Strategic Approach for Electrification

June 27, 2019

Creating Tomorrow, Together

Our Belief

Freedom of movement drives human progress.

Our Aspiration

To become the world's most trusted company, designing smart vehicles for a smart world.

Our Plan for Value Creation

Passion for Product & Deep Customer Insight

- Winning Portfolio
- Propulsion Choices
- Autonomous Technology
- Mobility Experiences

Fitness

- Operating Leverage
- Build, Partner, Buy
- Capital Efficiency
- Strong Balance Sheet

Metrics

- Growth
- EBIT Margin
- ROIC
- Cash Flow

Our People

Culture & Values

Our Strategic Approach For Electrification Focuses On Building A Foundation For Long Term Success

Play To Our Strengths — Commercial, Trucks, Utilities, Performance

Build Brand & Credibility — Building on our iconic nameplates; amplify attributes our customers love best

Leverage Scale & Technology — Design, volume, manufacturing and purchasing power

Business Model Innovation — Develop an ecosystem that makes the transitions to BEV lifestyle easier

Fitness Redesign Core Initiatives



Customer Centricity

Yield management

Advertising & Sales Promotion

Digital marketing optimization

Collaborative media optimization



Simplicity

Blueprint-enabled demand management

Complexity

Manage complexity

Complexity governance



Speed & Agility

Product-driven IT org. living the desired culture

Global Order-To-Delivery rapid prototype

Modular architecture & lifecycle management

Agile GPDS



Efficiency

Hours Per Unit reduction

Capex reduction through reuse

Manufacturing footprint optimization

Freight Full-Network Sourcing

Next-generation manufacturing

PD footprint & capacity design

Best cost at Job 1

Smart Redesign

Enterprise Product Line Management

Skill Team Lead: IT | Manufacturing | Marketing & Sales | PD / Purchasing | Cross functional

Source: Ford Motor Company presentation at the Barclays Global Automotive Conference, November 14, 2018

Expected PD Fitness Impact Over 5 Year Plan Period

~$7B
Engineering / PD Cost Reduction

20%+
Less Time From Sketch To Showroom

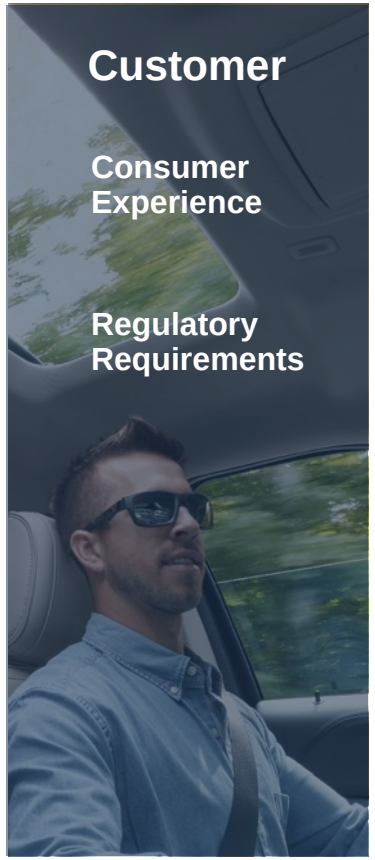
~$1B
Manufacturing Cost Reduction

~$12B
Improved Material Cost

Fitness Targets Are Embedded In Our Business Plans

Source: Ford Motor Company presentation at the JP Morgan Auto Conference, August 8, 2018

Implementing Five Flexible Architectures



Architecture Differentiators

- Energy
- Propulsion / Drive
- Body / Frame

Flexible Architectures

1. ICE*: RWD / AWD Body-On-Frame
2. ICE*: FWD / AWD Unibody
3. ICE*: Commercial Van Unibody
4. ICE*: RWD / AWD Unibody
5. BEV: All drive types Unibody

* BEV capable

Global Architectures Coupled With Modular Designs Support High Product Differentiation While Delivering High Reuse And Scale Savings

Source: Ford Motor Company presentation at the JP Morgan Auto Conference, August 8, 2018

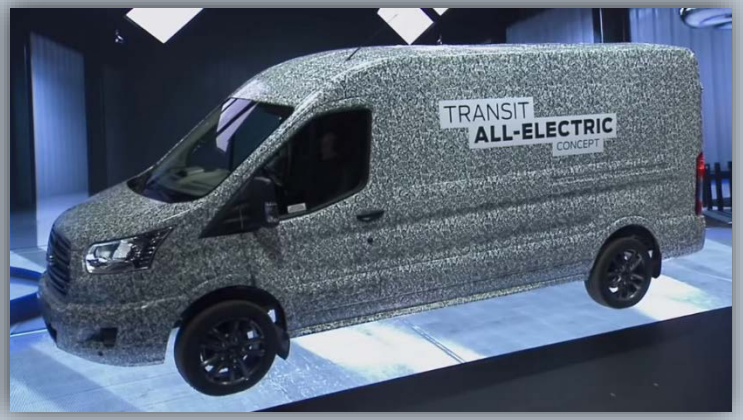
We Are Bringing A Number Of Fully Electric Vehicles To Market In The Future



Ford Territory BEV for China in 2019



Mustang-inspired BEV SUV with 300 mile range in 2020



Ford Transit BEV for Europe



Ford F-150 BEV

Ford

RIVIAN

Partnership Product

We Are Deploying World-class Hybrid Technology

Hybrid (HEV)



F-150



Police Interceptor

HEV & PHEV



Escape / Kuga



Explorer

Plug-in Hybrid (PHEV)



Aviator



Corsair



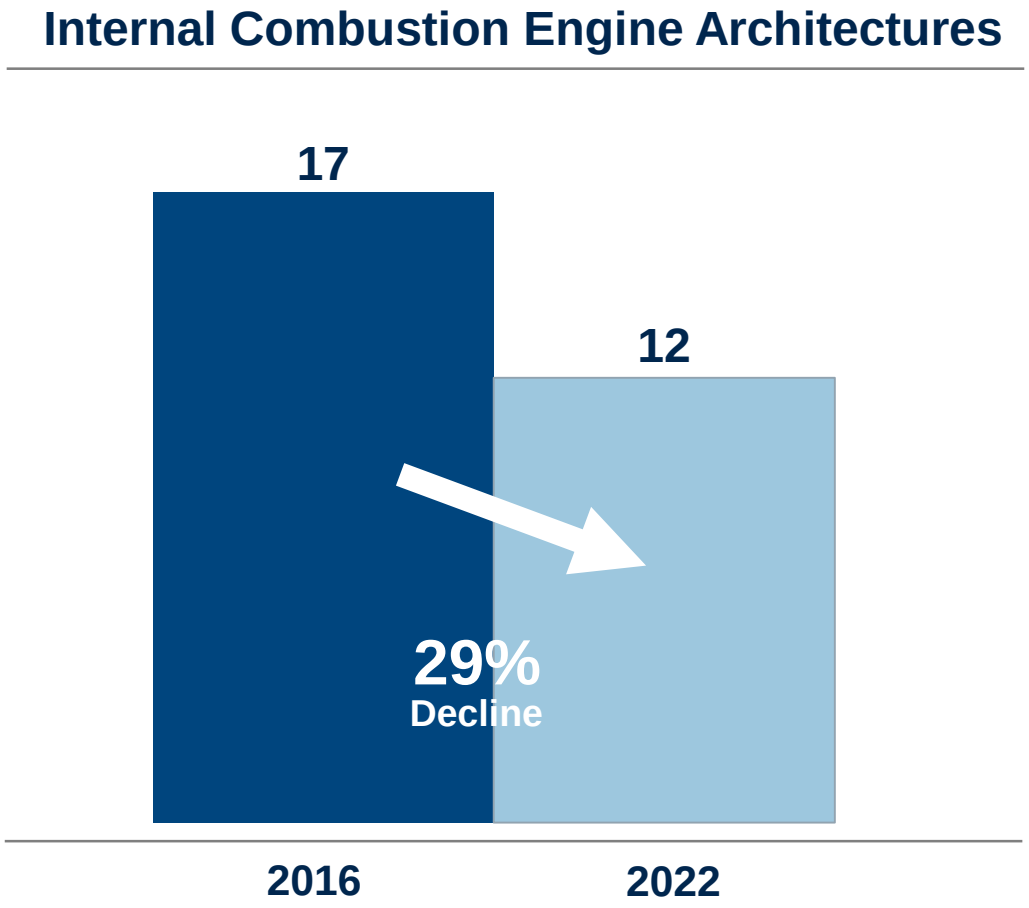
Territory
(China)



1-Ton Transit
(Europe)

High-volume, Profitable Vehicles Like F-150, Explorer And Escape Will Bring Great Capability And Features To Customers

Internal Combustion Spending Will Be Re-deployed Into Electrification For Future Demand



Source: Ford Motor Company CEO Strategic Update, October 3, 2017

xEV Commodities Make / Buy

	PHEV Product Sourcing		BEV Product Sourcing
Commodities:	**Current PHEV**	**Future PHEV**	**Future BEV**
• Battery Pack	Outsource	Outsource	In-house
• Motor	Outsource	In-house	Outsource / In-house
• Gears	In-house	In-house	Outsource / In-house
• Battery Array	Outsource	Outsource	Outsource / In-house
• Battery Cell	Outsource	Outsource	Outsource / Partner
• Power Electronics	Outsource	Outsource	Outsource

In-house Outsource Partner



Q&A