

Ford Motor Company

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Brian Johnson : Actually we're very pleased to have with us today Ted Cannis, Ford's Global Director of Electrification. Many of you know him from his prior stint heading IR. And he had numerous positions in Ford before and after that, including running significant operations in Europe and, I believe, South America and Turkey. Turkey is still part of Europe, sort of.

Why don't we do the first two ARS questions, and Ted is going to take us through some of the things he has been working on, which many of us saw on Monday and Sunday night. Do you currently own the stock? So 5% long, 5% underweight short, 89% not involved.

Question number 2. This is the bias before they hear you, Ted. And you recall these from your days in IR.

Ted Cannis: I do.

Brian Johnson: So 18%--23% positive, 68% somewhat negative or somewhat negative. So we'll see. You've got work to do.

Ted Cannis: All right, ready to go?

Brian Johnson: Yes. So Ted's going to start with some slides around the electronic program.

Ted Cannis: Okay, everybody. Well, thanks very much. I haven't been on the other side just recently. I know how you feel. Not a lot of IR guys goes to run the global electrification business, but you're going to see how that works.

So let's get into this a bit quickly. A couple of things. So you've seen the company strategy, and apparently two-thirds of you don't like it, but that's okay. My bet is that middle bit, the customer-centric and passion for product, a winning portfolio. You've heard us focus on things like SUVs, not cars. And in this case, new propulsion, which could be electrification, it could be hydrogen--if hydrogen's day ever approaches--and

other things. So we have been very clear since the process, for a couple years now, that we're going to be investing over \$11 billion in EVs by 2022. That's hybrids, plug-ins, and full-battery electrics. And that is different than some of our competitors.

Part of that difference, and I'll hit it now, is not everybody is ready to go full-battery electric. Many of you are not ready to full-battery electric. Maybe you're afraid of range, maybe a whole bunch of other host of things. It really doesn't matter. Maybe you live in one of the apartment buildings here and there's nowhere to charge.

We see opportunities by doing all of them. And if we're going to fix the climate problem in the planet, which we--and our science says there is one--then we need to do our part, and that means more people with better fuel efficiency will matter. So we're going to meet them all--electric, plug-in, and full-battery electric.

So let's now talk a bit about full-battery electric. Why is it now, where we see it is a good time now? First, the cost is way down, but still expensive. So cell costs versus, let's say, a Focus electric to the Mustang Mach-E that we just launched, we're much lower cost now. And the amount of energy that you can pack in a small space is much higher than you could before.

In the past, if you looked at a Focus electric or the old plug-in fusion hybrid, you're using a lot of trunk space and passenger space to fill up the product with batteries. You don't need to do that anymore. You can give it back to the customer in ways they've never had it before.

Easy offerings. There were a lot of, for a long time, let's say compliance science projects that were very green focused or very expensive on the other end. There wasn't a whole range of choice for everybody's different use cases. That's going to change. Just across the industry alone, that will grow with battery electrics.

Infrastructure. The charging wasn't there. A couple of years back, it wasn't there, and it wasn't very fast. That's changing.

And I think very poorly understood is the education of the customer. This is one of the, probably the biggest part. To early adopt a new technology is a difficult thing. And when you depend on that technology to your life, your work, and everything else, it's a big decision. And trying to break through that perception, either real or not real, is important.

We did a survey earlier--about 1,000 people in the US, 1,000 in Europe, and 1,000 in China. And things came back, like 42% of people thought that full-battery electrics need gas. They don't. Many people in Europe, I saw another one, that hybrid vehicles need plugs. They don't. Two-thirds of people said, "I can't go on a long trip," which was in the survey at 3 hours, "on a full-battery electric." That was 60% of the people. And 80% of the people said, "Well, it doesn't work in extreme weather," and maybe that's because they're from New York or Boston or something. They had jumper cables one time, and they remember their issue with the 12-volt.

It really don't matter where the perceptions come from; this is what happens. But those things are changing. Right now these customers are super geographically concentrated,

California, I just checked the latest numbers of penetration here in New York; it was 0.65% year to date, which is nothing. So that's not even early adoption; that is no adoption.

So this is what's going to change quickly. And when you look at our numbers, what we see around the world, we see the US--this is competitive name plates. When I look at the business I've got to fight through here, 100 net new competitive name plates by 2025 was our latest estimate, and we're guessing about 8.5% full-battery electric here. And you go, "Well, that's a lot." Even if it was half of that, it would be a lot versus today.

Europe, 150 nameplates; China, 350--maybe 15% of the industry, maybe 14%. Again, it's a lot, and the government incentives play a huge role. The batteries are going where the incentives--and the financial or non-financial, if it's HOV lanes or financial state incentives or Norway's state incentives, that's where the batteries and the vehicle go.

So from our standpoint, that means a lot of new designs and a ton of new marketing pushing products and names and nameplates. So how do you break through that clutter? And that's what we're focused on, not just putting a battery electric.

And I think another myth is all battery electrics are the same. That's what I hear: it's easy and they're all the same. Well, clearly, it's not easy, as people are falling out of it, and they're not the same. Your choices on how much range and what kind of motors, and the electrical architecture that you put in to use those amps and tradeoffs is very different by manufacturers, not to mention they're heavy and the safety systems are important.

So what are we doing in that kind of environment? So our strategic approach focuses on building a real long-term success in this, on those four key points on the bottom of this slide, which I'm going to take you through. And this is when we did the F-150 prototype poll of the--towing 1.2 million pounds earlier this year, because the torque out of it and power of the battery electric is so strong. That was a lot of fun, by the way. If you want to see it on YouTube or wherever, there it is.

So what's the key four things? When we changed the strategy X years ago in 2017, we said we would play to our strengths--pickup trucks, commercial vehicles, performance vehicles, utilities--the things that brought us to the party where the customers are loyal, the margins are better, and we can make the business work better.

Second, we've said for a couple years now, "We're going to build on iconic nameplates." Well, now you know what that means. It's going to be called a Mustang Mach-E, is what we just launched. We're going to have an F-150 battery electric vehicle. No confusion required. If I say, "Mustang," you say, "Fun, fast, free performance." If I say, "F-150," you say, "Built Ford tough." You know what it's supposed to do as a customer, and I know what to do to give you, but I've got to make it better.

If I'm going to get you come from electric--from petrol or oil to electric--I need; I saw a lot of Europeans this week, sorry about that--but I need to give you a reason to come over. So I've got to give you the performance and torque that you get in a vehicle. I've got to give you more capability in the vehicle. I've got to give you new usable spaces. So that's part of the strategy as well, is give you more.

We're going to talk more about leveraging scale and technology and business model innovation, also key parts of it, so that's the strategy. And I say this because when I take you to the Mustang Mach-E, you're going to see some of these points. It's not like a random thing. This is what needs to happen, because everybody in this group is an early adopter. It's just starting. And then the early adopters, as you know, are a different customer, and these are much more tech-savvy customers than your average person buying a vehicle. So most importantly--and remember, they're exciting and capable, fully battery electric vehicles. That's going to be the key for us.

So let's start with it. Part of it is bringing these new customer experiences to life. You've got to have one. So cloud-connected experiences, must-have software, over-the-air updates, securely provided and at the determination of the customer; got to have new usable spaces that's been liberated up by having the battery underneath and in the right spots; possibilities to do exportable power. All of that can be done in battery electric vehicles.

And you can amplify things people already like. You can make driving more fun--if you choose to put in the batteries and the motors and the system to do it, because there are some battery electrics that aren't fun to drive. You can make design choices. You can do some great things with proportions. The powertrain, obviously is quiet.

The cost of ownership--in our case, we're a commercial company. We sell a lot of vans, 50% of the van business in the US, a lot of pickups. Same in Europe--we do very well, focusing on the commercial customer who has telematics data and can do all their math to see how far they're driving every day, They know their routes, how to match it, and it's a very easy cost-of-ownership problem. So we've got to get that done.

And obviously, they have no gas. Actually, people only think--that's one of their favorite things. You can't believe it if you never owned one, but that's what people like.

So amplifying those great attributes that you already have, leveraging scale. So the new Mustang Mach-E is one of the five flexible architectures at Ford. It's one of the five, and that means it's flexible. It could do more than the Mustang Mach-E. It's got the battery in the middle, protected on the side rails. There are motors in the front and back, so it can have rear-wheel drive or all-wheel drive in two versions.

And this is part of the strategy: that flexible architecture to gather scale. Battery scale, sharing the same batteries across multiple lines and the arrays so that you don't have to rework it and you can get more scale in the negotiations with our friendly suppliers. In-sourcing motors and gear boxes and a lot more tech innovation throughout.

How do you squeeze out every amp that you already have in the battery? That means a lot of decisions on aerodynamics, on weight tradeoffs, on climate decisions in the car because you don't have an engine anymore providing heat. All of that has to be done in a new way and rethought to get every amp out of it. It's kind of like you ever saw Apollo 13 where they're trying to get every amp out that? That's what we do.

So we're also getting scale from beyond what we're doing. We have other platforms like the F-150 battery electric vehicle. We're going to use an all-aluminum, already light-weighted F-150 on mammoth scale.

But we have other opportunities to create scale where we don't have it, so in Mahindra to do electric vehicles in India, we can do it with Mahindra. We have Volkswagen. As you know, we have an agreement to work on a number of projects, and one of them is on battery electrics for Europe. They're much smaller. For example, the Mustang Mach-E is 4.7 meters long, and I think the ID3 is 4.2, 4.3, somewhere in there, more B-sized cars. And the Rivian products, a very different kind of product for a more high-end customer doing that kind of work. There's a lot of opportunity to get scale without jumping in to cover more of those usable segments.

Another thing we're doing is we are rethinking. So when Hackett created Team Edison in the summer of 2017, he said, "Look, we need to have a startup inside Ford. That's rethinking all parts of the business globally, not little pockets of this and that. And you're going to all co-locate in this refurbished factory in Detroit, and you're going to be the advanced manufacturing, marketing, sales, IT, software guys. You're going to have product development, design, the whole team. And you're going to rethink how we do the vehicles, end to end, to leverage this new capability." If not, you get the same designs that you had before. And this is how we did the hoods before, that's how we're going to do the hood again.

We have to rethink everything. And the weight and other tradeoffs are totally different. Old rules-of-thumb math don't work. Everything we need to get out of that battery and e-drive to make it a great driving experience with a low center of gravity. Manufacturing for tomorrow, and the assembly process is totally different. So if you're in a body shop, it's the same and the paint's about the same, but assembly and the line testing are very different. In these kind of vehicles, you can cut out 50% of the assembly floor space. And investment--I don't have any putting exhaust up; there isn't any.

So it's a lot simpler, but you have to rethink that process to get the most out, and it's about 30% less assembly labor. So we're working through all the factory tomorrow, and I have this living vehicle that's electrical powered and giving out signals of how it's living through the line.

Then we have to rethink the entire customer journey. If this is like you, a tech-savvy person who is on the edge and wants to lean into technology and lean into battery electric, they're going like you do. They have a NAP, they have a Sonos, they have a Ring. They're living a digital life, and they expect the purchase process to be digital. But it's a complex, not well-understood decision, probably the most expensive one you do besides a house or a boat. So you want someone to help you along the way.

And that is where the dealers come in, both on the sales side and also on the service side, which is critical. And I'll get to it in a minute. And then ongoing, the process is new, with cloud connecting when you opt in, like you do for your phone or something else. If I want to give you product and performance enhancements, or if I want to give you upgrades to the product early on before there's an issue, if your car is leaning to the left, why do I have to tell all cars that you don't need to get their wheel alignment done. I just

want to fix yours. That whole process with the reinvention of data coming off the car is key.

And then we don't have a charging grid for petrol vehicle--or in this case, gasoline vehicles, again--and we have to work with a grid, quite a few of these on a small part of the localized part of the grid. It puts a lot of demand pressure on the grid. We have a lot of projects with the grid right now.

So a complete end to end, and as the customer goes through that journey and that data comes off the cars, which are now cloud connected with over-the-air updates and full modems, then the company can learn and make it better to maximize operation in all the conditions that you have. This is what has to be reengineered, and this is what we've been doing the last 2.5 years.

So let me tell you a bit about the Mustang Mach-E customer, and then I can have Brian ask all his difficult questions. Mustang Mach-E, lover of the new, different kind of thing. People have really been leaning into SUVs. And from our data, performance customers are the most interested in electric because they see the capabilities. Combine that with the Mustang name--as I mentioned, fun, fast freedom.

What we started to do is we took out all our filters that we had previously used for battery electrics. This had started as a compliance vehicle. Picture a kind of mav, tall Focus that goes a 300-mile range. Yes, it would have been electric and it would have been 300 miles, but it wouldn't have been awesome.

So this is different. We stripped out all those, "Why'd you trade off design for greenness?" and we took all those filters out. And we just said, "Hey, here are some interesting people," cutting through our data around the world. They were leaning in tech, and they were more progressive, and they like new design, and they happen to like battery electric--more interest in battery electric, more kids at home, more SUVs. And we found and we really focused our work on that.

So let's talk what it looks like. So there it is, a new steed in the stable. We love the two-door coupe. Most of us in Florida have had one. It's part of the thing. Everybody wants to protect the two-door coupe. That's not going away; many more to come. The new one, the Mach-E on the right, is what it is. That is a 4.7 meter. And the space in the back, totally disguised--the guys did this amazing stamp piece, where you usually have a roof extrusion that's in black that disguises space. 6'3", guy, you're probably 6'2"?

Brian Johnson: 6 feet, 5'11".

Ted Cannis: Easy, easy in the back, and you know that. Was it that many years?

Brian Johnson: Compliance disclosure under six states. (Laughter)

Ted Cannis: Okay. Here's the next one. Intuitive, adaptive, fast and connected. Here's the thing. It's no good just to have an awesome battery electric vehicle if it's going to be a tech-savvy customer. So we reinvented everything on this. We'd gone to China and saw how big the

display's gone and what they were doing with cloud connected. This begins to know you with machine learning; it adapts to you. It has no back, back, back, back.

It has a couple of layers so you can get to your stuff quickly. It integrates Carplay and Android Auto without a plug. But if you use our cloud-connected navigation with live traffic and that, no more SD cards, that gives it as well and shows you all the charge locations and whether they're being used if that's--if they're Wi-Fi enabled. It's a totally new thing. This is going to be an amazing difference.

And when we did the work, that knob there you see is actually bonded onto the glass. It's really cool. When we did the work with a lot of this human-centric design we do now, the people said, "No, no, I want a knob. I want it to go to 11. I don't want to be hunting around." So it has a knob and the climates are on the screen, but they're permanently there. They also said, "No, I need a cluster in front of me. I want something. I don't want to keep leaning back and over. I want my basic information in front of the wheel--my speed, my charging and things like that."

We did the whole interior to take a lot of the cues from Mustang. And then we also--we wanted to make it an SUV. So this thing is going to handle great in the rain; it's going to be great in the snow. It's by far the best handling SUV we've ever done at Ford. The center of gravity is low, and because it's nearly 50-50 balance, it works great. The all-wheel drive, because it's electronic all-wheel drive and not mechanical, you can switch the forces back and forth without it being connected and moving back, so you can adjust it on the fly.

And it's got that SUV space, but it's all hidden because it's got this flat floor, because there's no tunnel, and it's got a big space in the back that lets all available. And like I said, that black lining basically hides about 2-plus inches of extra room there to give it that sweet Mustang lines. And of course, it's got a front trunk. What can you do with that? You can put a cooler, you can put a carry-on bag, it's water resistant, it has a drain, so you can put stinky food like curry or pizza. That's what I eat and I don't like it in the car. Or you can put dirty boots. You can wash it out because there's a drain in the bottom. Or like Ron, our CPE, who's a big Michigan fan, tailgating. That's what he wants, ice stuff for your beverage of choice. So here's what the interior looks like: modern re-front, if you would.

I think we're going to try to play one thing from our Idris Elba commercial just to get a feel of how it looks and moves. Idris, by the way, his dad worked 25 years at Ford and he worked, too.

(Video begins)

Should have seen this coming: a stamped unleashed 55 years ago. Zero to 60. An icon. Built for freedom, the open road, power and rebellion. And just when you think you know where they're going, they do something--unexpected. Something that moves us all forward and holds nothing back. The all-electric Mustang Mach E. The newest member of the family.

(Video ends)

Zero to 60. So if you guys happen to go out and see the Ford v. Ferrari movie, which Ford was not involved in--and I happened to see yesterday with the Mustang Clubs of California--this GT is zero to 60 in a mid-3-second range. That puts it the same as like a Ferrari Portofino. That's fast. And that torque is available instantly.

I could tell you right now, when we open up the reservations at 9:30 Eastern Time on Sunday night, these are flying out the door, and they happen to be a lot of them in Grabber Blue. And because we did the first time--we've never, ever done these \$500 refundable deposits--they are flying. The first edition is flying as well. And I think, also, people are worried that they won't get the \$7,500 federal tax credit that Ford has and certain other manufacturers do not have. So this is going phenomenally well, and we'll release some numbers later, not today.

And what's also important is a 300-mile range. People are worried. It's got up to a 300-mile range. You can charge at home up to 32 miles an hour if you get the Ford-connected wall box and up to 22 miles an hour if you get the free Ford charger that comes with it. You can access the Ford Charging Network. We've put a whole bunch of charging companies together--one easy pass in your Ford Pass app, and you can get to over 12,000. It's now 12,500 chargers, and on the fast chargers, you can charge up to 47 miles in 10 minutes. That's fast. For people who want to use and enjoy a performance vehicle, you need the options. And by stringing these together with Greenlots and Electrify America, putting a whole roaming package on it, make it easy to find them in your car and on your phone, we've made it easy.

You can monitor your charging anywhere, whether it's status at home, on charge, preset the climate of the vehicle, everything else you want. And most importantly, you can enjoy peace of mind. 95% of the service of a vehicle is handled at all our 3,000 Ford dealers. Like your windshield wiper, something happens or whatever, we have 9,500 EV technicians already, because Ford has sold over 800,000 electrified vehicles, which people don't know. You can get most parts, and 95% of the parts the next day. Over 2,000 dealers that will be EV certified. That's up almost, I think, double, but don't quote me on that. And we've got all the collision centers. So you're not--"I won't have my vehicle available just because there's some, like, secret difficult charge process to fix vehicles," is not the case.

So reservations are out there. Some of you could qualify. It's a refundable thing. And these are the kind of products that we have available. Right now, they start in 2020 at the end of the year. The GT is available in spring of next year. All the pricing and information is on it. We've never done that before, made all that available so that you can order. And we really wanted it, both for customer reasons and company reasons. You pick the colors that you want.

Brian Johnson:

Great. Why don't you leave that chart up just so we see the model?

Ted Cannis:

Yes.

- Brian Johnson: Okay, I was going to ask you about the specs, but you did a good job of covering that. I mean, is there any--?
- Ted Cannis: Well, since you can't read it in those, maybe they don't know. \$ 44,000 is where it starts. The premium edition that's out, that will come at the end of the year, next year, starts at about \$50,000. And the GT starts at \$60,000, and there's a performance version on the GT as well--before the federal tax credit. Now obviously, we've said--and you probably don't know this; I don't think we've released this publicly--but so far we've used up 119,000 of our federal tax credit up to that 200,000 units, and that includes bevs and the plug-ins. And as you know, we have the Aviator plug-in coming out now, the Corsair plug-in coming out now, and soon the Escape plug-in. So they will go quickly.
- Brian Johnson: Right. So that's both good and bad. The bad is you may run out of the 200 relative quickly. The good is it creates a call to action.
- Ted Cannis: It's definitely a call to action, and we also say we can only build 50,000 globally the first year. We're battery limited. We got too--the product became too good, and now we need to find some more.
- Brian Johnson: And in terms of the performance, is that the same as the GT? What's the fastest one and does it exist yet, or is it (inaudible).
- Ted Cannis: So the GT, which comes in spring, is going to have--the fastest one of the version has mid-3.5 seconds. But if you take the premium one there in all-wheel drive, it's mid-5 seconds, which is equivalent to a Porsche Macan and almost around where the Porsche Macan Turbo is, so really fast. And because the power's instant, it's going to be a lot of fun.
- Brian Johnson: Okay. And just going through some of the key features, your batteries, I think--you tell me what you can confirm or not confirm--it's been reported in the press, pouch cylinders from--pouch design from LG, is that correct? Are you doing the pack? Are they doing the pack?
- Ted Cannis: So the pouches are from LG Chem, and we're doing pouch cells.. One of the reasons we did this was this is designed for manufacturing versus a thousand thousands of cells. As you know, less complexity is a good thing. This is less than 400 cells in the larger pack. So the thermal cooling and heating is very good on pouch cells, and the space operation is very good on pouch cells. So with all those factors combined--and we've been using lithium ion cells since 2012, we were one of the very first--and so far, so that's--we bring in the cells, but we make the pack.
- Brian Johnson: Okay. And one of the things in the blogs devoted to EVs have been--and I've done the same calculation--you look at the kilometers per kilowatt-hour, and it looks like you're in the 7-ish range. Tesla is in the mid-5 range. So do you want to comment on, A, is that directionally right? And B, are there different design--B, do you have the different design considerations, whether it's safety, durability? And C, since we've done a lot of consumer research, is this really a number that only the EV geeks of the geeks care about?

- Ted Cannis: I think there's a lot of that, because consumers have a lot more to worry about. So maybe in the industry--I'm not going to say I'll provide you with some other answers.
- Brian Johnson: That's fairly similar. We tested the base HP per cubic inch.
- Ted Cannis: Right. For a long time, we tried to sell cars on fuel economy only; that doesn't work. So this car is about sole emotion and excitement. And as a total package of what you can do more, it's an SUV. So that means it's taller and heavier. Because it's got more carrier space, it puts more pressure on the tire patch as well so that rolling resistance is different. So all of those facts are how many kilometers you can get, and the whole installed, because there's no standard in the industry of an installed versus usable. So that creates all sorts of confusion in that. But we think we're going to be fully competitive for an SUV, if not best in class.
- Brian Johnson: And in terms of the other features beyond electric, can you give us a sense, first of all, vis a vis OTA and connectivity, how different is--just the user interface, how different is this from your typical Ford Sync, A? B, was this Project Edison's software team? Did you use Silicon Valley directly or indirectly to do it or the traditional infotainment supply base? And just a lot of those features, you don't have to be electric to have OTA integrated infotainment screen, or is this going to roll out broader through Ford?
- Ted Cannis: Yes, so a couple of things. On the software side, the team that did this was a combination that recreated the whole experience with many rounds of customer loops back in, in the beginning of 2018, with a combination of our user experience guys, our design guys, and our guys who do coding for the HMI. And it was a combination of those 15 people that came over to--.
- Brian Johnson: (inaudible)
- Ted Cannis: They actually were all on the team. It's not--I didn't know that they were related. So yes, so they're all on the team and they did the work together, and then there's a huge production team. And when Ford added a lot more resources, we brought on a lot of the BlackBerry team a few years back, you might remember. So we do all of this coding in-house, which makes it very affordable and very fast. And because it's a new back-end architecture that allows much better natural language, this cloud-based information on traffic and nav and everything else. But it also is HTML interface on the front. So it's a website interface, which makes much faster development and change times as well. So in the car, end to end, we have almost everything is over-the-air update capable on the modules going forward.
- Brian Johnson: That's been a subject, because I've heard some criticism that, well, once it's shipped, it's done, you'll have to go back to your dealer. So could you maybe comment on that? And what are you planning? What's currently planned to be over OTA and what could be OTA?
- Ted Cannis: Everything is planned to be over the OTA as required. So for sure, your HMI will be doing improvements all the time. And obviously, you want to load other information where consumers can send the data off the car to improve the car. But it's everything, so the vehicle can improve all the time. That's where we are in the world now.

- Brian Johnson: And just give us a sense, with you over in the Corktown Project Edison, how has, really, the development of this--both the teamwork, the cross-functional, your ability to draw upon Ford but not be bogged down by Ford--different from the typical Ford vehicle launch?
- Ted Cannis: So this was a challenging thing, to put the Mustang badge on a vehicle like this. As you can imagine, it's an SUV. There would have been a long discussion. It's electric. So to make it, to do those things required, a whole new process, a start of a corporate sponsorship from the very top with content. And frankly, the name didn't go on until Bill and Jim said it was okay, and that means it could perform like a Mustang.
- And to change this whole system, charging--and a lot of it, we used a lot of this human-centric design process, design thinking that Jim Hackett brought to us--we did a lot of work with customers, with low-fidelity prototypes early on, like that Sync or like phone consoles, and how we did the front trunk, many things.
- Brian Johnson: We've avoided talking about Tesla until now. You've alluded to it.
- Ted Cannis: Who?
- Brian Johnson: How would you compare this to what may or may not be coming with the Model Y, if you were sitting in the showroom?
- Ted Cannis: We think we've got a lot of opportunity because the Mustang brand alone is--it cuts through the clutter right away. We think the styling and the proportions and its total package of software capabilities in a vehicle, the way we laid out the space and the way it's so exciting, plus this massive support of a massive dealer network that we have, and this charging system that allows you to piece together all the different charging companies, which is very difficult--if you own one today, you have to go get many different cards--one place to pay, we think we've made it really easy. So I think we're in great shape.
- Brian Johnson: And in terms of service, you probably have statistics. A typical buyer would be--how many Ford dealers in his or her radius?
- Ted Cannis: Since we have more branded dealers than anybody else, a lot. There's a Ford dealer near you, no matter where you live in the US.
- Brian Johnson: And in terms of just the broader EV strategy, just maybe very quickly, what are the models to look forward to in the US, rough cut timing? You've talked about an electric F-150. And then just maybe very high level, you alluded to the Volkswagen partnership. What's the EV strategy in Europe, and is your team involved? Or is that Volkswagen working with Ford Europe?
- Ted Cannis: No, so obviously, because the Volkswagen thing spans a lot of different teams--commercial vehicles, autonomous and electric--so we're involved in all the electric partnerships. It's a total system strategy, so even the Mahindra discussions and Rivian as well.

So here we've announced that, obviously, we're going to have the F-150 battery electric. This vehicle will ship both to the US and Europe at the same time next year. And then we also have, with the Volkswagen guys in 2023, the first vehicle off that platform with them. We've also announced in Europe we will have a 2-ton transit van, again leaning into the icons that we have. So we've got a lot more work coming on besides that.

Brian Johnson: And when is the timing of transit van, roughly?

Ted Cannis: We haven't said.

Brian Johnson: Okay.

Ted Cannis: Not so far off.

Brian Johnson: Okay. Let's pull up a couple of ARS questions. Now back to your old job.

Ted Cannis: Old job.

Brian Johnson: So two jobs ago. Sell-side consensus 1.35: too high, too low, about right? It's more input for Vitali and Jeff and Glen. So still--some people think it's about right, some people think it could go down.

PE multiple, next question. And then I will get your reaction to this, because you were in this job, but also--5x, to 5x to 6x, to 7x to 8x.

It's not lost on us that the other American EV player, or one of the other players, trades at umpteen times, earnings, more price to sales. GM is probably--we were discussing earlier 5x to 6x, but then you could do it.

So one perception for the low multiple for the US OEMs is the EV threat. So when you think about your job, running IR and you think about the current multiple, which is still around 7x, remains GM. How do you think what you're doing now fits into where the multiples should be on Ford Motor Co.?

Ted Cannis: I think our part role in it--if we're looking at growth, risk, and returns, our role is, where's the growth and are we improving the returns on the electrification business? Are we creating demand so that the margins are better and less of a challenge for the business as we make this transition?

And we think, by focusing on these real strengths that we have, where the customer base is so strong and if we make awesome products,--and we're going to have more announcements, apparently later tonight--but with even on that one, with 42 years of history on this vehicle, it's going to be, we've always played, "The best never rest." We're going to lead, and if there's a little bit more enthusiasm in the battery electric pickup space, I'm delighted. We've got an F-150 hybrid coming shortly. We've got a full-battery electric coming shortly. And we know tough trucks. We build trucks for real people that really work, and they actually need their trucks to be working every single day, all the time. So we think this couldn't get any better.

Brian Johnson: So thank you very much, Ted.

Ted Cannis: Brian, thanks a lot.