



Ford Delivers Third Quarter \$1.0B Net Income; \$1.7B Adj. EBIT; On Track to Achieve Full-Year Adjusted EPS Guidance in the Range of \$1.30 to \$1.50

- Company revenue up 3 percent in the quarter, driven by favorable mix of higher margin products and high-end trim levels, especially in North America
- Balance sheet remains strong, with company cash of \$23.7B and total liquidity of \$34.7B
- North America margin at 8.8 percent, with continued shift to higher margin utilities and trucks
- Ford Credit generated an EBT of \$678 million, its best quarter in more than 7 years

2018 THIRD QUARTER FINANCIAL RESULTS*

| | Revenue (GAAP) | Net Income (GAAP) | Company Adj. EBIT (Non-GAAP) | EPS (GAAP) | Adjusted EPS (Non-GAAP) | Net Income Margin (GAAP) | Company Adj. EBIT Margin (Non-GAAP) | Cash Flows from Op. Activities (GAAP) | Company Adj. Op. Cash Flow (Non-GAAP) |
|--------------------|-------------------|----------------------|------------------------------------|---------------|-------------------------------|-----------------------------------|--|--|--|
| 3Q 2018 | \$37.6B | \$1.0B | \$1.7B | \$0.25 | \$0.29 | 2.6% | 4.4% | \$5.2B | \$0.1B |
| B/(W) 3Q 2017 | \$1.1B | \$(0.6)B | \$(0.6)B | \$(0.14) | \$(0.15) | (1.7) pts | (1.9) pts | \$0.2B | \$1.4B |

DEARBORN, Mich., Oct. 24, 2018 – Ford Motor Company today released its third quarter 2018 financial results. Company revenue was up 3 percent year over year, with net income and company adjusted EBIT both down year over year, primarily driven by continued challenges in China. In North America, the company delivered an 8.8 percent EBIT margin, supported by more than \$1 billion of improved mix, thanks to the continued shift towards utilities and trucks, as well as high-end trim models.

“This quarter shows that our business remains very strong in key areas. We continue to make progress on our efforts to redesign Ford to be far more competitively fit, disciplined in capital allocations and nimble enough to win in a fast changing world,” said Jim Hackett, Ford president and CEO. “With products like the Edge ST and Ranger launching in the United States and the Territory SUV in China, we are also building momentum shifting our product portfolio to build on our strengths and meet shifting consumer demand.”

Company adjusted EBIT was driven by the North America business, with nearly \$2 billion of EBIT, an improvement of \$136 million year over year, despite lower volume and higher commodity costs, supported by a share increase for the F-Series, record transaction pricing for Super Duty and higher sales of SUVs. In the U.S., Ford trucks and SUV sales totaled 482,512 vehicles, representing a 2.8 percent gain over the third quarter of 2017. F-Series average transaction prices increased by \$858 per truck compared to a year ago, totaling \$46,224.

Ford Credit also had a strong quarter, generating an EBT of \$678 million, driven by favorable volume and mix, as well as favorable lease residuals. The company saw auction values rise 5 percent from prior year at constant mix and now expects auction values to increase on average 3 percent at constant mix for the full year.

“This quarter we achieved a North America EBIT margin of nearly 9% and the best quarterly result in Ford Credit in more than seven years, while teams across the company continue to aggressively improve the operational fitness of the business,” said Bob Shanks, executive vice president and CFO. “Our balance sheet remains robust, with more than \$23 billion of cash and more than \$34 billion of liquidity. The company remains on track to achieve full-year adjusted EPS of \$1.30 to \$1.50.”

Outside of North America the company had a \$558 million EBIT loss, slightly improved from the second quarter, despite lower volume. In all regions, teams continue to work to improve the operational fitness of the business, while building on core company strengths. In Europe, the share for commercial vehicles improved to 15.4 percent, a record quarter, as the region continues to build on its commercial vehicle success. In Asia Pacific, there have been record year-to-date sales of the Ranger and in China, Lincoln achieved a record third quarter sales performance, with third quarter sales up 5 percent year over year, including Navigator up 67 percent year over year.

The company balance sheet remains strong, with \$23.7 billion of cash and \$34.7 billion of total liquidity. Ford is also reaffirming adjusted EPS guidance for the full-year in the range of \$1.30 to \$1.50 and positive cash flow that will be lower than 2017. Ford also said that as a result of the higher costs and uncertainty impacting the entire sector, coupled with unexpected deterioration this year in the Europe and China business, current company forecasts show that it will not reach its previously announced 8 percent EBIT margin or high teens ROIC targets by 2020. However, the company continues to attack costs, increase the operational fitness of the business and remains committed to hitting these targets over time.

* See endnote on page 4.

AUTOMOTIVE SEGMENT RESULTS

| | Wholesales | Revenue | Market Share | EBIT | EBIT Margin |
|------------------|---------------|----------------|--------------|---------------|-------------|
| 3Q 2018 | 1,353K | \$34.7B | 6.3% | \$1.4B | 4.0% |
| B/(W) 3Q 2017 | (151)K | \$1.1B | (0.5) ppts | \$(0.5)B | (1.6) ppts |

North America

- Revenue up due to improved mix consistent with continued shift to utilities and trucks
- Market share down slightly mainly due to lower car sales, offset partially by gains in SUVs, trucks and vans
- EBIT higher year over year with EBIT margin at 8.8%, equal to prior year

| | Wholesales | Revenue | Market Share | EBIT | EBIT Margin |
|------------------|-------------|----------------|--------------|---------------|-------------|
| 3Q 2018 | 644K | \$22.3B | 13.3% | \$2.0B | 8.8% |
| B/(W) 3Q 2017 | (6)K | \$1.4B | (0.1) ppts | \$0.1B | - ppts |

South America

- SAAR up 2% with Brazil higher for 6th straight quarter
- Volume decline more than explained by Argentina
- Revenue decline due to weaker currencies
- EBIT flat as favorable market factors about offset by adverse exchange and higher commodity and other inflationary costs

| | | | | | |
|------------------|------------|---------------|-------------|-----------------|----------------|
| 3Q 2018 | 94K | \$1.3B | 8.4% | \$(152)M | (11.8)% |
| B/(W) 3Q 2017 | (9)K | \$(0.2)B | (0.4) ppts | \$(2)M | (2.4) ppts |

Europe

- Revenue up due to higher volume and net pricing driven by new products
- Volume up in most major markets, offset partially by large decline in Turkey
- Year over year EBIT decline due to weakness in Turkey and Russia, along with all-new Focus launch related costs

| | | | | | |
|------------------|-------------|---------------|-------------|-----------------|---------------|
| 3Q 2018 | 356K | \$7.4B | 7.0% | \$(245)M | (3.3)% |
| B/(W) 3Q 2017 | 14K | \$0.5B | (0.3) ppts | \$(192)M | (2.5) ppts |

Middle East & Africa

- EBIT a 3Q record, driven by lower costs and favorable market factors
- Revenue lower due to volume decline
- Lower wholesale volume due to market share and lower industry in markets where we participate

| | | | | | |
|------------------|------------|---------------|-------------|--------------|-------------|
| 3Q 2018 | 25K | \$0.6B | 3.2% | \$47M | 7.7% |
| B/(W) 3Q 2017 | (5)K | \$(41)M | (0.7) ppts | \$103M | 16.3 ppts |

Asia Pacific

- SAAR down 6% driven by 10% decline in China
- Revenue lower due to consolidated China operations
- Decline in EBIT due to lower volume and net pricing in China JVs and unfavorable market factors in China for Explorer and Lincoln imports

| | | | | | |
|------------------|-------------|---------------|-------------|-----------------|---------------|
| 3Q 2018 | 234K | \$3.1B | 2.5% | \$(208)M | (6.7)% |
| B/(W) 3Q 2017 | (145)K | \$(0.6)B | (0.9) ppts | \$(522)M | (15.3) ppts |

Mobility Segment Results

- Mobility EBIT reflects increased investment in autonomous vehicle business development and mobility services

| | EBIT |
|----------------|-----------------|
| 3Q 2018 | \$(196)M |
| B/(W) 3Q 2017 | \$(124)M |

Ford Credit Segment Results

- Strong quarterly EBT, up 13 percent year over year
- Favorable lease residual performance due to higher auction values; favorable volume and mix
- Worldwide credit loss metrics remain strong

| | EBT |
|----------------|---------------|
| 3Q 2018 | \$678M |
| B/(W) 3Q 2017 | \$78M |

CAUTIONARY NOTE ON FORWARD-LOOKING STATEMENTS

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

- Ford’s long-term competitiveness depends on the successful execution of fitness actions;
- Industry sales volume, particularly in the United States, Europe, or China, could decline if there is a financial crisis, recession, or significant geopolitical event;
- 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;
- Ford may face increased price competition resulting from industry excess capacity, currency fluctuations, or other factors;
- Fluctuations in commodity prices, foreign currency exchange rates, and interest rates can have a significant effect on results;
- With a global footprint, Ford’s results could be adversely affected by economic, geopolitical, protectionist trade policies, or other events;
- Ford’s production, as well as Ford’s suppliers’ production, could be disrupted by labor disputes, 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;
- Pension and other postretirement liabilities could adversely affect Ford’s liquidity and financial condition;
- 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;
- Ford’s vehicles could be affected by defects that result in delays in new model launches, recall campaigns, or increased warranty costs;
- Safety, emissions, fuel economy, and other regulations affecting Ford may become more stringent;
- 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’s receipt of government incentives could be subject to reduction, termination, or clawback;
- Operational systems, security systems, and vehicles could be affected by cyber incidents;
- 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 Credit could experience higher-than-expected credit losses, lower-than-anticipated residual values, or higher-than-expected return volumes for leased vehicles;
- Ford Credit could face increased competition from banks, financial institutions, or other third parties seeking to increase their share of financing Ford vehicles; and
- Ford Credit could be subject to new or increased credit regulations, consumer or data 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, 2017, as updated by subsequent Quarterly Reports on Form 10-Q and Current Reports on Form 8-K.

CONFERENCE CALL DETAILS

Ford Motor Company [NYSE:F] and Ford Motor Credit Company release their 2018 third quarter financial results at 4:15 p.m. EDT today.

Following the release, Jim Hackett, Ford president and chief executive officer, and Bob Shanks, Ford executive vice president and chief financial officer, and members of Ford's senior management team will host a conference call at 5:30 p.m. EDT to discuss the results.

The presentation and supporting materials are available at www.shareholder.ford.com. Representatives of the investment community and the news media will have the opportunity to ask questions on the call.

[Access Information](#) – Wednesday, October 24, 2018

Ford Earnings Call: 5:30 p.m. EDT

Toll-Free: 1.877.870.8664

International: 1.970.297.2423

Passcode: Ford Earnings

Web: www.shareholder.ford.com

REPLAY

(Available after 9:30 p.m. EDT the day of the event through Nov. 1, 2018)

Web: www.shareholder.ford.com

Toll-Free: 1.855.859.2056

International: 1.404.537.3406

Replay Passcode: 95413413

About Ford Motor Company

Ford Motor Company is a global company based in Dearborn, Michigan. The company designs, manufactures, markets and services a full line of Ford cars, trucks, SUVs, electrified vehicles and Lincoln luxury vehicles, provides financial services through Ford Motor Credit Company and is pursuing leadership positions in electrification, autonomous vehicles and mobility solutions. Ford employs approximately 201,000 people worldwide. For more information regarding Ford, its products and Ford Motor Credit Company, please visit www.corporate.ford.com.

* The following applies to the information throughout this release:

- See tables later in this release for the nature and amount of special items, and reconciliations of the non-GAAP financial measures designated as “adjusted” to the most comparable financial measures calculated in accordance with U.S. generally accepted accounting principles (“GAAP”).
- Wholesale unit sales and production volumes include Ford brand and Jiangling Motors Corporation (“JMC”) brand vehicles produced and sold in China by our unconsolidated affiliates; revenue does not include these sales. See materials supporting the October 24, 2018 conference call at www.shareholder.ford.com for further discussion of wholesale unit volumes.

CONSOLIDATED INCOME STATEMENT

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

For the periods ended September 30,

| | 2017 | | 2018 | | | | | |
|--|---------------|--------|-------------------|--------|----|---------|----|---------|
| | Third Quarter | | First Nine Months | | | | | |
| (unaudited) | | | | | | | | |
| Revenues | | | | | | | | |
| Automotive | \$ | 33,646 | \$ | 34,660 | \$ | 107,234 | \$ | 109,577 |
| Ford Credit | | 2,802 | | 2,998 | | 8,209 | | 8,950 |
| Mobility | | 3 | | 8 | | 7 | | 18 |
| Total revenues | | 36,451 | | 37,666 | | 115,450 | | 118,545 |
| Costs and expenses | | | | | | | | |
| Cost of sales | | 30,275 | | 31,568 | | 96,317 | | 100,515 |
| Selling, administrative, and other expenses | | 2,919 | | 2,882 | | 8,439 | | 8,407 |
| Ford Credit interest, operating, and other expenses | | 2,259 | | 2,352 | | 6,680 | | 7,052 |
| Total costs and expenses | | 35,453 | | 36,802 | | 111,436 | | 115,974 |
| Interest expense on Automotive debt | | 284 | | 328 | | 840 | | 890 |
| Interest expense on Other debt | | 14 | | 15 | | 42 | | 43 |
| Other income/(loss), net | | 754 | | 605 | | 2,220 | | 2,472 |
| Equity in net income of affiliated companies | | 316 | | (32) | | 935 | | 252 |
| Income before income taxes | | 1,770 | | 1,094 | | 6,287 | | 4,362 |
| Provision for/(Benefit from) income taxes | | 191 | | 101 | | 1,054 | | 555 |
| Net income | | 1,579 | | 993 | | 5,233 | | 3,807 |
| Less: Income/(Loss) attributable to noncontrolling interests | | 7 | | 2 | | 22 | | 14 |
| Net income attributable to Ford Motor Company | \$ | 1,572 | \$ | 991 | \$ | 5,211 | \$ | 3,793 |

EARNINGS PER SHARE ATTRIBUTABLE TO FORD MOTOR COMPANY COMMON AND CLASS B STOCK

| | | | | | | | | |
|-------------------------|----|------|----|------|----|------|----|------|
| Basic income | \$ | 0.40 | \$ | 0.25 | \$ | 1.31 | \$ | 0.95 |
| Diluted income | | 0.39 | | 0.25 | | 1.30 | | 0.95 |
| Cash dividends declared | | 0.15 | | 0.15 | | 0.50 | | 0.58 |

CONSOLIDATED BALANCE SHEET

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

| | December 31, 2017 | September 30, 2018 |
|---|----------------------|-----------------------|
| | (unaudited) | |
| ASSETS | | |
| Cash and cash equivalents | \$ 18,492 | \$ 18,562 |
| Marketable securities | 20,435 | 17,780 |
| Ford Credit finance receivables, net | 52,210 | 50,818 |
| Trade and other receivables, less allowances of \$392 and \$368 | 10,599 | 11,244 |
| Inventories | 11,176 | 12,810 |
| Other assets | 3,889 | 3,629 |
| Total current assets | 116,801 | 114,843 |
| Ford Credit finance receivables, net | 56,182 | 57,043 |
| Net investment in operating leases | 28,235 | 29,540 |
| Net property | 35,327 | 35,762 |
| Equity in net assets of affiliated companies | 3,085 | 2,858 |
| Deferred income taxes | 10,762 | 10,553 |
| Other assets | 8,104 | 8,367 |
| Total assets | \$ 258,496 | \$ 258,966 |
| LIABILITIES | | |
| Payables | \$ 23,282 | \$ 23,273 |
| Other liabilities and deferred revenue | 19,697 | 20,714 |
| Automotive debt payable within one year | 3,356 | 3,216 |
| Ford Credit debt payable within one year | 48,265 | 47,547 |
| Total current liabilities | 94,600 | 94,750 |
| Other liabilities and deferred revenue | 24,711 | 24,228 |
| Automotive long-term debt | 12,575 | 11,448 |
| Ford Credit long-term debt | 89,492 | 90,620 |
| Other long-term debt | 599 | 600 |
| Deferred income taxes | 815 | 602 |
| Total liabilities | 222,792 | 222,248 |
| Redeemable noncontrolling interest | 98 | 99 |
| EQUITY | | |
| Common Stock, par value \$.01 per share (3,999 million shares issued of 6 billion authorized) | 40 | 40 |
| Class B Stock, par value \$.01 per share (71 million shares issued of 530 million authorized) | 1 | 1 |
| Capital in excess of par value of stock | 21,843 | 22,011 |
| Retained earnings | 21,906 | 23,384 |
| Accumulated other comprehensive income/(loss) | (6,959) | (7,429) |
| Treasury stock | (1,253) | (1,417) |
| Total equity attributable to Ford Motor Company | 35,578 | 36,590 |
| Equity attributable to noncontrolling interests | 28 | 29 |
| Total equity | 35,606 | 36,619 |
| Total liabilities and equity | \$ 258,496 | \$ 258,966 |

CONSOLIDATED STATEMENT OF CASH FLOWS

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

| | For the periods ended September 30, | |
|--|-------------------------------------|------------------|
| | 2017 | 2018 |
| | First Nine Months (unaudited) | |
| Cash flows from operating activities | | |
| Net cash provided by/(used in) operating activities | \$ 14,949 | \$ 13,665 |
| Cash flows from investing activities | | |
| Capital spending | (4,936) | (5,669) |
| Acquisitions of finance receivables and operating leases | (43,054) | (48,227) |
| Collections of finance receivables and operating leases | 32,988 | 38,418 |
| Purchases of marketable and other securities | (20,550) | (14,547) |
| Sales and maturities of marketable and other securities | 22,953 | 17,341 |
| Settlements of derivatives | 62 | 290 |
| Other | 12 | (201) |
| Net cash provided by/(used in) investing activities | (12,525) | (12,595) |
| Cash flows from financing activities | | |
| Cash dividends | (1,988) | (2,308) |
| Purchases of common stock | (131) | (164) |
| Net changes in short-term debt | 1,899 | (1,268) |
| Proceeds from issuance of long-term debt | 30,557 | 37,211 |
| Principal payments on long-term debt | (31,378) | (33,935) |
| Other | (124) | (184) |
| Net cash provided by/(used in) financing activities | (1,165) | (648) |
| Effect of exchange rate changes on cash, cash equivalents, and restricted cash | 442 | (305) |
| Net increase/(decrease) in cash, cash equivalents, and restricted cash | \$ 1,701 | \$ 117 |
| Cash, cash equivalents, and restricted cash at January 1 | \$ 16,019 | \$ 18,638 |
| Net increase/(decrease) in cash, cash equivalents, and restricted cash | 1,701 | 117 |
| Cash, cash equivalents, and restricted cash at September 30 | \$ 17,720 | \$ 18,755 |

SUPPLEMENTAL FINANCIAL INFORMATION

The tables below provide supplemental consolidating financial information. Company excluding Ford Credit includes our Automotive and Mobility reportable segments, Corporate Other, Interest on Debt, and Special Items. Eliminations, where presented, primarily represent eliminations of intersegment transactions and deferred tax netting.

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

| | For the period ended September 30, 2018 | | | | | |
|--|---|----------|-----------|-----------|-------------|--------------|
| | Third Quarter | | | | | |
| | Company excluding Ford Credit | | | | Ford Credit | Consolidated |
| | Automotive | Mobility | Other (a) | Subtotal | | |
| Revenues | \$ 34,660 | \$ 8 | \$ — | \$ 34,668 | \$ 2,998 | \$ 37,666 |
| Total costs and expenses | 33,855 | 204 | 391 | 34,450 | 2,352 | 36,802 |
| Interest expense on Automotive debt | — | — | 328 | 328 | — | 328 |
| Interest expense on Other debt | — | — | 15 | 15 | — | 15 |
| Other income/(loss), net | 637 | — | (56) | 581 | 24 | 605 |
| Equity in net income of affiliated companies | (40) | — | — | (40) | 8 | (32) |
| Income/(loss) before income taxes | 1,402 | (196) | (790) | 416 | 678 | 1,094 |
| Provision for/(Benefit from) income taxes | 171 | (47) | (183) | (59) | 160 | 101 |
| Net income/(Loss) | 1,231 | (149) | (607) | 475 | 518 | 993 |
| Less: Income/(Loss) attributable to noncontrolling interests | 2 | — | — | 2 | — | 2 |
| Net income/(Loss) attributable to Ford Motor Company | \$ 1,229 | \$ (149) | \$ (607) | \$ 473 | \$ 518 | \$ 991 |

(a) Other includes Corporate Other, Interest on Debt, and Special Items

| | For the period ended September 30, 2018 | | | | | |
|--|---|----------|------------|------------|-------------|--------------|
| | First Nine Months | | | | | |
| | Company excluding Ford Credit | | | | Ford Credit | Consolidated |
| | Automotive | Mobility | Other (a) | Subtotal | | |
| Revenues | \$ 109,577 | \$ 18 | \$ — | \$ 109,595 | \$ 8,950 | \$ 118,545 |
| Total costs and expenses | 107,570 | 555 | 797 | 108,922 | 7,052 | 115,974 |
| Interest expense on Automotive debt | — | — | 890 | 890 | — | 890 |
| Interest expense on Other debt | — | — | 43 | 43 | — | 43 |
| Other income/(loss), net | 2,052 | 58 | 316 | 2,426 | 46 | 2,472 |
| Equity in net income of affiliated companies | 232 | — | — | 232 | 20 | 252 |
| Income/(loss) before income taxes | 4,291 | (479) | (1,414) | 2,398 | 1,964 | 4,362 |
| Provision for/(Benefit from) income taxes | 737 | (115) | (333) | 289 | 266 | 555 |
| Net income/(Loss) | 3,554 | (364) | (1,081) | 2,109 | 1,698 | 3,807 |
| Less: Income/(Loss) attributable to noncontrolling interests | 14 | — | — | 14 | — | 14 |
| Net income/(Loss) attributable to Ford Motor Company | \$ 3,540 | \$ (364) | \$ (1,081) | \$ 2,095 | \$ 1,698 | \$ 3,793 |

(a) Other includes Corporate Other, Interest on Debt, and Special Items

SUPPLEMENTAL FINANCIAL INFORMATION

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

| | September 30, 2018 | | | |
|--|-------------------------------------|-------------|--------------|--------------|
| | Company excluding Ford Credit | Ford Credit | Eliminations | Consolidated |
| Assets | | | | |
| Cash and cash equivalents | \$ 7,565 | \$ 10,997 | \$ — | \$ 18,562 |
| Marketable securities | 16,040 | 1,740 | — | 17,780 |
| Ford Credit finance receivables, net | — | 50,818 | — | 50,818 |
| Trade and other receivables, less allowances | 3,962 | 7,282 | — | 11,244 |
| Inventories | 12,810 | — | — | 12,810 |
| Other assets | 2,401 | 1,228 | — | 3,629 |
| Receivable from other segments | 846 | 1,371 | (2,217) | — |
| Total current assets | 43,624 | 73,436 | (2,217) | 114,843 |
| Ford Credit finance receivables, net | — | 57,043 | — | 57,043 |
| Net investment in operating leases | 1,970 | 27,570 | — | 29,540 |
| Net property | 35,575 | 187 | — | 35,762 |
| Equity in net assets of affiliated companies | 2,750 | 108 | — | 2,858 |
| Deferred income taxes | 12,172 | 225 | (1,844) | 10,553 |
| Other assets | 6,975 | 1,392 | — | 8,367 |
| Receivable from other segments | 59 | 15 | (74) | — |
| Total assets | \$ 103,125 | \$ 159,976 | \$ (4,135) | \$ 258,966 |
| Liabilities | | | | |
| Payables | \$ 22,140 | \$ 1,133 | \$ — | \$ 23,273 |
| Other liabilities and deferred revenue | 19,256 | 1,458 | — | 20,714 |
| Automotive debt payable within one year | 3,216 | — | — | 3,216 |
| Ford Credit debt payable within one year | — | 47,547 | — | 47,547 |
| Payable to other segments | 2,217 | — | (2,217) | — |
| Total current liabilities | 46,829 | 50,138 | (2,217) | 94,750 |
| Other liabilities and deferred revenue | 22,630 | 1,598 | — | 24,228 |
| Automotive long-term debt | 11,448 | — | — | 11,448 |
| Ford Credit long-term debt | — | 90,620 | — | 90,620 |
| Other long-term debt | 600 | — | — | 600 |
| Deferred income taxes | 101 | 2,345 | (1,844) | 602 |
| Payable to other segments | 18 | 56 | (74) | — |
| Total liabilities | \$ 81,626 | \$ 144,757 | \$ (4,135) | \$ 222,248 |

SUPPLEMENTAL FINANCIAL INFORMATION

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

| | For the period ended September 30, 2018 | | | |
|--|---|-------------|--------------|--------------|
| | First Nine Months | | | |
| | Company excluding Ford Credit | Ford Credit | Eliminations | Consolidated |
| <u>Cash flows from operating activities</u> | | | | |
| Net cash provided by/(used in) operating activities | \$ 4,262 | \$ 9,403 | \$ — | \$ 13,665 |
| <u>Cash flows from investing activities</u> | | | | |
| Capital spending | \$ (5,635) | \$ (34) | \$ — | \$ (5,669) |
| Acquisitions of finance receivables and operating leases | — | (48,227) | — | (48,227) |
| Collections of finance receivables and operating leases | — | 38,418 | — | 38,418 |
| Purchases of marketable and other securities | (11,146) | (3,401) | — | (14,547) |
| Sales and maturities of marketable and other securities | 12,837 | 4,504 | — | 17,341 |
| Settlements of derivatives | 62 | 228 | — | 290 |
| Other | (198) | (3) | — | (201) |
| Investing activity (to)/from other segments | 2,069 | 154 | (2,223) | — |
| Net cash provided by/(used in) investing activities | \$ (2,011) | \$ (8,361) | \$ (2,223) | \$ (12,595) |
| <u>Cash flows from financing activities</u> | | | | |
| Cash dividends | \$ (2,308) | \$ — | \$ — | \$ (2,308) |
| Purchases of common stock | (164) | — | — | (164) |
| Net changes in short-term debt | 403 | (1,671) | — | (1,268) |
| Proceeds from issuance of long-term debt | 176 | 37,035 | — | 37,211 |
| Principal payments on long-term debt | (1,347) | (32,588) | — | (33,935) |
| Other | (42) | (142) | — | (184) |
| Financing activity to/(from) other segments | (154) | (2,069) | 2,223 | — |
| Net cash provided by/(used in) financing activities | \$ (3,436) | \$ 565 | \$ 2,223 | \$ (648) |
| Effect of exchange rate changes on cash, cash equivalents, and restricted cash | \$ (160) | \$ (145) | \$ — | \$ (305) |

NON-GAAP FINANCIAL MEASURES THAT SUPPLEMENT GAAP MEASURES

We use both GAAP and non-GAAP financial measures for operational and financial decision making, and to assess Company and segment business performance. The non-GAAP measures listed below are intended to be considered by users as supplemental information to their equivalent GAAP measures, to aid investors in better understanding our financial results. We believe that these non-GAAP measures provide useful perspective on underlying business results and trends, and a means to assess our period-over-period results. These non-GAAP measures should not be considered as a substitute for, or superior to, measures of financial performance prepared in accordance with GAAP. These non-GAAP measures may not be the same as similarly titled measures used by other companies due to possible differences in method and in items or events being adjusted.

- **Company Adjusted EBIT (Most Comparable GAAP Measure: Net income attributable to Ford)** – Earnings before interest and taxes (EBIT) includes non-controlling interests and excludes interest on debt (excl. Ford Credit Debt), taxes and pre-tax special items. This non-GAAP measure is useful to management and investors because it allows users to evaluate our operating results aligned with industry reporting. Pre-tax special items consist of (i) pension and OPEB rereasurement gains and losses, (ii) significant personnel and dealer-related costs stemming from our efforts to match production capacity and cost structure to market demand and changing model mix, and (iii) other items that we do not necessarily consider to be indicative of earnings from ongoing operating activities. When we provide guidance for adjusted EBIT, we do not provide guidance on a net income basis because the GAAP measure will include potentially significant special items that have not yet occurred and are difficult to predict with reasonable certainty prior to year-end, including pension and OPEB rereasurement gains and losses.
- **Company Adjusted EBIT Margin (Most Comparable GAAP Measure: Company Net Income Margin)** – Company Adjusted EBIT margin is Company adjusted EBIT divided by Company revenue. This non-GAAP measure is useful to management and investors because it allows users to evaluate our operating results aligned with industry reporting.
- **Adjusted Earnings Per Share (Most Comparable GAAP Measure: Earnings Per Share)** – Measure of Company's diluted net earnings per share adjusted for impact of pre-tax special items (described above), and tax special items. The measure provides investors with useful information to evaluate performance of our business excluding items not indicative of underlying run rate of our business. When we provide guidance for adjusted earnings per share, we do not provide guidance on an earnings per share basis because the GAAP measure will include potentially significant special items that have not yet occurred and are difficult to predict with reasonable certainty prior to year-end, including pension and OPEB rereasurement gains and losses.
- **Adjusted Effective Tax Rate (Most Comparable GAAP Measure: Effective Tax Rate)** – Measure of Company's tax rate excluding pre-tax special items (described above) and tax special items. The measure provides an ongoing effective rate which investors find useful for historical comparisons and for forecasting. When we provide guidance for adjusted effective tax rate, we do not provide guidance on an effective tax rate basis because the GAAP measure will include potentially significant special items that have not yet occurred and are difficult to predict with reasonable certainty prior to year-end, including pension and OPEB rereasurement gains and losses.
- **Company Adjusted Operating Cash Flow (Most Comparable GAAP Measure: Net Cash Provided By / (Used In) Operating Activities)** – Measure of Company's operating cash flow excluding Ford Credit's operating cash flows. The measure contains elements management considers operating activities, including Automotive and Mobility capital spending, Ford Credit distributions to its parent, and settlement of derivatives. The measure excludes cash outflows for funded pension contributions, separation payments, and other items that are considered operating cash outflows under U.S. GAAP. This measure is useful to management and investors because it is consistent with management's assessment of the Company's operating cash flow performance. When we provide guidance for Company adjusted operating cash flow, we do not provide guidance for net cash provided by/(used in) operating activities because the GAAP measure will include items that are difficult to quantify or predict with reasonable certainty, including cash flows related to the Company's exposures to foreign currency exchange rates and certain commodity prices (separate from any related hedges), Ford Credit's operating cash flows, and cash flows related to special items, including separation payments, each of which individually or in the aggregate could have a significant impact to our net cash provided by/(used in) our operating activities.

Note: Calculated results may not sum due to rounding

COMPANY NET INCOME RECONCILIATION TO ADJUSTED EBIT (MILS)

| | 3Q | | YTD | | Memo: FY 2017 |
|---|----------|----------|----------|----------|------------------|
| | 2017 | 2018 | 2017 | 2018 | |
| Net income / (Loss) attributable to Ford (GAAP) | \$ 1,572 | \$ 991 | \$ 5,211 | \$ 3,793 | \$ 7,731 |
| Income / (Loss) attributable to non-controlling interests | 7 | 2 | 22 | 14 | 26 |
| Net income / (Loss) | \$ 1,579 | \$ 993 | \$ 5,233 | \$ 3,807 | \$ 7,757 |
| Less: (Provision for) / Benefit from income taxes | (191) | (101) | (1,054) | (555) | (402) |
| Income / (Loss) before income taxes | \$ 1,770 | \$ 1,094 | \$ 6,287 | \$ 4,362 | \$ 8,159 |
| Less: Special items pre-tax | (217) | (231) | (441) | (250) | (289) |
| Income / (Loss) before special items pre-tax | \$ 1,987 | \$ 1,325 | \$ 6,728 | \$ 4,612 | \$ 8,448 |
| Less: Interest on debt | (298) | (343) | (882) | (933) | (1,190) |
| Adjusted EBIT (Non-GAAP) | \$ 2,285 | \$ 1,668 | \$ 7,610 | \$ 5,545 | \$ 9,638 |
| Memo: | | | | | |
| Revenue (Bils) | \$ 36.5 | \$ 37.6 | \$ 115.5 | \$ 118.5 | \$ 156.8 |
| Net income margin (GAAP) (Pct) | 4.3% | 2.6% | 4.5% | 3.2% | 4.9% |
| Adjusted EBIT margin (Non-GAAP) (Pct) | 6.3% | 4.4% | 6.6% | 4.7% | 6.1% |

COMPANY EARNINGS PER SHARE RECONCILIATION TO ADJUSTED EARNINGS PER SHARE

| | 3Q | | YTD | |
|--|----------|----------|----------|----------|
| | 2017 | 2018 | 2017 | 2018 |
| Diluted After-Tax Results (Mils) | | | | |
| Diluted after-tax results (GAAP) | \$ 1,572 | \$ 991 | \$ 5,211 | \$ 3,793 |
| Less: Impact of pre-tax and tax special items | (170) | (183) | (363) | (197) |
| Adjusted net income – diluted (Non-GAAP) | \$ 1,742 | \$ 1,174 | \$ 5,574 | \$ 3,990 |
| Basic and Diluted Shares (Mils) | | | | |
| Basic shares (average shares outstanding) | 3,972 | 3,976 | 3,975 | 3,976 |
| Net dilutive options and unvested restricted stock units | 24 | 24 | 21 | 23 |
| Diluted shares | 3,996 | 4,000 | 3,996 | 3,999 |
| Earnings per share – diluted (GAAP) | \$ 0.39 | \$ 0.25 | \$ 1.30 | \$ 0.95 |
| Less: Net impact of adjustments | (0.05) | (0.04) | (0.09) | (0.05) |
| Adjusted earnings per share – diluted (Non-GAAP) | \$ 0.44 | \$ 0.29 | \$ 1.39 | \$ 1.00 |

COMPANY EFFECTIVE TAX RATE RECONCILIATION TO ADJUSTED EFFECTIVE TAX RATE

| | 2018 | | Memo: |
|---|-----------------|-----------------|-------------------|
| | 3Q | YTD | FY 2017 |
| Pre-Tax Results (Mils) | | | |
| Income / (Loss) before income taxes (GAAP) | \$ 1,094 | \$ 4,362 | \$ 8,159 |
| Less: Impact of special items | (231) | (250) | (289) |
| Adjusted earnings before taxes (Non-GAAP) | <u>\$ 1,325</u> | <u>\$ 4,612</u> | <u>\$ 8,448</u> |
| Taxes (Mils) | | | |
| (Provision for) / Benefit from income taxes (GAAP) | \$ (101) | \$ (555) | \$ (402) |
| Less: Impact of special items | 48 | 53 | 897 |
| Adjusted (provision for) / benefit from income taxes (Non-GAAP) | <u>\$ (149)</u> | <u>\$ (608)</u> | <u>\$ (1,299)</u> |
| Tax Rate (Pct) | | | |
| Effective tax rate (GAAP) | 9.2% | 12.7% | 4.9% |
| Adjusted effective tax rate (Non-GAAP) | 11.2% | 13.2% | 15.4% |

COMPANY NET CASH PROVIDED BY / (USED IN) OPERATING ACTIVITIES RECONCILIATION TO ADJUSTED OPERATING CASH FLOW (MILS)

| | 3Q | | YTD | |
|---|-------------------|---------------|-----------------|-----------------|
| | 2017 | 2018 | 2017 | 2018 |
| Company net cash provided by / (used in) operating activities (GAAP) | \$ 4,998 | \$ 5,179 | \$ 14,949 | \$ 13,665 |
| Less: <u>Items not included in Company Adjusted Operating Cash Flows</u> | | | | |
| Ford Credit operating cash flows | 5,210 | 3,811 | 9,474 | 9,403 |
| Funded pension contributions | (263) | (123) | (720) | (283) |
| Separation payments | (42) | (28) | (100) | (62) |
| Other, net | 37 | 146 | (27) | 87 |
| Add: <u>Items included in Company Adjusted Operating Cash Flows</u> | | | | |
| Automotive and Mobility capital spending | (1,658) | (1,968) | (4,901) | (5,635) |
| Ford Credit distributions | 378 | 600 | 406 | 2,063 |
| Settlement of derivatives | (90) | 109 | 110 | 62 |
| Pivotal conversion to a marketable security | - | - | - | 263 |
| Company adjusted operating cash flow (Non-GAAP) | <u>\$ (1,315)</u> | <u>\$ 115</u> | <u>\$ 1,938</u> | <u>\$ 1,274</u> |

COMPANY SPECIAL ITEMS (MILS)

| | 3Q | | YTD | | Memo: |
|--|----------|----------|----------|----------|----------|
| | 2017 | 2018 | 2017 | 2018 | FY 2017 |
| <u>Pension and OPEB gain / (loss)</u> | | | | | |
| Year end net pension and OPEB remeasurement | \$ - | \$ - | \$ - | \$ - | \$ (162) |
| Other pension remeasurement | - | - | - | 26 | - |
| Pension curtailment | - | - | - | 15 | 354 |
| Total Pension and OPEB gain / (loss) | \$ - | \$ - | \$ - | \$ 41 | \$ 192 |
| <u>Separation-related actions</u> | | | | | |
| | \$ (230) | \$ (224) | \$ (259) | \$ (275) | \$ (297) |
| <u>Other Items</u> | | | | | |
| San Luis Potosi plant cancellation | \$ (12) | \$ - | \$ 41 | \$ - | \$ 41 |
| Next-generation Focus footprint change | 25 | - | (223) | (9) | (225) |
| Focus Active cancellation | - | (7) | - | (7) | - |
| Total Other Items | \$ 13 | \$ (7) | \$ (182) | \$ (16) | \$ (184) |
| Total pre-tax special items | \$ (217) | \$ (231) | \$ (441) | \$ (250) | \$ (289) |
| Tax special items | \$ 47 | \$ 48 | \$ 78 | \$ 53 | \$ 897 |

CONSOLIDATED INCOME STATEMENT – FORD CREDIT

FORD MOTOR CREDIT COMPANY LLC AND SUBSIDIARIES CONSOLIDATED INCOME STATEMENT (in millions)

| | For the periods ended September 30, | | | |
|--|-------------------------------------|----------|-------------------|----------|
| | 2017 | 2018 | 2017 | 2018 |
| | Third Quarter | | First Nine Months | |
| | (unaudited) | | | |
| Financing revenue | | | | |
| Operating leases | \$ 1,394 | \$ 1,463 | \$ 4,141 | \$ 4,321 |
| Retail financing | 891 | 983 | 2,518 | 2,890 |
| Dealer financing | 462 | 519 | 1,389 | 1,624 |
| Other | 17 | 20 | 51 | 62 |
| Total financing revenue | 2,764 | 2,985 | 8,099 | 8,897 |
| Depreciation on vehicles subject to operating leases | (989) | (907) | (3,090) | (2,898) |
| Interest expense | (810) | (989) | (2,308) | (2,898) |
| Net financing margin | 965 | 1,089 | 2,701 | 3,101 |
| Other revenue | | | | |
| Insurance premiums earned | 38 | 39 | 120 | 123 |
| Fee based revenue and other | 61 | 57 | 177 | 180 |
| Total financing margin and other revenue | 1,064 | 1,185 | 2,998 | 3,404 |
| Expenses | | | | |
| Operating expenses | 324 | 368 | 930 | 1,070 |
| Provision for credit losses | 169 | 156 | 420 | 367 |
| Insurance expenses | 28 | 19 | 121 | 77 |
| Total expenses | 521 | 543 | 1,471 | 1,514 |
| Other income, net | 57 | 36 | 173 | 74 |
| Income before income taxes | 600 | 678 | 1,700 | 1,964 |
| Provision for / (Benefit from) income taxes | 186 | 160 | 507 | 266 |
| Net income | \$ 414 | \$ 518 | \$ 1,193 | \$ 1,698 |

CONSOLIDATED BALANCE SHEET – FORD CREDIT

FORD MOTOR CREDIT COMPANY LLC AND SUBSIDIARIES CONSOLIDATED BALANCE SHEET (in millions)

| | December 31, 2017 | September 30, 2018 |
|---|----------------------|-----------------------|
| | (unaudited) | |
| ASSETS | | |
| Cash and cash equivalents | \$ 9,558 | \$ 10,997 |
| Marketable securities | 2,881 | 1,740 |
| Finance receivables, net | 116,003 | 116,044 |
| Net investment in operating leases | 26,661 | 27,570 |
| Notes and accounts receivable from affiliated companies | 1,076 | 971 |
| Derivative financial instruments | 935 | 607 |
| Other assets | 3,329 | 3,317 |
| Total assets | \$ 160,443 | \$ 161,246 |
| LIABILITIES | | |
| Accounts payable | | |
| Customer deposits, dealer reserves, and other | \$ 1,171 | \$ 1,140 |
| Affiliated companies | 592 | 1,013 |
| Total accounts payable | 1,763 | 2,153 |
| Debt | 137,828 | 138,230 |
| Deferred income taxes | 2,386 | 2,503 |
| Derivative financial instruments | 310 | 1,102 |
| Other liabilities and deferred income | 2,272 | 2,039 |
| Total liabilities | 144,559 | 146,027 |
| SHAREHOLDER'S INTEREST | | |
| Shareholder's interest | 5,227 | 5,227 |
| Accumulated other comprehensive income / (loss) | (419) | (719) |
| Retained earnings | 11,076 | 10,711 |
| Total shareholder's interest | 15,884 | 15,219 |
| Total liabilities and shareholder's interest | \$ 160,443 | \$ 161,246 |

CONSOLIDATED STATEMENT OF CASH FLOWS – FORD CREDIT

FORD MOTOR CREDIT COMPANY LLC AND SUBSIDIARIES CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (in millions)

| | For the periods ended September 30, | |
|--|-------------------------------------|------------------|
| | 2017 | 2018 |
| | First Nine Months | |
| | (unaudited) | |
| Cash flows from operating activities | | |
| Net cash provided by / (used in) operating activities | \$ 4,451 | \$ 4,594 |
| Cash flows from investing activities | | |
| Purchases of finance receivables | (30,543) | (33,751) |
| Principal collections of finance receivables | 27,254 | 31,993 |
| Purchases of operating lease vehicles | (9,935) | (11,015) |
| Proceeds from termination of operating lease vehicles | 6,623 | 7,086 |
| Net change in wholesale receivables and other short-duration receivables | 1,560 | 686 |
| Purchases of marketable securities | (4,359) | (3,401) |
| Proceeds from sales and maturities of marketable securities | 4,564 | 4,504 |
| Settlements of derivatives | (48) | 228 |
| All other investing activities | (18) | 117 |
| Net cash provided by / (used in) investing activities | (4,902) | (3,553) |
| Cash flows from financing activities | | |
| Proceeds from issuances of long-term debt | 29,982 | 37,035 |
| Principal payments on long-term debt | (30,291) | (32,588) |
| Change in short-term debt, net | 1,709 | (1,677) |
| Cash distributions to parent | (406) | (2,063) |
| All other financing activities | (74) | (141) |
| Net cash provided by / (used in) financing activities | 920 | 566 |
| Effect of exchange rate changes on cash, cash equivalents and restricted cash | 302 | (145) |
| Net increase / (decrease) in cash, cash equivalents and restricted cash | \$ 771 | \$ 1,462 |
| Cash, cash equivalents and restricted cash at January 1 | \$ 8,185 | \$ 9,682 |
| Net increase / (decrease) in cash, cash equivalents and restricted cash | 771 | 1,462 |
| Cash, cash equivalents and restricted cash at September 30 | \$ 8,956 | \$ 11,144 |