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Virtual Conference

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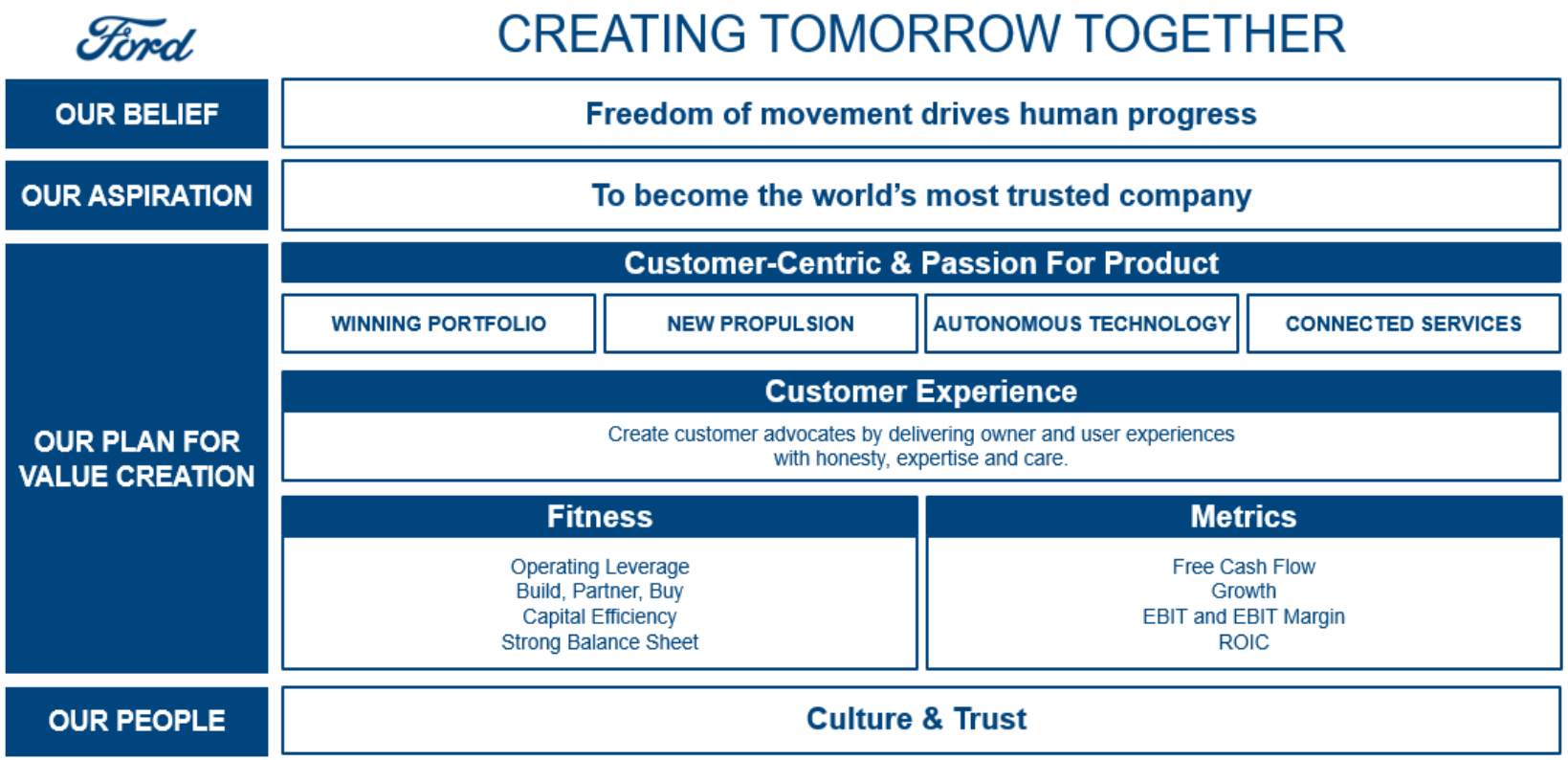
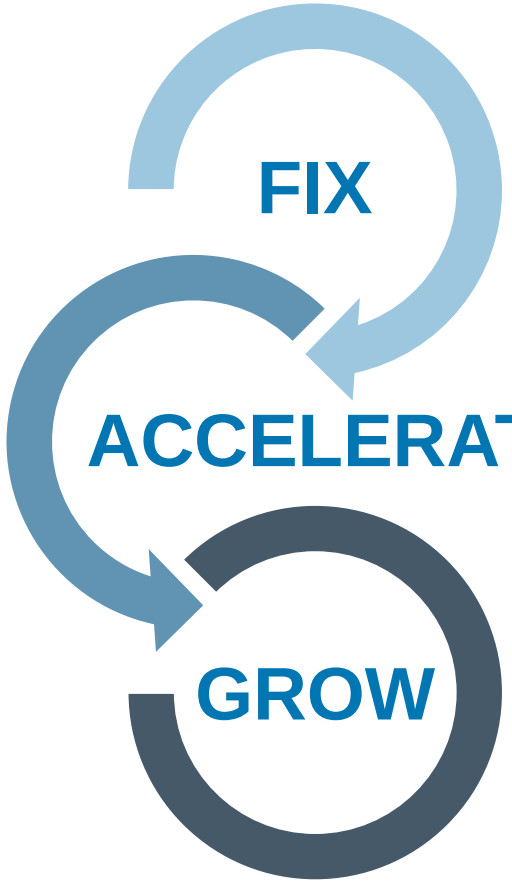
Fitness Drives Value Creation



- Addressing underperforming parts of the business
  - Exited sedan silhouettes in North America
  - Reset and redesign of Europe
- Winning portfolio
  - Flexible architectures
  - Global refresh
  - Enterprise Product Line Management
- Connectivity
- Alliances as a competitive advantage

Priorities: "Fix, Accelerate, Grow" Initiatives



Launch | Quality | Cost | Sales & Marketing

Connectivity | Commercial Vehicle Business | Customer Service (FCSD)

Affordable Vehicle Portfolio | BEV Commercial Vehicle |

Autonomous Vehicles

Intense Focus On Delivering Improvements Across The Enterprise

North America Opportunity

FIX
ACCELERATE
GROW



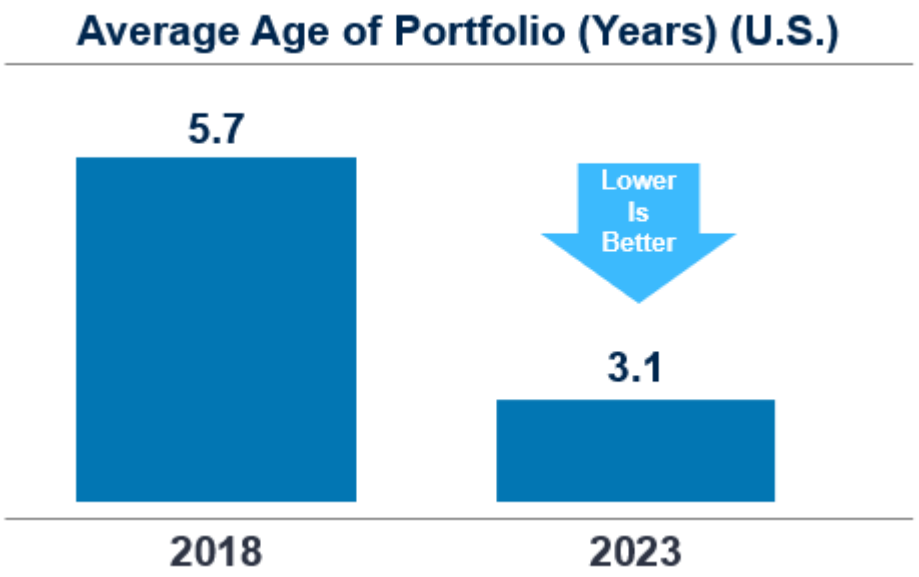
Mach-E



F-150



Bronco



2019 North America EBIT

$6.6B EBIT

6.7% EBIT Margin

10% Operating Margin

$9.8B EBIT

Portfolio Refresh, Fitness And Growth Opportunities Will Drive 10% EBIT Margin In North America

Improve Launch Execution

FIX
ACCELERATE
GROW

DRIVERS OF SUCCESS:

- ✓ Plant preparedness
- ✓ Software readiness
- ✓ Manufacturing prudence
- ✓ Supplier fitness
- ✓ Demand KPIs



BRONCO



F-150



BRONCO SPORT

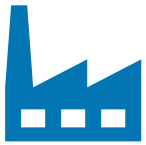


MUSTANG MACH-E
BEV SUV

On Track To Deliver Market-Changing Product And Segment Launches Globally

Incremental / all-new segment

Implementing Actions To Improve Quality Performance

	**Engineering**	• Increased static and dynamic inspection for engineering and manufacturing error states • Increased internal and external screening for contamination issues • End of line actions to validate latest software prior to next build
	**Manufacturing**	• Detailed quality product improvement checklist for each plant • Increased screening for critical parts • Replication matrix to track and ensure robust migration of Prevent Reoccurrence Actions
	**Suppliers**	• Operational performance tracking and risk mitigation • Failure mode analysis gap closure and validation • Burst builds to simulate real production scenarios

Robust Actions And Process Discipline Will Improve Overall Quality

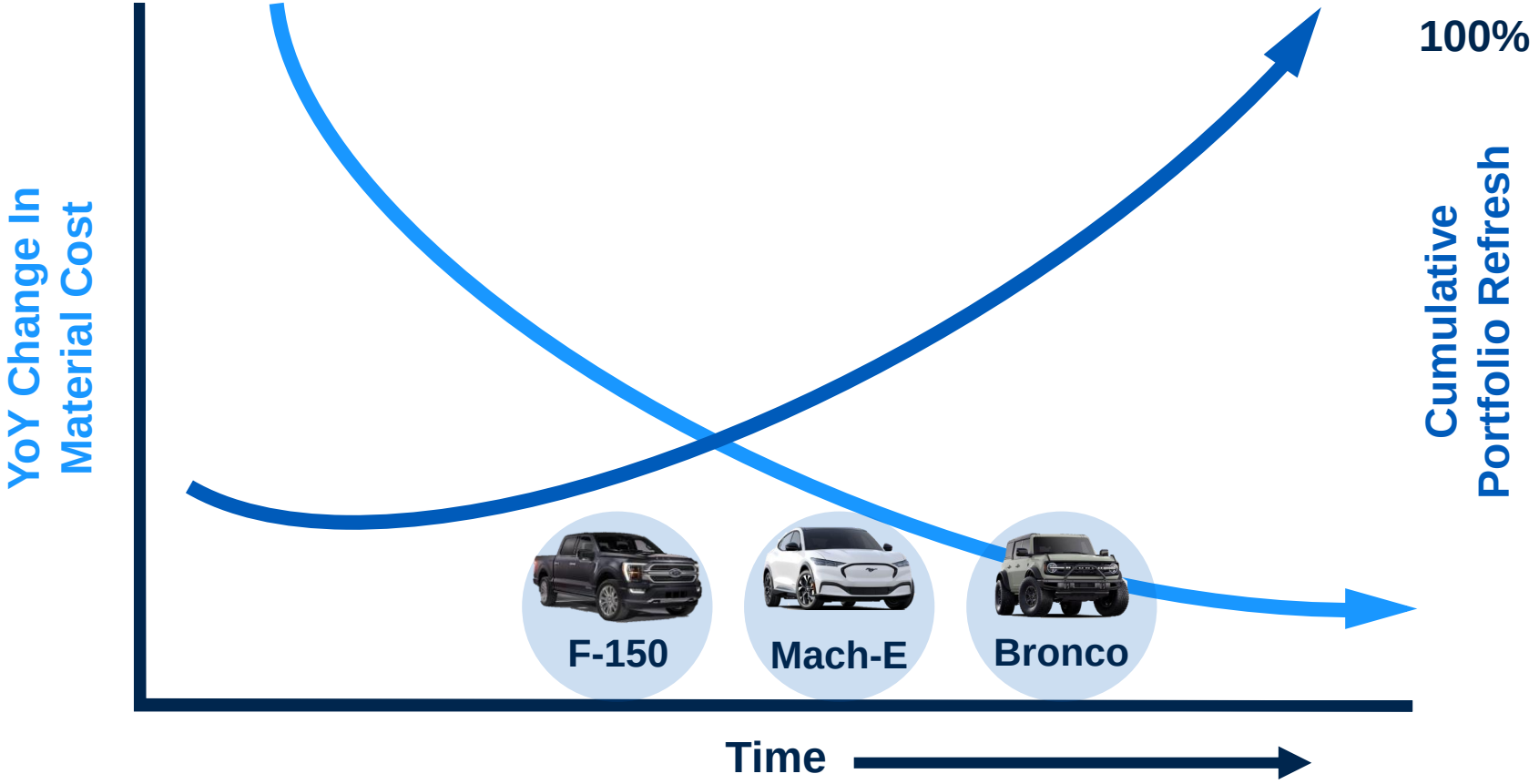
Material Cost Initiatives



- Reduce Incremental Design Cost
- Human-Centered Product Decision
- Third Party Benchmarking
- Leverage Analytical Modeling
- Eliminate “What Matters Least”
- Best Cost At Launch
- Reduce Complexity / Leverage Scale
- Connected Vehicle Data

Actions Target Current And Future Products

North America Opportunity – Illustration



- Refreshing portfolio – moving **average showroom age** from 5 years to a **more competitive 3 years** which requires significant investment in materials
- YoY change in **cost moderates as portfolio hits 100%** and we maintain a competitive showroom age of 3 years

Material Cost Reductions, Portfolio Refresh, Fitness And Growth Opportunities All Drive Our Return To 10% EBIT Margin In North America

Connected Vehicle Data Tools For Launch

Connected Data From Pre-Production Vehicles Is Enabling Early Problem Detection

Accessing And Analyzing Vehicle Data Remotely

An engineer located 30 miles away was able to remotely diagnose a low 12 volt battery issue and isolate the root cause to a blown fuse in a Mustang Mach-E vehicle



Faster Issue Detection And Resolution

Power running board failure was detected in a F-150. Engineering was able to pull vehicle data and error log remotely, replicate failure in a test vehicle and identify a fix



Leveraging Connected Vehicle Data To Reduce Diagnostic Time And Improve Software Quality Prior To Launch

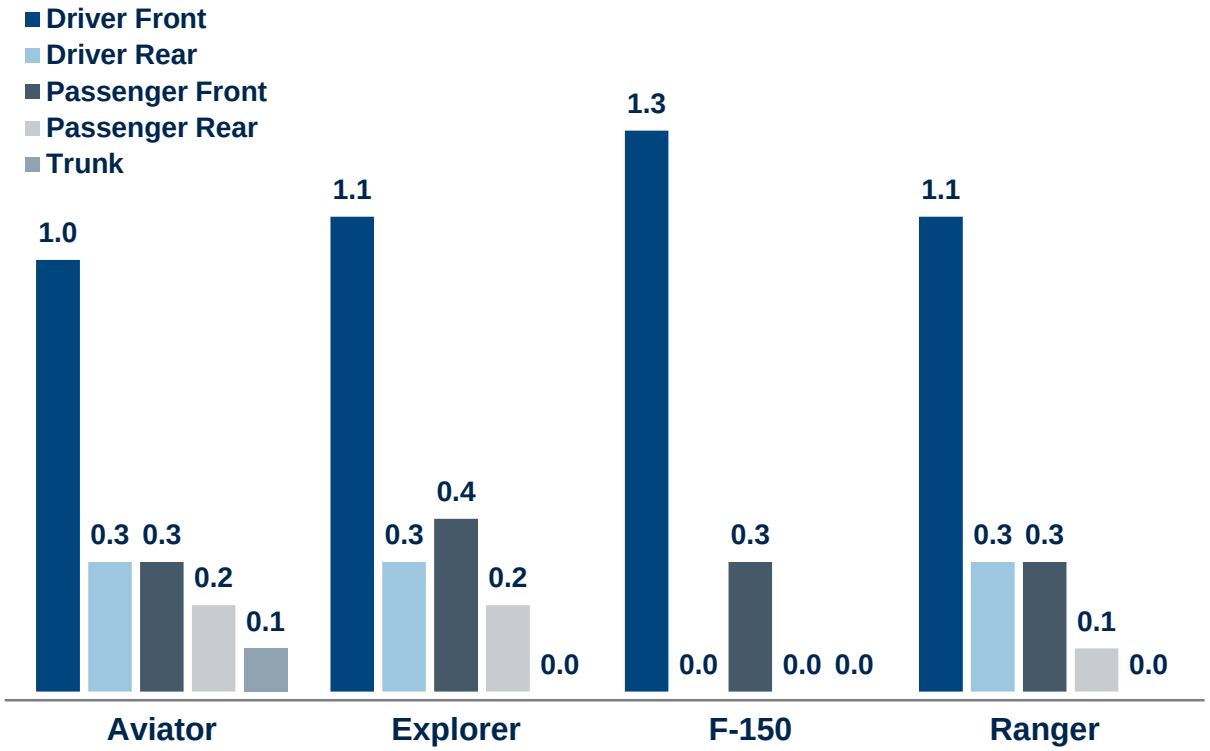
Use of Connected Data – Material Cost Example

F-150 Rear Door Passive Entry / Passive Start

IDEA DESCRIPTION: Remove Passive Entry / Lock Feature From Rear Door Handles



How Many Times A Feature Is Used Per Trip / Interaction



Better Insight Into Features Customers Use And Value

Key Takeaways

Levers to achieve 10% adjusted EBIT margin:

- **Winning portfolio – on glide path to reduce average showroom age from over 5 years to 3 years**
- **Laser focus on cost including materials and warranty – leverage benefits of connectivity**
- **Growth in electric, autonomous and commercial vehicles**



Q&A

Cautionary Note On Forward-Looking Statements

Statements included or incorporated by reference herein may constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are based on expectations, forecasts, and assumptions by our management and involve a number of risks, uncertainties, and other factors that could cause actual results to differ materially from those stated, including, without limitation:

- Ford and Ford Credit's financial condition and results of operations have been and may continue to be adversely affected by public health issues, including epidemics or pandemics such as COVID-19;
- Ford's long-term competitiveness depends on the successful execution of global redesign and fitness actions;
- Ford's vehicles could be affected by defects that result in delays in new model launches, recall campaigns, or increased warranty costs;
- Ford may not realize the anticipated benefits of existing or pending strategic alliances, joint ventures, acquisitions, divestitures, or new business strategies;
- Operational systems, security systems, and vehicles could be affected by cyber incidents;
- Ford's production, as well as Ford's suppliers' production, could be disrupted by labor issues, natural or man-made disasters, financial distress, production difficulties, or other factors;
- Ford's ability to maintain a competitive cost structure could be affected by labor or other constraints;
- Ford's ability to attract and retain talented, diverse, and highly skilled employees is critical to its success and competitiveness;
- Ford's new and existing products and mobility services are subject to market acceptance;
- Ford's results are dependent on sales of larger, more profitable vehicles, particularly in the United States;
- With a global footprint, Ford's results could be adversely affected by economic, geopolitical, protectionist trade policies, or other events, including tariffs and Brexit;
- Industry sales volume in any of our key markets can be volatile and could decline if there is a financial crisis, recession, or significant geopolitical event;
- Ford may face increased price competition or a reduction in demand for its products resulting from industry excess capacity, currency fluctuations, competitive actions, or other factors;
- Fluctuations in commodity prices, foreign currency exchange rates, interest rates, and market value of our investments can have a significant effect on results;
- Ford and Ford Credit's access to debt, securitization, or derivative markets around the world at competitive rates or in sufficient amounts could be affected by credit rating downgrades, market volatility, market disruption, regulatory requirements, or other factors;
- Ford's receipt of government incentives could be subject to reduction, termination, or clawback;
- Ford Credit could experience higher-than-expected credit losses, lower-than-anticipated residual values, or higher-than-expected return volumes for leased vehicles;
- Economic and demographic experience for pension and other postretirement benefit plans (e.g., discount rates or investment returns) could be worse than Ford has assumed;
- Pension and other postretirement liabilities could adversely affect Ford's liquidity and financial condition;
- Ford could experience unusual or significant litigation, governmental investigations, or adverse publicity arising out of alleged defects in products, perceived environmental impacts, or otherwise;
- Ford may need to substantially modify its product plans to comply with safety, emissions, fuel economy, autonomous vehicle, and other regulations that may change in the future;
- Ford and Ford Credit could be affected by the continued development of more stringent privacy, data use, and data protection laws and regulations as well as consumer expectations for the safeguarding of personal information; and
- Ford Credit could be subject to new or increased credit regulations, consumer protection regulations, or other regulations.

We cannot be certain that any expectation, forecast, or assumption made in preparing forward-looking statements will prove accurate, or that any projection will be realized. It is to be expected that there may be differences between projected and actual results. Our forward-looking statements speak only as of the date of their initial issuance, and we do not undertake any obligation to update or revise publicly any forward-looking statement, whether as a result of new information, future events, or otherwise. For additional discussion, see "Item 1A. Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2019, as updated by subsequent Quarterly Reports on Form 10-Q and Current Reports on Form 8-K.