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Ford Motor Co. (F)

Business Update Call

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OTHER PARTICIPANTS

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MANAGEMENT DISCUSSION SECTION

Operator: Good day, and welcome to the Ford Motor Company Call hosted by Citi. Today's call is being recorded. At this time, I'd like to turn the call over to Itay Michaeli. Please go ahead.

Itay Michaeli

Analyst, Citigroup Global Markets, Inc. (Broker)

Great. Thank you. Good morning everybody and thank you so much for joining us. I hope everybody is doing well. I'm Itay Michaeli from Citi. And on behalf of the Citi Auto team, I want to welcome you all to the call and we thank Ford Motor Company for making this event happen. We're excited to talk about the F-150 unveiling which, as you know, just occurred last night.

Before we begin, a couple of just quick housekeeping items. First, we did send out our legal disclosures. If you need those, just let us know and we'll get those out to you. And second, the format of today's call will be Q&A, so if you have any questions throughout, feel free to either submit them through our webcast or just e-mail me directly and we'll try to get to all of your questions throughout the course of the call.

So, with that, I'm very pleased to introduce members from Ford who will spend some time with us this morning, talking about pickups and specifically the new F-150. From Ford, we're pleased to have Todd Eckert, he's Ford Truck Group Marketing Manager; also have Craig Schmatz, he's a Chief Engineer of the F-150; Stuart Taylor, Executive Director of Enterprise Connectivity; and of course, Lynn Tyson, Executive Director of Investor Relations. Thank you, all, again for being here and to kick off the call first, I'm going to hand it off to Lynn for some opening remarks.

Lynn Antipas Tyson

Executive Director-Investor Relations, Ford Motor Co.

Thanks, Itay, and thank you so much for hosting us. We're so incredibly excited about the all new F-150 which is purpose-built to be the toughest and most productive and powerful F-150 ever. So, but before we go into Q&A, I just wanted to recap some of the things that we talked about last night during the reveal and then also just talk a

little bit about launch execution. For those of you who are dialed in, we do have a presentation that is posted at shareholder.ford.com. We're not going to be following it page by page, but there's great information in there about the functionality of the vehicle and some additional metrics around our leadership with the F-Series.

So, with F-Series as America's best-selling truck for 43 years, we're always focused on serving our truck customers and the new F-150 is really a testament to our mindset of continuous innovation and delivering these purpose-built solutions to best serve the very needs of our full-size truck customers. The all-new F-150 takes America's truck choice to the next level with targeted best-in-class towing, payload, torque, horsepower and all new features to make customers even more productive including new connected vehicle technologies, including bumper to bumper over-the-air updates and standard SYNC 4.

This is our first vehicle with our all-new electrical architecture that allows us to read, write, and provide over-the-air updates to key modules controlling the vehicle. And this will allow the new F-150 to stay relevant over time continuing to meet and exceed the needs of our customers especially our commercial customers. And then a completely redesigned exterior has a bolder and tougher new look and an all new interior provides more comfort, technology, functionality for truck customers along with enhanced materials, more color choices and more storage.

This truck also features our all-new class-exclusive PowerBoost Hybrid with Built Ford Tough capability and, as I mentioned, targeted best-in-class horsepower and torque and at least 12,000 pounds of maximum towing capacity and at least 700 miles of range on a single tank of gas. And an available Pro Power Onboard means customers can leave their generator behind and free up cargo space with up to 7.2 kilowatts of power built right into the truck. There's actually enough energy to power 28 average refrigerators, charge a full bed of electric dirt bikes or run an entire job site worth of tools. And the new truck comes with a number of innovations and improvements over the previous generation with features such as new Tailgate Work Surface, Max Recline Seats and new extended length running boards.

Now we're laser-focused on an outstanding launch execution. The setup of the plants for F-150 is completely different from that of the last year where we gutted and effectively rebuilt an all-new plant on an accelerated schedule. That's not the case with Dearborn Truck in Kansas City, two of our best plants. We don't have to change the body shop or stamping plants like we did for F-150 in 2014. We do not have a Lincoln variant to launch as we did for Explorer. And as I mentioned, we're going to be staggering the launch across our two plants, which de-risks the changeover and gives us an opportunity to run our current F-150 at one plant, while we ramp production of the new model at the other plant. We're also staggering the launch of the Hybrid to reduce risk.

Now, our shutdown because of COVID, we didn't – that time did not go to waste. We utilized that manufacturing, that shutdown manufacturing period to resolve engineering issues and improve supplier readiness and our metrics suggests we're in better shape than we were before the shutdown. We're also leveraging connectivity on pre-production fleets to identify problems and validate solutions.

So, with that I say, I'll turn the call back over to you for Q&A with the team.

QUESTION AND ANSWER SECTION

Itay Michaeli

Analyst, Citigroup Global Markets, Inc. (Broker)

Q

Great. Thank you, Lynn, for that introduction and all that detail. So, I wanted to start our section, before we get into the new F-150, to talk about demand within the pickup truck segment. And the reason I bring this up is over the past several years, our team at Citi has documented trends that have clearly suggested and shown that US pickup truck demand has both structurally and meaningfully expanded over the past 10 years and the two trends we often write about in our work is a rise in install base or a vehicle part combined with very strong used pickup truck pricing. And of course, in the new vehicle market, we're seeing this play out through a consistent pickup truck sales outperformance and significantly higher ATPs which, by our estimates, has resulted in record high full-size pickup truck revenue.

So, maybe first question for Todd, what are your thoughts on these trends? As you observe these concurrent trends over the years, what do you think is really happening here? Would you agree that demand has kind of structurally increased? Love to get your thoughts on that first.

Todd Eckert

Ford Truck Group Marketing Manager, Ford Motor Co.

A

Yeah. Itay, thank you for that. Well, we've certainly seen growth in terms of both sales and average transaction prices as you've talked about with full-size pickups and we really believe kind of at the core, it's about our customer, and need and value of vehicles and get work done and also serve a critical need in their lives. But what we find is that full-size pickups are an essential tool used to accomplish work and recreational activities that really quite frankly other vehicles simply cannot do.

So, certainly, trucks have evolved over time and F-Series has really been at the lead of that as the best-selling truck in America for the past 43 years. If you think back kind of to the earlier days of truck, they've really moved from only really being considered to very specific work-related applications with limited choices in terms of features and content to now much broader applications.

Certainly, like durability and capability remain at the core of customer wants and need in a full-size pickup, but there's now more room for passengers. The ride is better, fuel economy has improved, trucks really do now serve as a no compromise option for customers and F-Series really has been at the forefront of that through our continuous innovation mindset and our commitment to delivering what our customers wants, need and value.

I think another factor is the spectrum of choices has really increased in terms of series and cab, powertrain, package and equipment offerings. Really a core tenet of Ford Trucks is what we call the Power of Choice and a good example is our 6 series offering on F-Series where we provide customers the opportunity to purchase a truck that really best fits their needs.

And just to give you an example of what I'm talking about, our 6 series lineup consists of – starts at our XL, which is really a base work truck largely for fleet but some retail application. XLT is really our broadest range of offering. It's really fit. And Lariat is really our entry into premium on what we call premium done, Built Ford Tough where we first introduced leather and other more premium features. And then we have King Ranch, which we would describe as luxury with a bit more of a Western feel but very premium luxury materials and features. Platinum, are quite similar to King Ranch in terms of the offering, but more of a modern feel from the materials and the leathers

that we used in that particular model. And then Limited, which we really call the top of the line from an overall luxury perspective.

So, between the choice and really now trucks becoming a no compromise option really led by F-Series and certainly the all-new F-150 is going to be another testament of that, to dedicating and serving our full-size pickup customers, that's really kind of what we see behind those trends.

Itay Michaeli

Analyst, Citigroup Global Markets, Inc. (Broker)

Q

That's very helpful, Todd. And maybe shifting to the current environment. We've seen pickup truck sales really outperform the overall market thus far through the crisis. And one reason that's been cited for that is that pickups might've been initially less exposed to some of the most affected regions from the COVID crisis. What are your thoughts on what we've seen year-to-date? I mean, would you attribute the recent pickup truck sales outperformance to kind of regional mix or are you seeing in your numbers just more broad, resilient demand really across the country?

Todd Eckert

Ford Truck Group Marketing Manager, Ford Motor Co.

A

Well, yeah, we really I mean would contribute it to both factors. One kind of the regional nature of COVID and how that hit but then also just trucks themselves in terms of how they have – first, from a COVID perspective the virus and some of the resulting stay-at-home orders generally impacted the West and the Northeastern regions of the country a bit more to a greater degree.

And typically, we sell a greater percentage of passenger cars and SUVs in those regions while stronger truck markets like the Central Texas and Oklahoma and Southeastern part of the country like Georgia and Florida are traditionally stronger truck markets for us. They were less impacted from, on a comparative basis, with regard to the stay at home orders.

Now having said that, the other side of it is, full-size pickups and of course led by Ford F-Series, are proving to be the most resilient market segment in the industry, as you said, during this crisis. And we think a key reason for that is pickup trucks really serve as an important need, a functional purpose, they deliver the durability and capability that people need especially in tough times.

As I mentioned, they've really become essential tools used to accomplish both work and recreation that other vehicles really can't do. And for many customers, their truck is a tool of their business, their livelihoods, it really depends on it. So, we think that all kind of rolls up into the factors and this is another proof point, in fact, the F-Series has been America's best-selling vehicle for 38 consecutive years and really kind of proving that the popular pickups trucks isn't just a short-term trend.

Itay Michaeli

Analyst, Citigroup Global Markets, Inc. (Broker)

Q

Great. And maybe one last one on the topic of just demand. Todd, it may be again for you. I mean, just looking ahead, what is your view on the pickup truck demand over the next let's say one or three years. Is it designing the new F-150, what do you think demand is going to be generally for this market over the next one to three years?

Todd Eckert

Ford Truck Group Marketing Manager, Ford Motor Co.

A

Well, we really think kind of in the near-term, in the 12 months. Much of the demand we think for full-size pickup it's soon really largely depend on the economy. If the economy has a deep, but short downturn, we may not see a large negative impact on full-size truck sales. If we have something longer and more protracted that it would likely have an adverse impact on sales on full-size pickups.

Now that's not something we're necessarily anticipating, but in the event that it did occur, obviously the full-size pickup segment, like most segments, would face some stronger headwinds. And although we're seeing some certain amount of uncertainty as demand and operations recover from the COVID and the shutdowns, we think the relative resilience of pickups reflect the greater value that customers placed on these vehicles which are more capable and versatile and efficient than ever before.

And so, of course, as you mentioned, with all new F-150 launching this fall, we're going to further build on the strengths that have made F-Series as America's best-selling pickup for 43 consecutive years and that's been the case through booming economies and through recessions as well.

Itay Michaeli

Analyst, Citigroup Global Markets, Inc. (Broker)

Q

Great. So, maybe now shifting gears a little bit just to the new truck and as you're designing a new vehicle and choosing kind of what to focus on. Maybe just give us a sense of your latest assessment of the profile of a typical full-size pickup truck buyers and perhaps touch upon the top three or five factors they tend to consider when purchasing a new full-size pickup?

Todd Eckert

Ford Truck Group Marketing Manager, Ford Motor Co.

A

Sure, Itay. Thank you for that. And it varies a little bit if you're talking about full size in terms of light-duty full-size pickup like F-150 or heavy-duty like super duty. But in general, what we see is some of the main considerations for our customers in full-size pickup. First and foremost: DQR. Durability, quality, reliability are a key buying consideration for our customers, of course capability, most notably the ability to tow and haul is consistent with our purpose-built nature of F-Series.

Certainly, engine performance is another one, most notably in terms of torque and horsepower and the ability to get the job done. We've also seen, as I mentioned, from a trend perspective, interior room and comfort is important as well. Truck customers are spending more and more time in their trucks, so, the interior becomes a very important buying consideration for them.

Of course, productivity. They're always looking to get the job done and that's whether it's work or recreation, they want to do it more effectively and more efficiently. So, the ability to provide greater productivity is key. And then, of course, value for money. Purchase price certainly is a factor but it's really more about the attributes and content, what's offered at a particular price and do they see value in that offering. Those are really kind of the keys that we focus on when we're looking at designing a new truck.

Itay Michaeli

Analyst, Citigroup Global Markets, Inc. (Broker)

Q

That's very helpful. And maybe as we turn to some of the new features, maybe for Craig, talk about to the Pro Power Onboard system that was introduced with the new F-150. Maybe give us a couple of examples in the real world of how customers can use that system?

Craig Schmatz

Chief Engineer, Ford F-Series Super Duty, Ford Motor Co.

A

Sure. Thanks, Itay. The system we call Pro Power Onboard is available, 2 kilowatt offering that's on our optional gas engines, the 2.7-liter EcoBoost, 3.5 EcoBoost and 5 liter. We've got a 2.4-kilowatt version standard on the PowerBoost hybrid – full hybrid offering, as well as the 7.2 kilowatts. It was capable of providing power for many large appliances and even some job sites. For example, like the 2-kilowatt system, you do mobile device charging, laptop charging, running copier, printer all at once; and at 2.4 kilowatt, you could do same mobile device charging but have a mini fridge, large TV, large speakers, coffee pot all at the same time. But the 7.2 kilowatts, you can really power the full job site, compound miter saw, circular saw, hammer drill, half-horsepower air compressor, area floodlights, portable speakers. I mean, the capability there is just amazing.

And on the move, you can still use the Pro Power Onboard to charge tool batteries while driving down the road. So, it's got a lot of capability and I think it's a real untapped need for our customers.

Itay Michaeli

Analyst, Citigroup Global Markets, Inc. (Broker)

Q

Great. And maybe another topic we often get questions and we try to analyze whenever a new product is introduced is the new materials content on the truck and just the overall light-weighting strategy right now versus the prior strategy that Ford took?

Craig Schmatz

Chief Engineer, Ford F-Series Super Duty, Ford Motor Co.

A

Yeah. So, all-new F-150 is going to continue to have high-strength military-grade aluminum alloy body, which has really proven to be best-performing material to meet our Built Ford Tough standards and customer needs since 2015 model when we first introduced it. We still have a proven body-on-frame design which reengineered high-strength steel and retains a significant number of characteristics which are then developed and refined, and proven over time.

We've incorporated select incremental weight save action to offset the new feature content and hold the all-new F-150 weight efficiency similar to the outgoing model, which is really outstanding position for us continue to go forward. This very efficient weight status is made possible, in large part, due to the alloy body. And it will – allows F-150 to tow more, haul more, accelerate quicker, stop faster, and deliver better gas mileage.

So, our strategy is consistent from where we started off in 2015, and it's a great efficiency story and delivers a kind of a customer attributes – or attributes our customers are looking for.

Itay Michaeli

Analyst, Citigroup Global Markets, Inc. (Broker)

Q

Terrific. And maybe shifting gears to the electrical architecture that you referenced and – maybe for Stuart. And actually, we've received a number of questions from participants on this, so clearly a lot of interest. But maybe, first, Stuart, if you can just talk about the changes made to the electrical architecture, the OTA functionality. And how many of the domains in the F-150 will actually be eligible for frequent OTA updates?

Stuart Taylor

Executive Director-Enterprise Connectivity, Ford Motor Co.

A

Hi, Itay. Yeah, thanks for the question. It's good to hear that people are really interested in this. So, all the things done is that they've engineered what we're calling the next generation of electrical platform. And that's a

substantial iteration on our existing already successful architecture. And so, what that architecture does, what that new part does it connects the cloud, the mobile app and vehicle into like a single ecosystem. So, really starting to talk about platforms.

The mobile platform actually has this computational power which is really the brains of the unit and then this architecture which we would call out as the high-speed communications and physical implementation in the vehicle. And that forms the backbone of this new capability, and it starts with the all-new F-150 and then will roll across the fleet from there. And what that allows you to do, which is really – what's the interesting part of it is it just allows you to do this really seamless end-to-end OTA. And that when you talk about domains, it means large domain controllers can be updated but also every other device, we say bumper to bumper can be updated within the vehicle. So that allows you to give rapid new features deployment, for example, when you can roll them out across the series of F-150s. But it also allows you to add feature functions over the life of the vehicle. So, you get this continuous improvement that is always at the forefront of technology.

And then, obviously, there's going to be unmet needs that we don't know yet. So the customer insight part of it allows us then to build new capabilities ongoing through the life of the vehicle. Part of building this platform as well that it enables is it allows you to build in some data analytics, but also layering cybersecurity to protect our customers. So, really important add overall to the way the system is designed.

Itay Michaeli

Analyst, Citigroup Global Markets, Inc. (Broker)

Q

Terrific. And maybe on that, another question, what we got is, if you could talk about the kind of incremental benefits versus the costs of implementing kind of a much more advanced electrical architecture, as well as whether there's a benefit to the installation and manufacturability of a new system?

Stuart Taylor

Executive Director-Enterprise Connectivity, Ford Motor Co.

A

If I understand your question correctly, the idea here is that this builds capabilities, so making standard over-the-air update capability across the range is really important. That's really the point about keeping the vehicle at the forefront of technology, adding feature functions in the future, really returning value for the customer, and then thinking about broader applications here; being able to conduct, for example, preventative maintenance, or perhaps reduce repair trips to provide improved performance.

This one up here, particularly to our truck customers, what's really important is keeping the vehicle uptime. So maintaining uptime, making sure that it's never down so that it's working as hard as we can possibly make it work. That's where the real value is generated in adding a content like this.

Itay Michaeli

Analyst, Citigroup Global Markets, Inc. (Broker)

Q

Perfect. Yeah, that's helpful. And then maybe to delve a bit more into those benefits, maybe if we talk about fleets. Ford, as previously discussed – the opportunities within a connected car fleet in terms of fleet management and data, and I know you've talked a lot about this in the commercial van business, but I'm curious to what extent the fleet management connected opportunity also presents itself for the all-new F-150. And how should we kind of size up that opportunity going forward?

Stuart Taylor

Executive Director-Enterprise Connectivity, Ford Motor Co.

A

Yeah. That's a good question, Itay, because, I think, you heard a couple of weeks back Jim Farley was talking about the power of connectivity. He was talking specifically about our future of telematics aspiration. So, of course, we sell a number of F-150s into small, medium, and large fleets, so it's an important area of our business.

With the new electrical architecture and the capability we're building in, we will be offering the Ford Telematics solution on the all-new F-150 for those fleet operators. And that allows the fleet operators to improve their operational effectiveness. And so, we built this telematics software directly in conjunction with those fleet managers. We took their input, determining what they were asking for, what they needed, what were their unmet needs. And then we designed the software around that.

So, the software really gives you key insights into the operation of the vehicle, so you get things like vehicle health alerts, you get real-time monitoring of the fleets, and then you can start to do fleet optimization. You can geofence, you can geotrack the fleets to ensure that the trucks are where they're meant to be and – where they're meant to be, that's important.

You can also monitor key attributes. So, this is part of the connectivity experience of key attributes of the truck. So, you can understand things like driver behavior, you can look at fuel efficiency. And you can start to, and this is really important, you can start to predict maintenance schedules. All of that built into the story. It's a package really which comes and says, if I can start to do that, I can minimize my downtime, I can maximize my uptime, and I can maximize my usability.

And then what we'll do over time is we'll do a continuous improvement on the capability. So, as we gain further insights with those fleet customers, identify future unmet needs, we'll start deploying incremental additions to that telematics suite of tools. And we can do that now, of course, because we've added OTA for this capability. So, we can continue to update the trucks and the fleets in that manner.

Itay Michaeli

Analyst, Citigroup Global Markets, Inc. (Broker)

Q

That's helpful. And one question related to this that we got in is, you kind of noted that the – what is the rough size of the multiple truck owners? I mean, how many people or companies are coming or buying multiple trucks that might be eligible for kind of fleet-related services? Is that a significant part of the overall share of the F-150 pie? Or maybe if you can size that out, that would be helpful.

Stuart Taylor

Executive Director-Enterprise Connectivity, Ford Motor Co.

A

Yeah. Itay, unfortunately, I don't have that number to hand. I don't know whether Todd or Craig know that off the top of their heads. So, I'll throw it up and see if those guys know.

Craig Schmatz

Chief Engineer, Ford F-Series Super Duty, Ford Motor Co.

A

Yeah. No, Itay, I don't have that...

[indiscernible] (00:24:16)

Itay Michaeli

Analyst, Citigroup Global Markets, Inc. (Broker)

Q

Yeah. And then a couple more that we do have on the electrical architect – yeah, it's just a question we got in is whether there are weight savings as a result of the new architecture. And if you can kind of elaborate on anything around the number of ECUs and kind of more detail on the domain controllers and maybe how many you're using and so forth. Definitely a lot of interest in this topic, so any additional color there would be great.

Stuart Taylor

Executive Director-Enterprise Connectivity, Ford Motor Co.

A

So, I could give you a little bit of color that we've shared. So yes, we've moved to a domain architecture. So this is in the languages – the consolidation of a number of devices into a single compute center. We've done that in a few of the domains for efficiency and also because the computational power is now available to do that, and that's a significant efficiency in terms of engineering and design, which is good.

And we've talked about the OTA capabilities being end to end. So, our view of OTA is we have to have full bumper-to-bumper capability. And I think that clearly differentiate this idea that most of the OTAs will be seamless and pretty much invisible to our customers. And when we do larger OTAs, like we'll be adding next summer – we thought publicly about adding ADA, which is a very large feature, this is Active Drive Assist.

That's a much larger end play, so that will require a little bit of downtime. But the [indiscernible] (00:25:45) the way we structured this in design is that you can actually set a schedule to be updated. And so, you can set this to be updated at, say, 3:00 in the morning when your truck's not being used and the OTA will run overnight without it being an inconvenience to you. So, those are really some of the features. But clearly, the message is bumper-to-bumper update capability, and that's really important to us.

Itay Michaeli

Analyst, Citigroup Global Markets, Inc. (Broker)

Q

Great. That's super helpful. And another question we received on this topic, but really, I think this doesn't just go through connectivity, but if we could talk about more broadly particularly on the connectivity and software side how much of the work in content is being done in-house at Ford versus relying on some of your suppliers for that. We always hear mixed strategies from automakers, curious kind of what approach you took on the F-150 in terms of the electrical architecture, but really, you could talk about any other part of the vehicle architecture as well.

Stuart Taylor

Executive Director-Enterprise Connectivity, Ford Motor Co.

A

Sure, yeah. And again, Itay, another good question because there was opportunity here to really focus on things which are brand important to us and important to our customers. And so, we did elect on this particular project to bring some of the significant design in-house. We've got a fairly substantial software team within Ford now that we've been growing over the last few years. It's actually quite a pride point for us that this generation of SYNC which is, obviously – it's been in the vehicles now for 12, 13 years, has been multigenerational, has been a very popular capability.

Again, we've extended that capability here in SYNC 4 that's going into the F-150 first. That development was all done in-house for our in-house software development team, and that allows us to really focusing on customer needs, unmet needs so we could add features like the Pro Power Onboard screens, we could add Zone Lighting, things like those features which are really truck specific and customer specific.

We focus on quality. SYNC continues to be at the front of the pack in terms of customer quality and acceptance, which is really good and we wanted to keep it there, so we invested heavily in that. Also, speed, our ability to work in-house on a product as complicated as this really gives us an element of speed.

We still use a lot of supply partners and they're very important to us for a number of the other systems in the vehicle. And we'll continue to do that for the future, but this was a key strategic move as part of the architectural design to bring that piece of work in-house, and it's been really successful.

Itay Michaeli

Analyst, Citigroup Global Markets, Inc. (Broker)

Q

Great. That's very helpful. Maybe – you mentioned safety a few minutes ago. I don't know if you want to get into that as well and we've actually received some questions on that, but maybe for Craig, I was hoping you can review some of the biggest changes in the safety content on the new truck, both on a passive safety, as well as, of course, on an active safety side as well, kind of what are some of the biggest changes you've made in the new vehicle.

Craig Schmatz

Chief Engineer, Ford F-Series Super Duty, Ford Motor Co.

A

Sure, Itay, I can take that. Yeah. The all-new F-150 that includes crash structures and other improvements continue raising the already high standards of safety in F-150. Now, the only thing better than protecting occupants during an accident is to provide them tools to reduce the severity or avoid the crash in the first place. So, the real big news here is that the all-new F-150 provides advanced driver-assist systems in the segment, the most driver-assist systems in the segment with more than 25 across the lineup.

The standard on every F-150, we're offering Pre-Collision Assist with Auto Emergency Braking to help avoid collision in the first place, Lane Keep Assist, rearview camera with dynamic hitch support, auto dimming high beams and auto on/off headlamps. And we're also providing 10 new driver-assist features for 2021, including class-exclusive available Intersection Assist which detects oncoming traffic while the driver is attempting a left turn. If there's a risk of collision with an oncoming vehicle, the vehicle will apply the brakes to mitigate or avoid it. And a few other examples of our new driver-assist features includes Intelligent Adaptive Cruise Control, Evasive Steering Assist, Lane Centering, Reverse Brake Assist, and Post-Collision Braking.

Itay Michaeli

Analyst, Citigroup Global Markets, Inc. (Broker)

Q

That's very helpful.

Craig Schmatz

Chief Engineer, Ford F-Series Super Duty, Ford Motor Co.

A

It will help the driver – go ahead, sorry.

Itay Michaeli

Analyst, Citigroup Global Markets, Inc. (Broker)

Q

Oh, sorry, sorry, go ahead. [indiscernible] (00:30:21).

Craig Schmatz

Chief Engineer, Ford F-Series Super Duty, Ford Motor Co.

A

I can say...

Itay Michaeli

Analyst, Citigroup Global Markets, Inc. (Broker)

Q

Go ahead.

Craig Schmatz

Chief Engineer, Ford F-Series Super Duty, Ford Motor Co.

A

Just all of these great technologies just help the driver avoid getting in a situation and avoid accidents.

Itay Michaeli

Analyst, Citigroup Global Markets, Inc. (Broker)

Q

Yeah, that's terrific. And I definitely want to delve into that a bit more. The Level 2 functionality, or I guess maybe it's Level 2-plus because I think that you do have a driver monitoring system. I was hoping you could talk more about that functionality on the new truck, the use of over-the-air updates. Yeah, maybe give us a bit more of a deep dive into the Level 2 features. And also within that, if you could talk about how just demand for ADAS Level 2 features differ, if at all, on full-size pickup trucks relative to other segments.

Stuart Taylor

Executive Director-Enterprise Connectivity, Ford Motor Co.

A

Yeah, sure. Let me take that one, Itay. So, I think everyone recognizes that the Co-Pilot360 technologies that we're putting in to the F-150 is really one of the most advanced suite of driver-assist technologies among [indiscernible] (00:31:21). We're very proud of that.

So, what we're doing here with F-150 is we're adding and improving [audio gap] (00:31:29) offering and including those you mentioned this Level 2 functionality with Active Drive Assist. And this will allow us to [audio gap] (00:31:35) freeway and divided freeway. So, very important feature and capability.

So, the way it does that is it simultaneously assist with longitudinal speed and lateral steering control of the vehicle. And that system uses a sequence of quite complex sensors, so advanced driving camera that monitors the eye gaze and the head position. And this is really important because this is what enables the hands-free drive mode. And the system answers specifically calls from NHTSA [indiscernible] (00:32:06) IIHS that tracking a driver's eye movement and/or head position is really the most accurate way of providing this capability.

And then as Craig was mentioning, when you package up all of the Co-Pilot360 activities that are going on, we've got nine class-exclusive driver-assist technologies which is the most in its segment. And so, we've got things like – actually, Craig mentioned all of these, but certainly we've got Auto Hold, Intelligent Adaptive Cruise Control, we've got Auto High-Beam, we've got Lane Centering Assist. One feature I'm really excited about, Intersection Assist 1.0. We've got Evasive Steering Assist, Post-Collision Braking. And then we've added in Active Park Assist 2.0. And then, obviously, coming in the summer of next year, we'll have the Active Drive Assist.

And then our plan for Active Drive Assist, as I mentioned in the earlier comment, is that we are going to offer that as an OTA capability next summer. We're also going to [ph] ask our dealer (00:33:11) to be able to update it, so to make sure that – feel more comfortable to actually do that. We recognize that the over-the-air capability is very new to a lot of our customers. So we're going to operate likewise. But that will be one of the features that we will make available and it's going to be a great add to the program and to the truck.

Itay Michaeli

Analyst, Citigroup Global Markets, Inc. (Broker)



Yeah. That's great. And maybe two questions on that. First, if you could talk about the different sensors that the ADA system is going to employ for Level 2 functionality. And with the OTA next year, can we just talk about how many highway miles you initial intend on having for the hands-free functionality, as well as how do you see that evolving over time?

Stuart Taylor

Executive Director-Enterprise Connectivity, Ford Motor Co.



Yeah, sure. So, the different sensors, well, we've added – let me see. We've added corner radars. We've added the driver monitoring camera that I spoke about. And then we've upgraded the rest of the sensors there on the vehicle. So, we've got, I think, 12 ultrasonic sensors now, we've got a front windshield camera, we got a front-center radar and we've got rear-corner radars. And those make up the whole system.

And then the system through this new electrical architecture also utilizes other sensors that are in the vehicle. So, looking for things like yaw and roll, acceleration, wheel speed. Now, we wouldn't formally class them as adaptive sensors but because of the efficient architecture we've got, they can share the information around the vehicle. So, that's really what makes up the whole of the Active Drive Assist system overall.

And then I think you also asked about demand, right? So, demand [indiscernible] (00:34:56) Level 2 capability. So, I think one of the observations, spending so much time with our customers, particularly as we've gone through this program, we know that our customers use our trucks in many, many diverse ways. And as Todd was touching on [indiscernible] (00:35:12), the versatility, the dependability, and the reliability are really important for our customers in both work, rest and play.

So these – the customers are demanding these features from us because of the way they used them. So, I think Co-Pilot360 2.0 which is what we're launching on this program is going to prove a really popular and really valued feature. So, we're really focusing on what customers are asking for and then implementing it in a way that they want it. I think from an overall customer profile perspective, Todd touched on this in the beginning, the capability, the safety, this idea of providing confidence on long drives is really, really important. And so, we're going to continue to explore that space again and again because I think it's something that's really valued and important in a Ford F-150 like this.

Itay Michaeli

Analyst, Citigroup Global Markets, Inc. (Broker)



Terrific. That's very, very helpful. So let me shift gear to talk about the interior and particularly the user interface, the cockpit electronics, the 12-inch center stack and the full digital cluster. Maybe talk about your approach there, what led to these decisions, what kind of customer feedback kind of led to these choices, and kind of how you see that evolving even relative to some of your competitors.

Stuart Taylor

Executive Director-Enterprise Connectivity, Ford Motor Co.



Sure. Craig, do you want to [indiscernible] (00:36:35)...

Craig Schmatz

Chief Engineer, Ford F-Series Super Duty, Ford Motor Co.



Yeah, sure.

Stuart Taylor

Executive Director-Enterprise Connectivity, Ford Motor Co.

...here first then I'll pick up some of the electronics, how about that?

A

Craig Schmatz

Chief Engineer, Ford F-Series Super Duty, Ford Motor Co.

Yeah, that'd be great, Stuart. Thanks. Yeah, I mean, with the all-new F-150, we've completely redesigned the interior. We're finding even the smallest detail. The craftsmanship and fit and finish and the enhanced materials really result in an interior our customers want to spend time with. I mean, we understand that many of our truck customers spend long days and sometimes nights in their trucks. So, we provided features and technologies to make them more productive and more comfortable in interiors.

A

For example, we've created an interior work surface. It offers a large flat work surface that makes it easier and more comfortable to work and even eat in the cab. And it's available on both the console versions, as well as the 40/20/40 bench seat. But we've got available Max Recline Seats that fold flat nearly 180 degrees to make resting even more comfortable.

And we've got new rear under-seat lockable storage extends the full width of rear seats. It could be operated from one side of the vehicle, when not in use fold flat to allow customers to use our flat low floor. We spent a lot of time with our customers, observational research, just really trying to understand those needs better and give them kind of end solutions to allow them to better experience and spend the time – sorry, to have the features and technologies because we know they spend so much time on their vehicles.

So, a big part of that, too, is the technology and – Stuart will take you through that now.

Stuart Taylor

Executive Director-Enterprise Connectivity, Ford Motor Co.

Yeah, let me pick up. I think you guys have seen now some of the interior imagery. I mean, it looks like a fantastic place to be. So, we've added new larger infotainment screens. And they specifically offer in this segment with us that customers asked for control knobs and buttons so that they can still use a lot of the functionality with their gloves on, really [indiscernible] (00:38:31).

A

And in the base models, we've still got an 8-inch. In fact, we've now [indiscernible] (00:38:36) the 8-inch down, so it's the entry level. And then we've added a 12-inch display which looks fantastic on the XLT and then standard on Lariat and above. So, it's on over 50% of the volume now.

And then I think we've added what we're calling – what our customers are telling us is purposeful technology. So, a thing that really means something to the customer. And so, you'll see things like Trailer Light Check, Trailer Theft Alert, the onboard generator that Craig talked about is available in the screen so that you can actually monitor those circuit loads and things like Zone Lighting. So, these are really important for our customers. All of those are enabled through the screens that we've added.

Now, we've also got to pair that. We've got a new 12-inch digital cluster, which has an information-on-demand section, it's got some really impressive graphics work. And then some of the drive modes allow some imagery to move around. It looks really good. And we've got off-road data and turn-by-turn navigation in the cluster.

And then, of course, we talked about it a little earlier, the next iteration of SYNC, SYNC 4. Really, from my perspective, our smart system is the most powerful version of SYNC yet. So, we've got content in there like advanced connected navigation, so that really allows real-time routing, real-time parking, real-time traffic. We've also added weather and fuel prices to that. We've added an all-new connected natural language voice system. So, that allows you to use much more conversational dialogue with the vehicle and so that you can ask it pretty much anything. And then we continue, of course, as part of this, the way we've designed the screen and the controls is continuing to focus on something that's been important through the – from the first inception of SYNC right to now, which is really this idea of hands on the wheel, eyes on the road, so making sure that our hands-free voice control can control phone calls, music selection and much, much more.

And so, we're keeping that intention front and center to avoid driver distraction. And then we've added other things like we've added wireless Apple CarPlay and Android Auto. This means you can bring all of your favorite apps straight to the vehicle. So, there's an awful lot we've added. We've also added a digital owner's manual for the first time. So, we've [indiscernible] (00:40:57) the paper owner's manual and now that is all in the screen, and it offers you animations and how-to in the digital owner's manual. So, a really good add for getting to all of the feature content and understanding it using the vehicle.

Itay Michaeli

Analyst, Citigroup Global Markets, Inc. (Broker)

Q

Great. That's very helpful. And maybe kind of taking altogether a couple of questions we received is, with all the new and improved features on the F-150, kind of how should we think about the overall content costs and how do you kind of expect to price for that? And maybe within that, you could talk also about how you're trying to manage trim mix on the new truck maybe relative to the current truck. So maybe you could just address those topics kind of content cost relative to how to think about covering that with pricing and perhaps also the managing of trim mix within that.

Lynn Antipas Tyson

Executive Director-Investor Relations, Ford Motor Co.

A

Itay, it's Lynn. Let me – I'll just touch on pricing and then turn it over to the rest of the team. Yeah, clearly, there is more content, more value-add content in the vehicle and we're also following where our customers are leading us well into functionality and all of those things. So, I wouldn't – we haven't talked about pricing on the vehicles yet per se, but I wouldn't assume necessarily that these vehicles are going to be dilutive to the overall F-Series portfolio from a margin perspective.

Itay Michaeli

Analyst, Citigroup Global Markets, Inc. (Broker)

Q

That's helpful.

Stuart Taylor

Executive Director-Enterprise Connectivity, Ford Motor Co.

A

And, Itay, I think that's a good question.

Itay Michaeli

Analyst, Citigroup Global Markets, Inc. (Broker)

Q

And maybe for the rest of the team on trim mix configurations. I know that, that's always really important to manage for you. And I think the price gap on full-size pickup truck trims is probably the highest in the industry. So, maybe if you could just talk about, firstly, importance of managing trim mix generally on the truck and are there

particular goals or objectives in terms of changing the trim mix on the new F-150 just given the new content and features that you're introducing.

Lynn Antipas Tyson

Executive Director-Investor Relations, Ford Motor Co.

Hey, Itay.

A

Todd Eckert

Ford Truck Group Marketing Manager, Ford Motor Co.

Yeah.

A

Lynn Antipas Tyson

Executive Director-Investor Relations, Ford Motor Co.

I'm sorry to interrupt, but it's Lynn again. I just want to make two additional points. One is, as you know, we have some pretty significant work streams underway on general cost, so that's number one. Number two, being able to have to gauge what's happening with the vehicles that have over-the-air updates. There are benefits, we believe, we're going to be able to derive at an enterprise level. We haven't sized those yet. But you can imagine if we have better visibility to things that are happening in the vehicles that not only help quality and warranty costs and all of those kinds of things. So, we're very excited about how this additional connectivity capability will help us at the enterprise level.

A

Itay Michaeli

Analyst, Citigroup Global Markets, Inc. (Broker)

No, no, that's clear. That's a stuff, a super important point.

Q

Todd Eckert

Ford Truck Group Marketing Manager, Ford Motor Co.

Yeah. You guys can you hear me? This is Todd.

A

Itay Michaeli

Analyst, Citigroup Global Markets, Inc. (Broker)

Yeah, absolutely.

Q

Todd Eckert

Ford Truck Group Marketing Manager, Ford Motor Co.

With regard to your question on mix, you're right, we do have a very broad range when it comes from a pricing perspective. And as Lynn said, we're not talking about pricing today on the new truck. But we do have a broad range with the present truck today and that's really by design. It really comes back to the Power of Choice that I talked about a little bit earlier and making sure that we're offering that truck for every customer, from XL all the way up to the Limited as I spoke about.

A

And so, obviously, with the all-new F-150, it will be attractive, a vehicle for a broad range of buyers providing that value for the money across the overall offering with attribute in content choices that will meet the different needs of our very diverse customer base. That's certainly [indiscernible] (00:44:34) and it's certainly been – that will be an approach that we use in the all-new truck. It's a hallmark of what we do today and certainly we're going to be

prepared to manage the mix in the all-new F-150 in a similar way in order to meet the needs of our overall customers and their demand.

Itay Michaeli

Analyst, Citigroup Global Markets, Inc. (Broker)

Q

Great. And then just before we go into a couple other topics maybe for Todd and Craig, just when you think about kind of the most differentiating aspects of the new F-150 both in relation to the current vehicle as well as your competition, kind of what would be the top few that you think are sort of most differentiating and potentially could still be differentiating even as we think through the next let's say couple of years?

Craig Schmatz

Chief Engineer, Ford F-Series Super Duty, Ford Motor Co.

A

Well, the all-new F-150 really cements our position as America's truck leader and it's proof of our commitment to continuously innovate and deliver solutions for our customers. It's really the toughest most productive F-150 ever and it will be the most powerful light-duty full-size pickup. We're targeting best-in-class towing, payload, torque and horsepower, those things that really matter to our customers.

So, the real key highlights I think will be the class-exclusive PowerBoost, full hybrid powertrain. So, it's got a best-in-class torque and horsepower, at least 12,000 pounds of max available towing capacity and 700 miles of range on a single tank of gas, plus it's got the best-in-class exportable power with the Pro Power Onboard up to 7.2 kilowatts.

The interior is just fantastic, right, several new segment for its productivity features including the Interior Work Surface, the Max Recline Seats, and don't forget about the working end of the tailgate with the Tailgate Work Surface, clamp pockets tie-down and the power back there, the lighting back there it's all a complete solution. We've got Trailer Reverse Guidance, which has been popular on Super Duty now paired with Pro Trailer Backup Assist both class-exclusive features, both combined together now in F-150.

And finally, as Stuart mentioned earlier, new connectivity, the class-exclusive OTA keep the truck at the forefront of technology, standard SYNC 4 across the board and fleet telematics for our commercial customers and nine class-exclusive driver assist technologies including that Active Drive Assist coming third quarter next year.

Itay Michaeli

Analyst, Citigroup Global Markets, Inc. (Broker)

Q

Excellent. No, that's very helpful. So, of course, one of the last topics that of course we're going cover is EV and hybrid topics. And maybe we can kick off, maybe for you, Lynn, just for those who maybe are a bit newer, just if you can review Ford's hybrid and EV strategy overall?

Lynn Antipas Tyson

Executive Director-Investor Relations, Ford Motor Co.

A

Well, I mean, as a broad strategy, we do plan on having electrified versions particularly in our franchise strengths and that cadence is unfolding even right now. We're going to be spending more than \$11.5 billion through 2022 on electrification. We've got the Mustang Mach-E later this year and we've already committed to an all-electric F-150 in the next 24 months.

And then just furthering the kind of the strength on the commercial vehicle side, we do plan on electrified version of the Ford Transit which is the best-selling cargo van. We'll have an all-electric version of that in US and Canada for the 2020, 2022 model year. So, I'll turn it back over to the team.

Itay Michaeli

Analyst, Citigroup Global Markets, Inc. (Broker)

Q

Great. Thank you. And maybe for Todd if we can now talk about the EV pickup truck market. Obviously, there's a lot of activity we're seeing almost daily in the EV pickup truck market. How do you view the outlook for EV pickups? How do you think that, that market is going to progress let's say over the next three to five years? And if you can talk about where you think demand comes from perhaps the size of the market and how you see that progressing over the next five years?

Todd Eckert

Ford Truck Group Marketing Manager, Ford Motor Co.

A

Sure. Sure, and it a little bit goes back as we've talked about, really at Ford we pride ourselves on understanding our customer and their needs. It's really at the center of everything that we do and providing a truck for every customer as I just mentioned. So, certainly, electric vehicles in general have some tangible advantages over internal combustion engines, things like instant torque, potentially increased space created by the removal of ICE components, and the potential to lower operating costs just to name a few.

As we see battery costs trend – to trend down, continue to move down in EV infrastructure which is so important to their proliferation seeing rapid growth and we think that will continue. The EV pickup market to us is a great opportunity to provide our customers with those enhanced capabilities and provide them a more productive tool for all their customer and usage needs. Fleets as well really are signaling that commitment to sustainability and are starting now to see the total cost of ownership benefits that electrification can provide.

So, as electrified vehicles have become synonymous with technology, we know our customers expect smarter vehicles through continuous innovation in our next generation of products. So, we really do see electrification as the next evolution in truck technology, while still delivering on our truck for every customer proposition, of course with the durability and capability that our customers come to expect from Build Ford Tough.

So, both PowerBoost hybrid and the all-electric F-150, these will be key growth opportunities for us at Ford especially as EV technology progresses.

Itay Michaeli

Analyst, Citigroup Global Markets, Inc. (Broker)

Q

Great. That's very helpful. And then as a follow-up, Todd, I think Jim Farley recently mentioned that you'll be launching the BEV F-150 within the next 24 months. Question we often get around that timing is how do you think about that relative to the timing of some of your competitors in the EV pickup market that have talked about launching their BEV trucks earlier than that?

Todd Eckert

Ford Truck Group Marketing Manager, Ford Motor Co.

A

Well, honestly, Itay, I can tell you at Ford Trucks we've always been and we'll continue to be focused on our customers, really understanding their needs and then meeting and exceeding those expectations. That's really what we're all about. The development of the F-150 BEV is no different. So, the F-150 BEV will be, as you

mentioned, will be designed, engineered, and manufactured with that in mind and of course we'll make sure that it meets the exacting and demanding standards of Built Ford Tough at scale.

Itay Michaeli

Analyst, Citigroup Global Markets, Inc. (Broker)

Q

Great. Excellent. And then maybe as we think about kind of the goals for the new F-150, hoping we can touch upon that for anyone. But one specific question, and you can talk about maybe demand or trend mix, is – and I think when you mentioned the launch cadence earlier in your opening remarks how we think about the current pickup truck inventory situation? I mean, obviously, it's come down a lot. And how that might affect the cadence of the launch of the new F-150, if at all?

Lynn Antipas Tyson

Executive Director-Investor Relations, Ford Motor Co.

A

Yeah, I'll...

Todd Eckert

Ford Truck Group Marketing Manager, Ford Motor Co.

A

Yeah.

Lynn Antipas Tyson

Executive Director-Investor Relations, Ford Motor Co.

A

Todd, do you want to take that?

Todd Eckert

Ford Truck Group Marketing Manager, Ford Motor Co.

A

No. Go ahead. I can take that one, Lynn, or if you want to.

Lynn Antipas Tyson

Executive Director-Investor Relations, Ford Motor Co.

A

Okay I'll begin and then you can pick up.

Todd Eckert

Ford Truck Group Marketing Manager, Ford Motor Co.

A

Sure.

Lynn Antipas Tyson

Executive Director-Investor Relations, Ford Motor Co.

A

Our F-Series supply was about 73 days heading into June. Normally, we'd like to have days' supply in the range of 90 to about 100 days. However, there are some dynamics happening with fleet and with fleet demands down, we can direct units to build retail demand. And as you know, Itay, we are ahead of schedule being back up in the United States on full shift level. So, we think we're going to be in good shape with inventory relative to meeting customer demand.

Todd Eckert

Ford Truck Group Marketing Manager, Ford Motor Co.

A

Yeah. And the one thing I would add to that, Itay, is that we don't see – the specific question, I believe if I heard it right, was the current pickup inventory affecting the F-150 launch cadence that's not a factor in terms of the inventory levels and that would affect the cadence of the launch.

And as Lynn said, I mean we believe that we're in good position with our present inventory levels and obviously we'll continue to work to maximize production throughout the end of the year. And as Lynn mentioned, obviously, aggressively prioritizing inventory to optimize the retail channel. Clearly, that will be important as we move through the year.

Itay Michaeli

Analyst, Citigroup Global Markets, Inc. (Broker)

Q

Terrific. That's very clear. Going back to EV pickups, we did get an incoming question. So, presumably, the battery size of, at least initially for an electric full-size pickup trucks will be very large kind of to offer the required range. And in that context, do you think it's safe to assume that the pricing of the initial kind of wave of EV pickup trucks will be at the very high end of the typical range we see for full-size pickup trucks? And maybe talk about kind of whether you see, at least maybe the first few years of the era of EV pickup trucks, is it more of a luxury market, a personal use market and maybe kind of how you see that evolving over time?

Lynn Antipas Tyson

Executive Director-Investor Relations, Ford Motor Co.

A

I'll jump in and then if the team has anything to add. I think, Itay, as we mentioned we're a good 24 months off from an EV version of F-150. So, I think it's too premature to talk about what that price point is going to be. I would just go back to the comments that the team has made, particularly Todd, around innovating around what our customers need. And we have found that as long as we stay true to that, that we've been able to drive share while being able to generate appropriate margins on the products. I don't know if Todd or the rest of the team, do you want to add anything to that?

Todd Eckert

Ford Truck Group Marketing Manager, Ford Motor Co.

A

No, I think that you're exactly right. We're simply ways out from talking about pricing and things of that nature. But that idea of continuous innovation obviously, Lynn, that you mentioned, that's core. It's a core tenet for us in Built Ford Tough. We're always relentlessly pursuing innovation and anticipating the needs of our customers and delivering on those advances and certainly the BEV will be no different.

Itay Michaeli

Analyst, Citigroup Global Markets, Inc. (Broker)

Q

Great. No, that's helpful. And then before we kind of wrap it up, just going back to the goals for the new F-150, love to kind of learn and this is for anyone of you, how you would define success? It could be – it doesn't have to be just sales or pricing, of course, but just customer feedback. And also, as the truck launches maybe talk about how real-time is your feedback and how that goes around maybe the decisions you make on going to market with trend mix configurations. So, we'd just love to get a little bit more color on kind of defining success and how you kind of manage that launch as you learn more feedback around customer demand for all the new features that you're launching?

Todd Eckert

Ford Truck Group Marketing Manager, Ford Motor Co.

A

Yeah. Again, Itay, we don't – we won't talk specifically about trend mixes and what we expect from that standpoint. But I think when we're talking about mixes and how we'll ultimately manage that, for us it really is this idea of going back to a deep understanding of customer knowledge and obviously we're always consistently making efforts to better understand customers and how they're utilizing our trucks in the real world.

We look at features not only from the research and observations that Craig and Stuart have both talked about, but certainly we want to understand features they prefer and which of them will aid particular user experience. That's certainly how we go about looking at mix and looking about how we appropriately content our vehicles.

Obviously, we stay close to our dealer body as well. We're watching order rates so that we're consistently looking at customer demand. And clearly understanding our customers, delivering on their needs and enhancing their experience. It's not just reserved for major launches or events, but certainly a consistent approach that we use constantly within Ford Trucks.

Itay Michaeli

Analyst, Citigroup Global Markets, Inc. (Broker)

That's terrific. Great. So, I think we're just about out of time. So, I want to take the opportunity to just to thank you all, Todd, Craig, Stuart and Lynn for the opportunity to do the Q&A. We certainly learned a lot. And yeah, with that, yeah, we really appreciate you coming on today and going through all these questions.

Lynn Antipas Tyson

Executive Director-Investor Relations, Ford Motor Co.

Thank you, Itay. I hope everybody...

Craig Schmatz

Chief Engineer, Ford F-Series Super Duty, Ford Motor Co.

Thank you very much.

Lynn Antipas Tyson

Executive Director-Investor Relations, Ford Motor Co.

...have found it helpful.

Stuart Taylor

Executive Director-Enterprise Connectivity, Ford Motor Co.

Yeah. Thank you.

Todd Eckert

Ford Truck Group Marketing Manager, Ford Motor Co.

Thanks for having us.

Itay Michaeli

Analyst, Citigroup Global Markets, Inc. (Broker)

Absolutely. Thanks again for doing this. And thank you everybody for joining us this morning. With that, we can go ahead and conclude the call. Thanks again to the Ford team and thank everybody for joining us. Have a great day and have a great weekend.

Operator: Okay. This will conclude today's call. We appreciate everyone's participation and you may now disconnect.

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