Net cash provided by/(used in) operating activities* was \$6.3 billion, \$0.8 billion higher than a year ago (see page 61 for additional information). The increase primarily reflects higher Ford Credit operating cash flows and working capital changes, offset partially by lower net income. Company adjusted free cash flow was \$2.8 billion, \$0.4 billion lower than a year ago, primarily driven by lower Company adjusted EBIT excluding Ford Credit and all other and timing differences, offset partially by higher Ford Credit distributions and working capital changes.

Capital spending was \$2.1 billion in the second quarter of 2025, the same as a year ago. We now expect full year 2025 capital spending to be about \$9 billion.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations (Continued)

Second quarter 2025 working capital impact was \$0.3 billion, driven by lower inventory and higher payables, offset by higher receivables, each compared to March 31, 2025. All other and timing differences were \$1.8 billion. Timing differences include differences between accrual-based EBIT and the associated cash flows (e.g., marketing incentive and warranty payments to dealers, JV equity income, compensation payments, and pension and OPEB income or expense). Cash outflows related to our warranty accruals are expected to occur over several years.

In the second quarter of 2025, we contributed \$281 million to our global funded pension plans. We continue to expect to contribute about \$800 million to our global funded pension plans in 2025.

Shareholder distributions were \$0.6 billion in the second quarter of 2025, all of which was attributable to our regular dividend.

Available Credit Lines. Total Company committed credit lines, excluding Ford Credit, at June 30, 2025 were \$19.3 billion, consisting of \$13.5 billion of our corporate credit facility, \$2.0 billion of our supplemental revolving credit facility, \$2.5 billion of our 364-day revolving credit facility, and \$1.3 billion of local credit facilities. At June 30, 2025, \$1.0 billion of committed Company credit lines, excluding Ford Credit, was utilized under local credit facilities for our affiliates, and the full amount under each of our corporate, supplemental, and 364-day credit facilities was available.

Our corporate, supplemental, and 364-day revolving credit facilities were amended as of April 17, 2025 to extend the maturity dates of the commitments under each facility. Lenders under our corporate credit facility have \$3.4 billion of commitments maturing on April 17, 2028 and \$10.1 billion of commitments maturing on April 17, 2030. Lenders under our supplemental revolving credit facility have \$2.0 billion of commitments maturing on April 17, 2028. Lenders under our 364-day revolving credit facility have \$2.5 billion of commitments maturing on April 16, 2026.

The corporate, supplemental, and 364-day credit agreements include certain sustainability-linked targets, pursuant to which the applicable margin and facility fees may be adjusted if Ford achieves, or fails to achieve, the specified targets related to global manufacturing facility greenhouse gas emissions, carbon-free electricity consumption, and Ford Europe CO₂ tailpipe emissions.

The corporate credit facility is unsecured and free of material adverse change conditions to borrowing, restrictive financial covenants (for example, interest or fixed-charge coverage ratio, debt-to-equity ratio, and minimum net worth requirements), and credit rating triggers that could limit our ability to obtain funding or trigger early repayment. The corporate credit facility contains a liquidity covenant that requires us to maintain a minimum of \$4 billion in aggregate of domestic cash, cash equivalents, and loaned and marketable securities and/or availability under the corporate credit facility, supplemental revolving credit facility, and 364-day revolving credit facility. If our senior, unsecured, long-term debt does not maintain at least two investment grade ratings from Fitch, Moody's, and S&P, the guarantees of certain subsidiaries will be required. The terms and conditions of the supplemental and 364-day revolving credit facilities are consistent with our corporate credit facility. Ford Credit has been designated as a subsidiary borrower under the corporate credit facility and the 364-day revolving credit facility.

On July 28, 2025, we closed on a \$3 billion delayed draw term loan facility, further strengthening our liquidity and providing additional financial flexibility. The commitments under the delayed draw term loan facility are available through July 28, 2026. Any unused commitments shall automatically terminate after July 28, 2026, and any loans drawn under the facility will mature on December 31, 2028. The terms and conditions of the delayed draw term loan facility are consistent with our corporate, supplemental, and 364-day revolving facilities; however, the delayed draw term loan facility does not include any sustainability-linked targets. As of July 30, 2025, all \$3 billion was available for use.

On July 23, 2025, Ford Motor Company Limited, our operating subsidiary in the United Kingdom ("Ford of Britain"), entered into a £1 billion term loan credit facility with a syndicate of banks to support Ford of Britain's general export activities. Accordingly, U.K. Export Finance ("UKEF") provided an £800 million guarantee of the credit facility under its Export Development Guarantee scheme, which supports high value commercial lending to U.K. exporters. We have also guaranteed Ford of Britain's obligations under the credit facility to the lenders. On July 28, 2025, Ford of Britain drew the full £1 billion available under the facility. This seven-year, partially amortizing loan matures on July 23, 2032.

Debt. As shown in Note 12 of the Notes to the Financial Statements, at June 30, 2025, Company debt excluding Ford Credit was \$20.3 billion (including \$0.9 billion of finance leases). This balance is \$0.3 billion lower than at December 31, 2024.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations (Continued)

Leverage. We manage Company debt (excluding Ford Credit) levels with a leverage framework that targets investment grade credit ratings through a normal business cycle. The leverage framework includes a ratio of total Company debt (excluding Ford Credit), underfunded pension liabilities, operating leases, and other adjustments, divided by Company adjusted EBIT (excluding Ford Credit EBT), and further adjusted to exclude depreciation and tooling amortization (excluding Ford Credit).

Ford Credit's leverage is calculated separately as described in the "Liquidity and Capital Resources - Ford Credit Segment" section of Item 2. Ford Credit is self-funding and its debt, which is used to fund its operations, is separate from our Company debt excluding Ford Credit.

Ford Credit Segment

Ford Credit remains well capitalized with a strong balance sheet and funding diversified across platforms and markets. Ford Credit ended the second quarter of 2025 with \$27 billion of liquidity, up \$1.8 billion from year-end. Ford Credit completed \$15 billion of public term issuances through July 29, 2025.

Key elements of Ford Credit's funding strategy include:

- Maintain strong liquidity and funding diversity
- Prudently access public markets
- Continue to leverage retail deposits in Europe
- Flexibility to increase asset-backed securities mix as needed; preserving assets and committed capacity
- Target financial statement leverage of 9:1 to 10:1
- Maintain self-liquidating balance sheet

Ford Credit's liquidity profile continues to be diverse, robust, and focused on maintaining liquidity levels that meet its business and funding requirements. Ford Credit regularly stress tests its balance sheet and liquidity to ensure that it can continue to meet its financial obligations through economic cycles.

The following table shows funding for Ford Credit's net receivables (in billions):

	June 30, 2024	December 31, 2024	June 30, 2025
Funding Structure			
Term unsecured debt	\$ 59.2	\$ 59.2	\$ 63.1
Term asset-backed securities	53.9	60.4	55.7
Retail Deposits / Ford Interest Advantage	17.4	18.3	18.6
Other	1.1	1.2	0.3
Equity	13.6	13.8	14.5
Cash	(7.5)	(9.3)	(8.5)
Total Net Receivables	\$ 137.7	\$ 143.6	\$ 143.7
Securitized Funding as Percent of Total Debt	41.3%	43.8%	40.5%

Net receivables of \$143.7 billion at June 30, 2025 were funded primarily with term unsecured debt and term asset-backed securities. Securitized funding as a percent of total debt was 40.5% as of June 30, 2025.

Public Term Funding Plan. The following table shows Ford Credit's issuances for full year 2023 and 2024, planned issuances for full year 2025, and its global public term funding issuances through July 29, 2025, excluding short-term funding programs (in billions):

	2023 Actual	2024 Actual	2025 Forecast	Through July 29
Unsecured	\$ 14	\$ 17	\$ 9 - 12	\$ 7
Securitized (a)	14	16	13 - 15	8
Total public	\$ 28	\$ 33	\$ 22 - 27	\$ 15

(a) See Definitions and Information Regarding Ford Credit Causal Factors section.

For 2025, Ford Credit now projects full year public term funding in the range of \$22 billion to \$27 billion.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations (Continued)

Liquidity. The following table shows Ford Credit's liquidity sources and utilization (in billions):

	June 30, 2024	December 31, 2024	June 30, 2025
Liquidity Sources (a)			
Cash	\$ 7.5	\$ 9.3	\$ 8.5
Committed asset-backed facilities	42.5	42.9	42.8
Other unsecured credit facilities	2.2	1.7	1.7
Total liquidity sources	\$ 52.2	\$ 53.9	\$ 53.0
Utilization of Liquidity (a)			
Securitization and restricted cash	\$ (2.8)	\$ (3.1)	\$ (2.9)
Committed asset-backed facilities	(21.1)	(25.6)	(22.9)
Other unsecured credit facilities	(0.2)	(0.5)	(0.3)
Total utilization of liquidity	\$ (24.1)	\$ (29.2)	\$ (26.1)
Available liquidity	\$ 28.1	\$ 24.7	\$ 26.9
Other adjustments	0.2	0.5	0.1
Net liquidity available for use	\$ 28.3	\$ 25.2	\$ 27.0

(a) See Definitions and Information Regarding Ford Credit Causal Factors section.

Ford Credit's net liquidity available for use will fluctuate quarterly based on factors including near-term debt maturities, receivable growth and decline, and timing of funding transactions. At June 30, 2025, Ford Credit's net liquidity available for use was \$27.0 billion, \$1.8 billion higher than year-end 2024, reflecting strong access to public funding markets in the first half of the year. At June 30, 2025, Ford Credit's liquidity sources, including cash, committed asset-backed facilities, and committed unsecured credit facilities, totaled \$53.0 billion, down \$0.9 billion from year-end 2024, primarily explained by lower cash.

Material Cash Requirements. Ford Credit's material cash requirements include: (1) the purchase of retail financing and operating lease contracts from dealers and providing wholesale financing for dealers to finance new and used vehicles; and (2) debt repayments (for additional information on debt, see the "Aggregate Contractual Obligations" table in the "Liquidity and Capital Resources - Company Excluding Ford Credit" section in Item 7 and Note 18 of the Notes to the Financial Statements in our 2024 Form 10-K Report). In addition, subject to approval by Ford Credit's Board of Directors, shareholder distributions may require the expenditure of a material amount of cash. Moreover, Ford Credit may be subject to additional material cash requirements that are contingent upon the occurrence of certain events, e.g., legal contingencies, uncertain tax positions, and other matters.

Ford Credit plans to utilize its liquidity (as described above) and its cash flows from business operations to fund its material cash requirements.

Funding and Liquidity Risks. Ford Credit's funding plan is subject to risks and uncertainties, many of which are beyond its control, including disruption in the capital markets, that could impact both unsecured debt and asset-backed securities issuance and the effects of regulatory changes on the financial markets. Refer to the "Liquidity and Capital Resources - Ford Credit Segment - Funding and Liquidity Risks" section of Item 7 of Part II of our 2024 Form 10-K Report for more information.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations (Continued)

Leverage. Ford Credit uses leverage, or the debt-to-equity ratio, to make various business decisions, including evaluating and establishing pricing for finance receivable and operating lease financing, and assessing its capital structure.

The table below shows the calculation of Ford Credit's financial statement leverage (in billions):

	<u>June 30,</u> <u>2024</u>	<u>December 31,</u> <u>2024</u>	<u>June 30,</u> <u>2025</u>
<u>Leverage Calculation</u>			
Debt	\$ 130.5	\$ 137.9	\$ 137.4
Equity (a)	13.6	13.8	14.5
Financial statement leverage (to 1)	9.6	10.0	9.4

(a) Total shareholder's interest reported on Ford Credit's balance sheets.

Ford Credit plans its leverage by considering market conditions and the risk characteristics of its business. At June 30, 2025, Ford Credit's financial statement leverage was 9.4:1.

Total Company

Pension Plans - Funded Balances. As of June 30, 2025, our total Company pension overfunded status reported on our consolidated balance sheets was \$143 million and reflects the net funded status at December 31, 2024, updated for: service and interest cost; expected return on assets; curtailments, settlements, and associated interim remeasurement (where applicable); separation expense; actual benefit payments; and cash contributions. For plans without interim remeasurement, the discount rate and rate of expected return assumptions are unchanged from year-end 2024.

Return on Invested Capital ("ROIC"). We analyze total Company performance using an adjusted ROIC financial metric based on an after-tax, rolling four-quarter average. The following table contains the calculation of our ROIC for the periods shown (in billions):

	Four Quarters Ending	
	June 30, 2024	June 30, 2025
Adjusted Net Operating Profit/(Loss) After Cash Tax		
Net income/(loss) attributable to Ford	\$ 3.8	\$ 3.2
Add: Noncontrolling interest	—	—
Less: Income tax	0.2	(1.2)
Add: Cash tax	(1.2)	(0.7)
Less: Interest on debt	(1.2)	(1.2)
Less: Total pension/OPEB income/(cost)	(2.6)	(0.1)
Add: Pension/OPEB service costs	(0.6)	(0.5)
Net operating profit/(loss) after cash tax	\$ 5.7	\$ 4.4
Less: Special items (excl. pension/OPEB) pre-tax	(2.0)	(2.7)
Adjusted net operating profit/(loss) after cash tax	<u>\$ 7.7</u>	<u>\$ 7.1</u>
Invested Capital		
Equity	\$ 43.6	\$ 45.1
Debt (excl. Ford Credit)	20.4	20.3
Net pension and OPEB liability	6.0	4.3
Invested capital (end of period)	<u>\$ 70.0</u>	<u>\$ 69.7</u>
Average invested capital	<u>\$ 69.1</u>	<u>\$ 70.2</u>
ROIC (a)	8.2%	6.3%
Adjusted ROIC (Non-GAAP) (b)	11.1%	10.1%

(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.

Note: Numbers may not sum due to rounding.

CREDIT RATINGS

Our short-term and long-term debt is rated by four credit rating agencies designated as nationally recognized statistical rating organizations ("NRSROs") by the U.S. Securities and Exchange Commission: DBRS, Fitch, Moody's, and S&P.

In several markets, locally recognized rating agencies also rate us. A credit rating reflects an assessment by the rating agency of the credit risk associated with a corporate entity or particular securities issued by that entity. Rating agencies' ratings of us are based on information provided by us and other sources. Credit ratings are not recommendations to buy, sell, or hold securities and are subject to revision or withdrawal at any time by the assigning rating agency. Each rating agency may have different criteria for evaluating company risk and, therefore, ratings should be evaluated independently for each rating agency.

There have been no rating actions taken by these NSROs since the filing of our Quarterly Report on Form 10-Q for the quarter ended March 31, 2025.

The following table summarizes certain of the credit ratings and outlook presently assigned by these four NRSROs:

	NRSRO RATINGS						NRSROs Minimum Long-Term Investment Grade Rating
	Ford			Ford Credit			
	Issuer Default / Corporate / Issuer Rating	Long-Term Senior Unsecured	Outlook / Trend	Long-Term Senior Unsecured	Short-Term Unsecured	Outlook / Trend	
DBRS	BBB (low)	BBB (low)	Stable	BBB (low)	R-2 (low)	Stable	BBB (low)
Fitch	BBB-	BBB-	Stable	BBB-	F3	Stable	BBB-
Moody's	N/A	Ba1	Stable	Ba1	NP	Stable	Baa3
S&P	BBB-	BBB-	Negative	BBB-	A-3	Negative	BBB-

OUTLOOK

We provided 2025 Company guidance in our earnings release furnished on Form 8-K dated July 30, 2025. The guidance is based on our expectations and best estimates as of July 30, 2025, and assumes no material change to our current assumptions for inflation, logistics issues, production, or macroeconomic conditions. Moreover, our guidance has not factored in any new policy changes by the administration in the United States, including future or revised tariffs, that have not been announced or tariffs or other policy changes that may be announced by other governments after the date hereof. Our actual results could differ materially from our guidance due to risks, uncertainties, and other factors, including those set forth in "Risk Factors" in Item 1A of our 2024 Form 10-K Report and as updated by our subsequent filings with the SEC.

	<u>2025 Guidance</u>
Total Company	
Adjusted EBIT (a)	\$6.5 - \$7.5 billion
Adjusted Free Cash Flow (a)	\$3.5 - \$4.5 billion
Capital spending	About \$9.0 billion

(a) When we provide guidance for Adjusted EBIT and Adjusted Free Cash Flow, we do not provide guidance for the most comparable GAAP measures because, as described in more detail below in "Non-GAAP Measures That Supplement GAAP Measures," they include items that are difficult to predict with reasonable certainty.

For full-year 2025, we expect adjusted EBIT of \$6.5 billion to \$7.5 billion and adjusted free cash flow of \$3.5 billion to \$4.5 billion.

Our outlook for 2025 assumes:

- U.S. industry sales of 16.0 million to 16.5 million units
- Full year industry pricing about flat
- Net cost improvement target of \$1.0 billion, excluding the impact of tariffs
- Net tariff headwind of about \$2.0 billion

Our assumption for the net tariff headwind reflects approximately \$3.0 billion of gross adverse adjusted EBIT impact, offset partially by \$1.0 billion of recovery actions (primarily market factors).

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's long-term success depends on delivering the Ford+ plan, including improving cost and competitiveness;
- Ford's vehicles could be affected by defects that result in recall campaigns, increased warranty costs, or delays in new model launches, and the time it takes to improve the quality of our vehicles and services and reduce the costs associated therewith could continue to have an adverse effect on our business;
- 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 timely acquire key components or raw materials can disrupt Ford's production of vehicles;
- 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, public health issues, natural or man-made disasters, adverse effects of climate change, financial distress, production difficulties, capacity limitations, or other factors;
- Ford may not realize the anticipated benefits of existing or pending strategic alliances, joint ventures, acquisitions, divestitures, or business strategies or the benefits may take longer than expected to materialize;
- Ford may not realize the anticipated benefits of restructuring actions and such actions may cause Ford to incur significant charges, disrupt our operations, or harm our reputation;
- Failure to develop and deploy secure digital services that appeal to customers and grow our subscription rates could have a negative impact on Ford's business;
- Ford's ability to maintain a competitive cost structure could be affected by labor or other constraints;
- Ford's ability to attract, develop, grow, support, and reward talent is critical to its success and competitiveness;
- Operational information systems, security systems, vehicles, and services could be affected by cybersecurity incidents, ransomware attacks, and other disruptions and impact Ford, Ford Credit, their suppliers, and dealers;
- To facilitate access to the raw materials and other components necessary for the production of electric vehicles, Ford has entered into and may, in the future, enter into multi-year commitments to raw material and other suppliers that subject Ford to risks associated with lower future demand for such items as well as costs that fluctuate and are difficult to accurately forecast;
- With a global footprint and supply chain, Ford's results and operations could be adversely affected by economic or geopolitical developments, including protectionist trade policies such as tariffs, or other events;
- 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 Ford's reputation may be harmed based on positions it takes or if it is unable to achieve the initiatives it has announced;
- Ford may face increased price competition for its products and services, including pricing pressure resulting from industry excess capacity, currency fluctuations, competitive actions, or economic or other factors, particularly for electric vehicles;
- 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's results are dependent on sales of larger, more profitable vehicles, particularly in the United States;
- Industry sales volume can be volatile and could decline if there is a financial crisis, recession, public health emergency, or significant geopolitical event;
- 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 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, asset portfolios, or other factors;
- 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, data protection, data access, and artificial intelligence 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.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations (Continued)

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, and expressly disclaim to the extent permitted by law, 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 2024 Form 10-K Report, as updated by our subsequent Quarterly Reports on Form 10-Q and Current Reports on Form 8-K.

NON-GAAP FINANCIAL MEASURES THAT SUPPLEMENT GAAP MEASURES

We use both generally accepted accounting principles ("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 (excluding 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 excludes special items from its review of the results of the operating segments for purposes of measuring segment profitability and allocating resources. Our categories of pre-tax special items and the applicable significance guideline for each item (which may consist of a group of items related to a single event or action) are as follows:

Pre-Tax Special Item

- Pension and OPEB remeasurement gains and losses
- Personnel expenses, supplier- and 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
- Other items that we do not generally consider to be indicative of earnings from ongoing operating activities

Significance Guideline

- No minimum
- Generally \$100 million or more
- \$500 million or more for individual field service actions; generally \$100 million or more for other items

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 remeasurements 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 remeasurement 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 remeasurement gains and losses.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations (Continued)

- *Company Adjusted Free Cash Flow (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, restructuring actions, and other items that are considered operating cash flows under U.S. 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 free cash flow, 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. Adjusted Return on Invested Capital ("Adjusted ROIC") 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.

Non-GAAP Financial Measure Reconciliations

The following tables show our Non-GAAP financial measure reconciliations.

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

	Second Quarter		First Half	
	2024	2025	2024	2025
Net income/(loss) attributable to Ford (GAAP)	\$ 1,831	\$ (36)	\$ 3,163	\$ 435
Income/(Loss) attributable to noncontrolling interests	2	7	4	9
Net income/(loss)	\$ 1,833	\$ (29)	\$ 3,167	\$ 444
Less: (Provision for)/Benefit from income taxes	(605)	(570)	(883)	(718)
Income/(Loss) before income taxes	\$ 2,438	\$ 541	\$ 4,050	\$ 1,162
Less: Special items pre-tax	(49)	(1,302)	(922)	(1,412)
Income/(Loss) before special items pre-tax	\$ 2,487	\$ 1,843	\$ 4,972	\$ 2,574
Less: Interest on debt	(270)	(297)	(548)	(585)
Adjusted EBIT (Non-GAAP)	\$ 2,757	\$ 2,140	\$ 5,520	\$ 3,159

Memo:

Revenue (\$B)	\$ 47.8	\$ 50.2	\$ 90.6	\$ 90.8
Net income/(loss) margin (GAAP) (%)	3.8 %	(0.1)%	3.5 %	0.5 %
Adjusted EBIT margin (Non-GAAP) (%)	5.8 %	4.3 %	6.1 %	3.5 %

Earnings/(Loss) per Share Reconciliation to Adjusted Earnings/(Loss) per Share

	Second Quarter		First Half	
	2024	2025	2024	2025
Diluted After-Tax Results (\$M)				
Diluted after-tax results (GAAP)	\$ 1,831	\$ (36)	\$ 3,163	\$ 435
Less: Impact of pre-tax and tax special items	(79)	(1,535)	(732)	(1,616)
Adjusted net income/(loss) – diluted (Non-GAAP)	\$ 1,910	\$ 1,499	\$ 3,895	\$ 2,051
Basic and Diluted Shares (M)				
Basic shares (average shares outstanding)	3,985	3,980	3,982	3,974
Net dilutive options, unvested restricted stock units, unvested restricted stock shares, and convertible debt	37	45	40	44
Diluted shares	4,022	4,025	4,022	4,018
Earnings/(Loss) per share – diluted (GAAP) (a)	\$ 0.46	\$ (0.01)	\$ 0.79	\$ 0.11
Less: Net impact of adjustments	(0.01)	(0.38)	(0.18)	(0.40)
Adjusted earnings/(loss) per share – diluted (Non-GAAP)	\$ 0.47	\$ 0.37	\$ 0.97	\$ 0.51

(a) In the second quarter of 2025, there were 45 million shares excluded from the calculation of diluted earnings/(loss) per share, due to their anti-dilutive effect.

Effective Tax Rate Reconciliation to Adjusted Effective Tax Rate

	Second Quarter		First Half		Memo: FY 2024
	2024	2025	2024	2025	
Pre-Tax Results (\$M)					
Income/(Loss) before income taxes (GAAP)	\$ 2,438	\$ 541	\$ 4,050	\$ 1,162	\$ 7,233
Less: Impact of special items	(49)	(1,302)	(922)	(1,412)	(1,860)
Adjusted earnings before taxes (Non-GAAP)	<u>\$ 2,487</u>	<u>\$ 1,843</u>	<u>\$ 4,972</u>	<u>\$ 2,574</u>	<u>\$ 9,093</u>
Taxes (\$M)					
(Provision for)/Benefit from income taxes (GAAP)	\$ (605)	\$ (570)	\$ (883)	\$ (718)	\$ (1,339)
Less: Impact of special items	(30)	(233)	190	(204)	323
Adjusted (provision for)/benefit from income taxes (Non-GAAP)	<u>\$ (575)</u>	<u>\$ (337)</u>	<u>\$ (1,073)</u>	<u>\$ (514)</u>	<u>\$ (1,662)</u>
Tax Rate (%)					
Effective tax rate (GAAP)	24.8%	105.4%	21.8%	61.8%	18.5%
Adjusted effective tax rate (Non-GAAP)	23.1%	18.3%	21.6%	20.0%	18.3%

Net Cash Provided by/(Used in) Operating Activities Reconciliation to Company Adjusted Free Cash Flow (\$M)

	Second Quarter		First Half	
	2024	2025	2024	2025
Net cash provided by/(used in) operating activities (GAAP)	\$ 5,508	\$ 6,317	\$ 6,893	\$ 9,996
Less: Items not included in company adjusted free cash flows				
Ford Credit operating cash flows	\$ 685	\$ 2,517	\$ 1,866	\$ 6,623
Funded pension contributions	(83)	(281)	(633)	(515)
Restructuring (including separations) (a)	(289)	(46)	(465)	(209)
Ford Credit tax payments/(refunds) under tax sharing agreement	—	—	(33)	—
Other, net	4	(144)	(605)	(285)
Add: Items included in company adjusted free cash flows				
Company excluding Ford Credit capital spending	\$ (2,078)	\$ (2,054)	\$ (4,151)	\$ (3,844)
Ford Credit distributions	150	500	150	700
Settlement of derivatives	(26)	109	(3)	110
Company adjusted free cash flow (Non-GAAP)	<u>\$ 3,237</u>	<u>\$ 2,826</u>	<u>\$ 2,758</u>	<u>\$ 1,348</u>

(a) Restructuring excludes cash flows reported in investing activities.

SUPPLEMENTAL INFORMATION

The tables below provide supplemental consolidating financial information, other financial information, and U.S. sales by type. Company excluding Ford Credit includes our Ford Blue, Ford Model e, and Ford Pro reportable segments, Corporate Other, Interest on Debt, and Special Items. Eliminations, where presented, primarily represent eliminations of intersegment transactions and deferred tax netting.

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

	For the period ended June 30, 2025		
	Second Quarter		
	Company excluding Ford Credit	Ford Credit	Consolidated
Revenues	\$ 46,943	\$ 3,241	\$ 50,184
Total costs and expenses	46,951	2,722	49,673
Operating income/(loss)	(8)	519	511
Interest expense on Company debt excluding Ford Credit	297	—	297
Other income/(loss), net	464	113	577
Equity in net income/(loss) of affiliated companies	(263)	13	(250)
Income/(Loss) before income taxes	(104)	645	541
Provision for/(Benefit from) income taxes	468	102	570
Net income/(loss)	(572)	543	(29)
Less: Income/(Loss) attributable to noncontrolling interests	7	—	7
Net income/(loss) attributable to Ford Motor Company	<u>\$ (579)</u>	<u>\$ 543</u>	<u>\$ (36)</u>

	For the period ended June 30, 2025		
	First Half		
	Company excluding Ford Credit	Ford Credit	Consolidated
Revenues	\$ 84,365	\$ 6,478	\$ 90,843
Total costs and expenses	84,570	5,443	90,013
Operating income/(loss)	(205)	1,035	830
Interest expense on Company debt excluding Ford Credit	585	—	585
Other income/(loss), net	906	167	1,073
Equity in net income/(loss) of affiliated companies	(179)	23	(156)
Income/(Loss) before income taxes	(63)	1,225	1,162
Provision for/(Benefit from) income taxes	460	258	718
Net income/(loss)	(523)	967	444
Less: Income/(Loss) attributable to noncontrolling interests	9	—	9
Net income/(loss) attributable to Ford Motor Company	<u>\$ (532)</u>	<u>\$ 967</u>	<u>\$ 435</u>

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations (Continued)

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

	June 30, 2025			
	Company excluding Ford Credit	Ford Credit	Eliminations	Consolidated
Assets				
Cash and cash equivalents	\$ 14,551	\$ 8,469	\$ —	\$ 23,020
Marketable securities	13,730	754	—	14,484
Ford Credit finance receivables, net	—	47,593	—	47,593
Trade and other receivables, net	8,373	11,336	—	19,709
Inventories	17,270	—	—	17,270
Other assets	3,331	1,205	—	4,536
Receivable from other segments	581	2,038	(2,619)	—
Total current assets	57,836	71,395	(2,619)	126,612
Ford Credit finance receivables, net	—	59,867	—	59,867
Net investment in operating leases	1,977	23,359	—	25,336
Net property	43,550	327	—	43,877
Equity in net assets of affiliated companies	4,896	142	—	5,038
Deferred income taxes	16,944	422	(46)	17,320
Other assets	12,383	2,292	—	14,675
Receivable from other segments	82	—	(82)	—
Total assets	<u>\$ 137,668</u>	<u>\$ 157,804</u>	<u>\$ (2,747)</u>	<u>\$ 292,725</u>
Liabilities				
Payables	\$ 26,795	\$ 961	\$ —	\$ 27,756
Other liabilities and deferred revenue	27,740	2,620	—	30,360
Debt payable within one year	3,591	53,281	—	56,872
Payable to other segments	2,619	—	(2,619)	—
Total current liabilities	60,745	56,862	(2,619)	114,988
Other liabilities and deferred revenue	28,713	1,529	—	30,242
Long-term debt	16,742	84,113	—	100,855
Deferred income taxes	929	676	(46)	1,559
Payable to other segments	—	82	(82)	—
Total liabilities	<u>\$ 107,129</u>	<u>\$ 143,262</u>	<u>\$ (2,747)</u>	<u>\$ 247,644</u>

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations (Continued)

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

	For the period ended June 30, 2025			
	First Half			
	Company excluding Ford Credit	Ford Credit	Eliminations	Consolidated
Cash flows from operating activities				
Net income/(loss)	\$ (523)	\$ 967	\$ —	\$ 444
Depreciation and tooling amortization	2,514	1,233	—	3,747
Other amortization	27	(956)	—	(929)
Provision for credit and insurance losses	5	318	—	323
Pension and OPEB expense/(income)	187	—	—	187
Equity method investment (earnings)/losses and impairments in excess of dividends received	272	(11)	—	261
Foreign currency adjustments	139	(77)	—	62
Net realized and unrealized (gains)/losses on cash equivalents, marketable securities, and other investments	(24)	(19)	—	(43)
Stock compensation	265	10	—	275
Provision for/(Benefit from) deferred income taxes	17	195	—	212
Decrease/(Increase) in finance receivables (wholesale and other)	—	2,927	—	2,927
Decrease/(Increase) in intersegment receivables/payables	(158)	158	—	—
Decrease/(Increase) in accounts receivable and other assets	(3,429)	(71)	—	(3,500)
Decrease/(Increase) in inventory	(1,476)	—	—	(1,476)
Increase/(Decrease) in accounts payable and accrued and other liabilities	7,122	171	—	7,293
Other	185	28	—	213
Interest supplements and residual value support to Ford Credit	(1,750)	1,750	—	—
Net cash provided by/(used in) operating activities	\$ 3,373	\$ 6,623	\$ —	\$ 9,996
Cash flows from investing activities				
Capital spending	\$ (3,844)	\$ (62)	\$ —	\$ (3,906)
Acquisitions of finance receivables and operating leases	—	(24,438)	—	(24,438)
Collections of finance receivables and operating leases	—	22,542	—	22,542
Purchases of marketable securities and other investments	(4,238)	(202)	—	(4,440)
Sales and maturities of marketable securities and other investments	5,417	176	—	5,593
Settlements of derivatives	110	(214)	—	(104)
Capital contributions to equity method investments	(138)	—	—	(138)
Returns of capital from equity method investments	1,700	—	—	1,700
Other	180	—	—	180
Investing activity (to)/from other segments	700	—	(700)	—
Net cash provided by/(used in) investing activities	\$ (113)	\$ (2,198)	\$ (700)	\$ (3,011)
Cash flows from financing activities				
Cash payments for dividends and dividend equivalents	\$ (1,793)	\$ —	\$ —	\$ (1,793)
Purchases of common stock	—	—	—	—
Net changes in short-term debt	192	(1,302)	—	(1,110)
Proceeds from issuance of long-term debt	1	20,468	—	20,469
Payments of long-term debt	(926)	(23,902)	—	(24,828)
Other	(94)	(52)	—	(146)
Financing activity to/(from) other segments	—	(700)	700	—
Net cash provided by/(used in) financing activities	\$ (2,620)	\$ (5,488)	\$ 700	\$ (7,408)
Effect of exchange rate changes on cash, cash equivalents, and restricted cash	\$ 212	\$ 271	\$ —	\$ 483

Selected Other Information.

Equity. At June 30, 2025, total equity attributable to Ford was \$45.1 billion, an increase of \$0.2 billion compared with December 31, 2024. The detail for this change is shown below (in billions):

	Increase/ (Decrease)
Net income/(loss)	\$ 0.4
Shareholder distributions	(1.8)
Other comprehensive income/(loss), net	1.4
Common stock issued (including share-based compensation impacts)	0.2
Total	\$ 0.2

U.S. Sales by Type. The following table shows second quarter 2025 U.S. sales volume and U.S. wholesales segregated by electric, hybrid, and internal combustion vehicles. U.S. sales volume represents primarily sales by dealers, sales to the government, and leases to Ford management, and is based, in part, on estimated vehicle registrations and includes medium and heavy trucks.

	U.S. Sales	U.S. Wholesales
Electric Vehicles	16,438	37,916
Hybrid Vehicles	66,448	61,412
Internal Combustion Vehicles	529,209	477,823
Total Vehicles	612,095	577,151

ACCOUNTING STANDARDS ISSUED BUT NOT YET ADOPTED

For a discussion of recent accounting standards, see Note 2 of the Notes to the Financial Statements.

ITEM 3. Quantitative and Qualitative Disclosures About Market Risk.

Company Excluding Ford Credit

Foreign Currency Risk. The net fair value of foreign exchange forward contracts (including adjustments for credit risk) as of June 30, 2025, was a liability of \$166 million, compared with an asset of \$410 million as of December 31, 2024. The potential change in the fair value from a 10% change in the underlying exchange rates, in U.S. dollar terms, would have been \$2.8 billion at June 30, 2025, compared with \$2.9 billion at December 31, 2024.

Commodity Price Risk. The net fair value of commodity forward contracts (including adjustments for credit risk) as of June 30, 2025, was an asset of \$9 million, compared with a liability of \$8 million at December 31, 2024. The potential change in the fair value from a 10% change in the underlying commodity prices would have been \$186 million at June 30, 2025, compared with \$189 million at December 31, 2024.

Ford Credit Segment

Interest Rate Risk. To provide a quantitative measure of the sensitivity of its pre-tax cash flow to changes in interest rates, Ford Credit uses interest rate scenarios that assume a hypothetical, instantaneous decrease or increase of one percentage point in all interest rates across all maturities (a “parallel shift”), as well as a base case that assumes that all interest rates remain constant at existing levels. Maturing assets and liabilities are also instantaneously reinvested, capturing 100% of any hypothetical change in interest rates. The differences in pre-tax cash flow between these scenarios and the base case over a 12-month period represent an estimate of the sensitivity of Ford Credit’s pre-tax cash flow. Under this model, Ford Credit estimates that at June 30, 2025, all else constant, such a decrease in interest rates would decrease its pre-tax cash flow by \$94 million over the next 12 months, compared with a decrease of \$107 million at December 31, 2024. In reality, new assets and liabilities may not immediately capture changes in interest rates, and interest rate changes are rarely instantaneous, parallel, or move exactly the one percentage point assumed in Ford Credit’s analysis. As a result, the actual impact to pre-tax cash flow could be higher or lower than the results detailed above.

ITEM 4. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures. James D. Farley, Jr., our Chief Executive Officer (“CEO”), and Sherry A. House, our Chief Financial Officer (“CFO”), have performed an evaluation of the Company’s disclosure controls and procedures, as that term is defined in Rule 13a-15(e) of the Securities Exchange Act of 1934, as amended (“Exchange Act”), as of June 30, 2025, and each has concluded that such disclosure controls and procedures are effective to ensure that information required to be disclosed in our periodic reports filed under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified by SEC rules and forms, and that such information is accumulated and communicated to the CEO and CFO to allow timely decisions regarding required disclosures.

Changes in Internal Control Over Financial Reporting. During the second quarter of 2025, Ford Credit began a multi-year implementation of new contract origination and receivables platforms. The first launch was in the United Kingdom, and the roll-out will progress through phased launches across other markets in Europe, China, and North America over the next several years. As these platforms launch, Ford Credit’s processes, procedures, and controls will continue to be refined as appropriate.

PART II. OTHER INFORMATION

ITEM 1. *Legal Proceedings.*

ENVIRONMENTAL MATTERS

Any legal proceeding arising under any federal, state, or local provisions that have been enacted or adopted regulating the discharge of materials into the environment or primarily for the purpose of protecting the environment, in which (i) a governmental authority is a party, and (ii) we believe there is the possibility of monetary sanctions (exclusive of interest and costs) in excess of \$1,000,000 is described on page 36 of our 2024 Form 10-K Report.

OTHER MATTERS

Brazilian Tax Matters (as previously reported on page 37 of our 2024 Form 10-K Report and page 64 of our Quarterly Report on Form 10-Q for the quarter ended March 31, 2025). One Brazilian state (São Paulo) and the Brazilian federal tax authority currently have outstanding substantial tax assessments against Ford Motor Company Brasil Ltda. (“Ford Brazil”) related to state and federal tax incentives Ford Brazil received for its operations in the Brazilian state of Bahia. The São Paulo assessment is part of a broader conflict among various states in Brazil. The federal legislature enacted laws designed to encourage the states to end that conflict, and in 2017 the states reached an agreement on a framework for resolution. Ford Brazil continues to pursue a resolution under the framework and expects the amount of any remaining assessments by the states to be resolved under that framework. The federal assessments are outside the scope of the legislation.

All of the outstanding assessments have been appealed to the relevant administrative court of each jurisdiction and some appeals are now pending in the judicial court system. To proceed with an appeal within the judicial court system, an appellant may be required to post collateral. If we are required to post collateral, which could be in excess of \$1 billion for all the cases in the aggregate, we expect it to be in the form of fixed assets, surety bonds, and/or letters of credit, but we may be required to post cash collateral. To date, we have received collateral waivers for most of the cases that have been appealed to the judicial court system, although we have been required to post less than \$100 million of collateral. Although the ultimate resolution of these matters may take many years, we consider our overall risk of loss to be remote.

ITEM 5. *Other Information.*

During the quarter ended June 30, 2025, no director or officer of the Company adopted, modified, or terminated a “Rule 10b5-1 trading arrangement” or a “non-Rule 10b5-1 trading arrangement” as each term is defined in Item 408(a) of Regulation S-K.

ITEM 6. Exhibits.

Designation	Description	Method of Filing
Exhibit 3.1	Restated Certificate of Incorporation, dated August 2, 2000.	Filed as Exhibit 3-A to our Annual Report on Form 10-K for the year ended December 31, 2000. (a)
Exhibit 3.1.1	Certificate of Designations of Series A Junior Participating Preferred Stock filed on September 11, 2009.	Filed as Exhibit 3.1 to our Current Report on Form 8-K filed September 11, 2009. (a)
Exhibit 3.2	By-laws.	Filed as Exhibit 3.1 to our Current Report on Form 8-K filed December 9, 2022. (a)
Exhibit 10.1	Twenty-Second Amendment dated April 17, 2025 to our Credit Agreement dated as of December 15, 2006, as amended and restated as of November 24, 2009, as amended and restated as of April 30, 2014, as amended and restated as of April 30, 2015, as amended and restated as of September 29, 2021, and as further amended.	Filed as Exhibit 10.1 to our Current Report on Form 8-K filed April 17, 2025. (a)
Exhibit 10.2	Seventh Amendment dated April 17, 2025 to our Revolving Credit Agreement dated as of April 23, 2019, as amended and restated as of September 29, 2021, and as further amended.	Filed as Exhibit 10.2 to our Current Report on Form 8-K filed April 17, 2025. (a)
Exhibit 10.3	Fourth Amendment dated April 17, 2025 to our 364-Day Revolving Credit Agreement dated June 23, 2022.	Filed as Exhibit 10.3 to our Current Report on Form 8-K filed April 17, 2025. (a)
Exhibit 10.4	Description of Cash Bonus Plan.	Filed with this Report.
Exhibit 31.1	Rule 15d-14(a) Certification of CEO.	Filed with this Report.
Exhibit 31.2	Rule 15d-14(a) Certification of CFO.	Filed with this Report.
Exhibit 32.1	Section 1350 Certification of CEO.	Furnished with this Report.
Exhibit 32.2	Section 1350 Certification of CFO.	Furnished with this Report.
Exhibit 101.INS	Interactive Data Files pursuant to Rule 405 of Regulation S-T formatted in Inline Extensible Business Reporting Language ("Inline XBRL").	(b)
Exhibit 101.SCH	XBRL Taxonomy Extension Schema Document.	(b)
Exhibit 101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document.	(b)
Exhibit 101.LAB	XBRL Taxonomy Extension Label Linkbase Document.	(b)
Exhibit 101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document.	(b)
Exhibit 101.DEF	XBRL Taxonomy Extension Definition Linkbase Document.	(b)
Exhibit 104	Cover Page Interactive Data File (formatted in Inline XBRL and contained in Exhibit 101).	(b)

(a) Incorporated by reference as an exhibit to this Report (file number reference 1-3950, unless otherwise indicated).

(b) Submitted electronically with this Report in accordance with the provisions of Regulation S-T.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

FORD MOTOR COMPANY

By: /s/ Mark Kosman
Mark Kosman, Chief Accounting Officer
(principal accounting officer)

Date: July 30, 2025

Description of Cash Bonus Plan

The Compensation, Talent and Culture Committee (“Committee”) of the Board of Directors has approved a cash bonus plan for certain employees, where, in its discretion, the Committee may award cash bonuses for the purposes of incentivizing and retaining participating employees. Such awards will be subject to such terms and conditions as the Committee determines, including but not limited to, vesting or performance conditions. Such awards in the aggregate shall not exceed \$29 million, are payable over multiple years, and include clawback provisions if the employee resigns or retires prior to final payment.

CERTIFICATION

I, James D. Farley, Jr., certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the period ended June 30, 2025 of Ford Motor Company;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: July 30, 2025

/s/ James D. Farley, Jr.

James D. Farley, Jr.

President and Chief Executive Officer

CERTIFICATION

I, Sherry A. House, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the period ended June 30, 2025 of Ford Motor Company;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: July 30, 2025

/s/ Sherry A. House

Sherry A. House
Chief Financial Officer

CERTIFICATION OF CHIEF EXECUTIVE OFFICER

I, James D. Farley, Jr., President and Chief Executive Officer of Ford Motor Company (the "Company"), hereby certify pursuant to Rule 13a-14(b) or Rule 15d-14(b) of the Securities Exchange Act of 1934, as amended, and Section 1350 of Chapter 63 of Title 18 of the United States Code that to my knowledge:

1. The Company's Quarterly Report on Form 10-Q for the period ended June 30, 2025, to which this statement is furnished as an exhibit (the "Report"), fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: July 30, 2025

/s/ James D. Farley, Jr.

James D. Farley, Jr.

President and Chief Executive Officer

CERTIFICATION OF CHIEF FINANCIAL OFFICER

I, Sherry A. House, Chief Financial Officer of Ford Motor Company (the "Company"), hereby certify pursuant to Rule 13a-14(b) or Rule 15d-14(b) of the Securities Exchange Act of 1934, as amended, and Section 1350 of Chapter 63 of Title 18 of the United States Code that to my knowledge:

1. The Company's Quarterly Report on Form 10-Q for the period ended June 30, 2025, to which this statement is furnished as an exhibit (the "Report"), fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: July 30, 2025

/s/ Sherry A. House

Sherry A. House

Chief Financial Officer