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DELTA REPORT

10-Q

F PR D - FORD MOTOR CO

10-Q - SEPTEMBER 30, 2024 COMPARED TO 10-Q - JUNE 30, 2024

The following comparison report has been automatically generated

TOTAL DELTAS 703

█ **CHANGES** 285

█ **DELETIONS** 200

█ **ADDITIONS** 218

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 10-Q

Quarterly report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
For the quarterly period ended **June 30, 2024** **September 30, 2024**

or

Transition report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
For the transition period from _____ to _____
Commission file number **1-3950**

Ford Motor Company

(Exact name of Registrant as specified in its charter)

Delaware

38-0549190

(State of incorporation)

(I.R.S. Employer Identification No.)

One American Road

48126

Dearborn, Michigan

(Zip code)

(Address of principal executive offices)

313-322-3000

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading symbols	Name of each exchange on which registered
Common Stock, par value \$0.01 per share	F	New York Stock Exchange
6.200% Notes due June 1, 2059	FPRB	New York Stock Exchange
6.000% Notes due December 1, 2059	FPRC	New York Stock Exchange
6.500% Notes due August 15, 2062	FPRD	New York Stock Exchange

Indicate by check mark if the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer Accelerated filer Non-accelerated filer Smaller reporting company Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

As of **July 19, 2024** **October 24, 2024**, Ford had outstanding **3,904,397,609** **3,903,436,517** shares of Common Stock and 70,852,076 shares of Class B Stock.

Exhibit Index begins on page **69**

FORD MOTOR COMPANY
QUARTERLY REPORT ON FORM 10-Q
For the Quarter Ended June 30, 2024 September 30, 2024

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PART I. FINANCIAL INFORMATION

ITEM 1. Financial Statements.

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

For the periods ended June 30,

For the periods ended September 30,

	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024
	Second Quarter		First Half		Third Quarter		First Nine Months			

(unaudited)

Revenues

Company excluding Ford Credit
Company excluding Ford Credit
Company excluding Ford Credit

Ford Credit

Total revenues (Note 3)

Costs and expenses

Costs and expenses

Costs and expenses

Cost of sales

Cost of sales

Cost of sales

Selling, administrative, and other expenses

Ford Credit interest, operating, and other expenses

Total costs and expenses

Operating income/(loss)

Interest expense on Company debt excluding Ford Credit

Other income/(loss), net (Note 4)

Equity in net income/(loss) of affiliated companies

Income/(Loss) before income taxes

Provision for/(Benefit from) income taxes

Net income/(loss)

Less: Income/(Loss) attributable to noncontrolling interests

Net income/(loss) attributable to Ford Motor Company

EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO FORD MOTOR COMPANY COMMON AND CLASS B STOCK (Note 6)

EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO FORD MOTOR COMPANY COMMON AND CLASS B STOCK (Note 6)

EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO FORD MOTOR COMPANY COMMON AND CLASS B STOCK (Note 6)

Basic income/(loss)

Diluted income/(loss)

Weighted-average shares used in computation of earnings/(loss) per share

Weighted-average shares used in computation of earnings/(loss) per share

Weighted-average shares used in computation of earnings/(loss) per share

Basic shares

Basic shares

Basic shares

Diluted shares

4,003	3,985	3,996	3,982	4,004	3,976	3,999	3,980
-------	-------	-------	-------	-------	-------	-------	-------

Diluted shares

4,041	4,022	4,035	4,022	Diluted shares	4,050	4,018	4,040
-------	-------	-------	-------	----------------	-------	-------	-------

Diluted shares

4,040	4,020						
-------	-------	--	--	--	--	--	--

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(in millions)

For the periods ended June 30,				For the periods ended September 30,					
2023	2024	2023	2024	2023	2024	2023	2024	2023	2024
Second Quarter		First Half		Third Quarter		First Nine Months			

(unaudited)

Net income/(loss)

Other comprehensive income/(loss), net of tax (Note 16)

Foreign currency translation

Foreign currency translation

Foreign currency translation

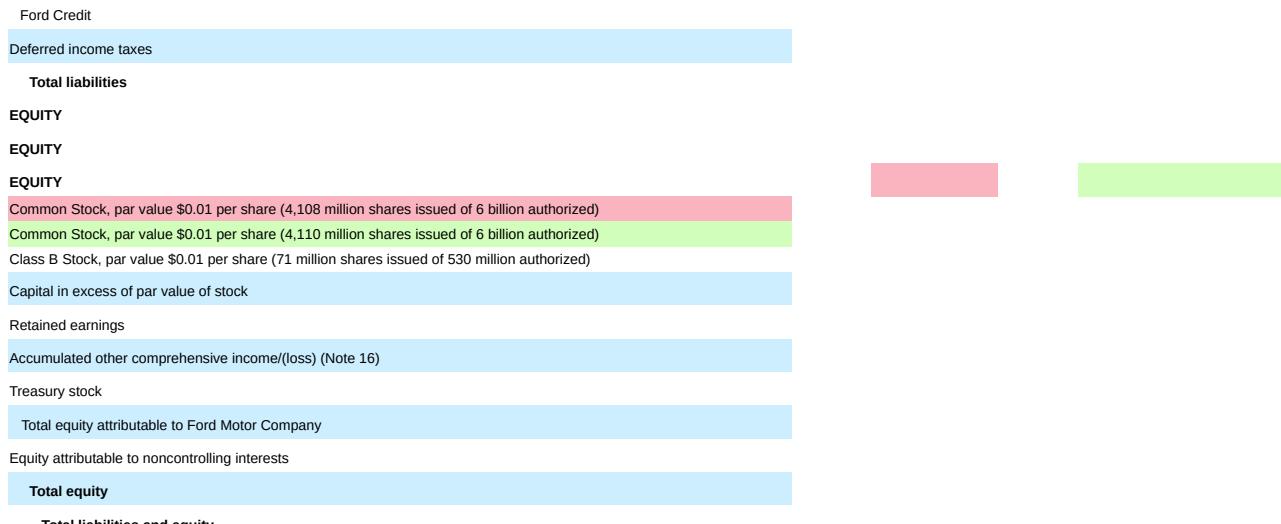
Marketable securities	
Derivative instruments	
Pension and other postretirement benefits	
Total other comprehensive income/(loss), net of tax	
Comprehensive income/(loss)	
Less: Comprehensive income/(loss) attributable to noncontrolling interests	
Comprehensive income/(loss) attributable to Ford Motor Company	

The accompanying notes are part of the consolidated financial statements.

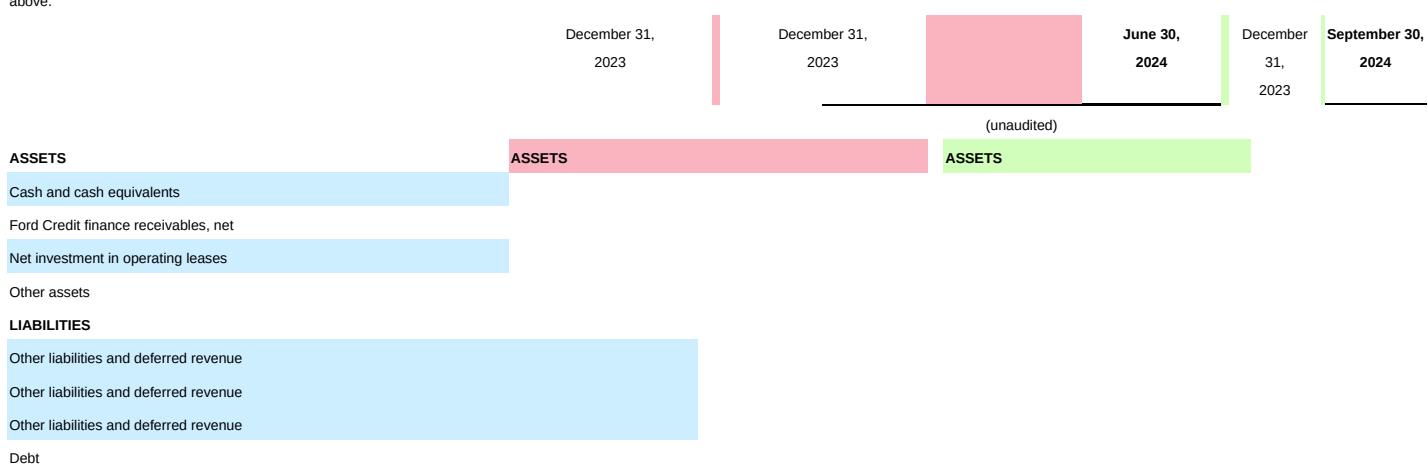
Item 1. Financial Statements (continued)

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

	December 31, 2023 (unaudited)	June 30, 2024	December 31, 2023 (unaudited)	September 30, 2024
ASSETS	ASSETS		ASSETS	
Cash and cash equivalents (Note 7)				
Marketable securities (Note 7)				
Ford Credit finance receivables, net of allowance for credit losses of \$256 and \$252 (Note 8)				
Trade and other receivables, less allowances of \$64 and \$62				
Ford Credit finance receivables, net of allowance for credit losses of \$256 and \$247 (Note 8)				
Trade and other receivables, less allowances of \$64 and \$73				
Inventories (Note 9)				
Other assets				
Total current assets				
Ford Credit finance receivables, net of allowance for credit losses of \$626 and \$628 (Note 8)				
Ford Credit finance receivables, net of allowance for credit losses of \$626 and \$615 (Note 8)				
Net investment in operating leases				
Net property				
Equity in net assets of affiliated companies				
Deferred income taxes				
Other assets				
Total assets				
LIABILITIES				
LIABILITIES				
LIABILITIES				
Payables				
Other liabilities and deferred revenue (Note 10 and Note 18)				
Debt payable within one year (Note 12)				
Company excluding Ford Credit				
Company excluding Ford Credit				
Company excluding Ford Credit				
Ford Credit				
Total current liabilities				
Total current liabilities				
Total current liabilities				
Other liabilities and deferred revenue (Note 10 and Note 18)				
Long-term debt (Note 12)				
Company excluding Ford Credit				
Company excluding Ford Credit				
Company excluding Ford Credit				



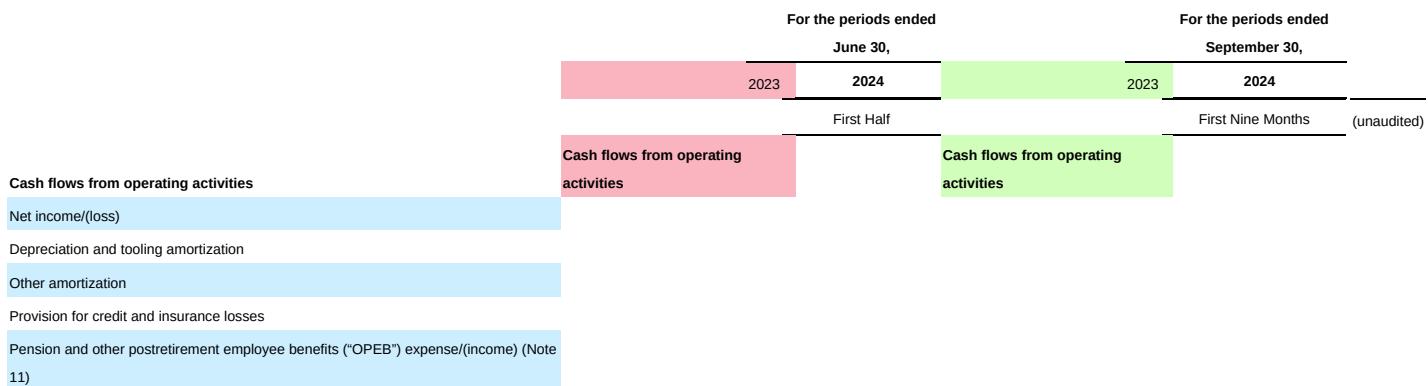
The following table includes assets to be used to settle liabilities of the consolidated variable interest entities ("VIEs"). These assets and liabilities are included in the consolidated balance sheets above.



The accompanying notes are part of the consolidated financial statements.

Item 1. Financial Statements (Continued)

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



Equity method investment dividends received in excess of (earnings)/losses and impairments	
Foreign currency adjustments	
Net realized and unrealized (gains)/losses on cash equivalents, marketable securities, and other investments (Note 4)	
Stock compensation	
Provision for/(Benefit from) deferred income taxes	
Decrease/(Increase) in finance receivables (wholesale and other)	
Decrease/(Increase) in accounts receivable and other assets	
Decrease/(Increase) in inventory	
Increase/(Decrease) in accounts payable and accrued and other liabilities	
Other	
Net cash provided by/(used in) operating activities	
Cash flows from investing activities	
Cash flows from investing activities	
Cash flows from investing activities	
Capital spending	
Capital spending	
Capital spending	
Acquisitions of finance receivables and operating leases	
Collections of finance receivables and operating leases	
Purchases of marketable securities and other investments	
Sales and maturities of marketable securities and other investments	
Settlements of derivatives	
Capital contributions to equity method investments	
Other	
Net cash provided by/(used in) investing activities	
Cash flows from financing activities	
Cash flows from financing activities	
Cash flows from financing activities	
Cash payments for dividends and dividend equivalents	
Purchases of common stock	
Net changes in short-term debt	
Proceeds from issuance of long-term debt	
Payments of long-term debt	
Other	
Net cash provided by/(used in) financing activities	
Effect of exchange rate changes on cash, cash equivalents, and restricted cash	
Effect of exchange rate changes on cash, cash equivalents, and restricted cash	
Effect of exchange rate changes on cash, cash equivalents, and restricted cash	
Net increase/(decrease) in cash, cash equivalents, and restricted cash	
Net increase/(decrease) in cash, cash equivalents, and restricted cash	
Net increase/(decrease) in cash, cash equivalents, and restricted cash	
Cash, cash equivalents, and restricted cash at beginning of period (Note 7)	
Cash, cash equivalents, and restricted cash at beginning of period (Note 7)	
Cash, cash equivalents, and restricted cash at beginning of period (Note 7)	
Net increase/(decrease) in cash, cash equivalents, and restricted cash	
Cash, cash equivalents, and restricted cash at end of period (Note 7)	

The accompanying notes are part of the consolidated financial statements.

Item 1. Financial Statements (Continued)

FORD MOTOR COMPANY AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF EQUITY
(in millions, unaudited)

	Equity Attributable to Ford Motor Company						Equity Attributable to Ford Motor Company						Equity Attributable to Non-controlling Interests	Total Equity	
	Capital Stock	Cap. in Excess of Stock	Retained Earnings	Accumulated Other Comprehensive Income/(Loss) (Note 16)	Treasury Stock	Total	Equity Attributable to Non-controlling Interests	Total Equity	Capital Stock	Cap. in Excess of Par Value of Stock	Retained Earnings	Accumulated Other Comprehensive Income/(Loss) (Note 16)	Treasury Stock	Total	
Balance at December 31, 2022															
Net income/(loss)															
Other comprehensive income/(loss), net															
Common Stock issued															
(a)															
Treasury stock/other															
Dividends and dividend equivalents declared (\$0.80 per share) (b)															
Balance at March 31, 2023															
Net income/(loss)															
Other comprehensive income/(loss), net															
Common Stock issued															
(a)															
Treasury stock/other															
Dividends and dividend equivalents declared (\$0.15 per share) (b)															
Balance at June 30, 2023															
Net income/(loss)															
Other comprehensive income/(loss), net															
Common stock issued															
(a)															
Treasury stock/other															
Dividends and dividend equivalents declared (\$0.15 per share) (b)															
Balance at September 30, 2023															
Balance at December 31, 2023															
Balance at December 31, 2023															
Balance at December 31, 2023															
Net income/(loss)															
Other comprehensive income/(loss), net															
Common Stock issued															
(a)															
Treasury stock/other															
Dividends and dividend equivalents declared (\$0.33 per share) (b)															
Balance at March 31, 2024															

Net income/(loss)
Other comprehensive income/(loss), net
Common Stock issued
(a)
Treasury stock/other
Dividends and dividend equivalents declared (\$0.15 per share) (b)
Balance at June 30, 2024
Net income/(loss)
Other comprehensive income/(loss), net
Common stock issued
(a)
Treasury stock/other
Dividends and dividend equivalents declared (\$0.15 per share) (b)
Balance at September 30, 2024

(a) Includes impact of share-based compensation.

(b) Dividends and dividend equivalents declared for Common and Class B Stock. In the first quarter of 2023 and 2024, in addition to a regular dividend of \$0.15 per share, we declared a supplemental dividend of \$0.65 per share and \$0.18 per share, respectively.

The accompanying notes are part of the consolidated financial statements.

Item 1. Financial Statements (Continued)

**FORD MOTOR COMPANY AND SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS**

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Item 1. Financial Statements (Continued)

FORD MOTOR COMPANY AND SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. PRESENTATION

For purposes of this report, "Ford," the "Company," "we," "our," "us," or similar references mean Ford Motor Company, our consolidated subsidiaries, and our consolidated VIEs of which we are the primary beneficiary, unless the context requires otherwise. We also make reference to Ford Motor Credit Company LLC, herein referenced to as Ford Credit. Our consolidated financial statements are presented in accordance with U.S. generally accepted accounting principles ("GAAP") for interim financial information, instructions to the Quarterly Report on Form 10-Q, and Rule 10-01 of Regulation S-X.

In the opinion of management, these unaudited financial statements include all adjustments, consisting of only normal recurring adjustments, necessary for a fair statement of our results of operations and financial condition for the periods, and at the dates, presented. The results for interim periods are not necessarily indicative of results that may be expected for any other interim period or for the full year. Reference should be made to the financial statements contained in our Annual Report on Form 10-K for the year ended December 31, 2023 ("2023 Form 10-K Report").

NOTE 2. NEW ACCOUNTING STANDARDS

Adoption of New Accounting Standards

We adopted the following Accounting Standards Updates ("ASUs") during 2024, none of which had a material impact to our consolidated financial statements or financial statement disclosures:

ASU	Effective Date
2023-01 Leases: Common Control Arrangements	January 1, 2024
2023-02 Investments – Equity Method and Joint Ventures - Accounting for Investments in Tax Credit Structures Using the Proportional Amortization Method	January 1, 2024

Accounting Standards Issued But Not Yet Adopted

ASU 2023-07, Segment Reporting, Improvements to Reportable Segment Disclosures. In November 2023, the Financial Accounting Standards Board ("FASB") issued a new accounting standard which requires disclosure of significant segment expenses that are regularly provided to the chief operating decision maker ("CODM") for each reportable segment. In addition to significant segment expenses that are separately disclosed, the standard requires disclosure of an amount for "other segment items" by reportable segment and a description of its composition. The standard also requires all annual disclosures about a reporting segment's profit or loss and assets to be provided on an interim basis. This new standard is effective for our 2024 annual financial statements and interim periods beginning in 2025. We continue to assess the effect on our consolidated financial statement disclosures; however, adoption will not impact our consolidated balance sheets or income statements.

ASU 2023-09, Improvements to Income Tax Disclosures. In December 2023, the FASB issued a new accounting standard to enhance the transparency and decision usefulness of income tax disclosures. The new standard is effective for annual periods beginning after December 15, 2024, with retrospective application permitted. There will be no impact to our consolidated balance sheets or income statements; however, there will be changes to our consolidated financial statement disclosures, primarily related to the effective tax rate reconciliation and cash paid for income taxes.

All other ASUs issued but not yet adopted were assessed and determined to be not applicable or are not expected to have a material impact on our consolidated financial statements or financial statement disclosures.

Item 1. Financial Statements (Continued)

FORD MOTOR COMPANY AND SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS

NOTE 3. REVENUE

The following tables disaggregate our revenue by major source for the periods ended **June** **September** 30 (in millions):

	Second Quarter 2023			Third Quarter 2023		
	Company excluding Ford Credit	Company excluding Ford Credit	Ford Credit	Consolidated	Company excluding Ford Credit	Ford Credit
Vehicles, parts, and accessories						
Used vehicles						
Services and other revenue						
(a)						
Revenues from sales and services						
Leasing income						
Leasing income						

Leasing income							
Financing income							
Insurance income							
Total revenues							
	Company excluding Ford Credit	Company excluding Ford Credit	Ford Credit	Consolidated	Company excluding Ford Credit	Ford Credit	Consolidated
Vehicles, parts, and accessories							
Used vehicles							
Services and other revenue							
(a)							
Revenues from sales and services							
Leasing income							
Leasing income							
Leasing income							
Financing income							
Insurance income							
Total revenues							
Second Quarter 2024							
Second Quarter 2024							
Second Quarter 2024							
Third Quarter 2024							
Third Quarter 2024							
Third Quarter 2024							
Vehicles, parts, and accessories	Company excluding Ford Credit	Company excluding Ford Credit	Ford Credit	Consolidated	Company excluding Ford Credit	Ford Credit	Consolidated
Used vehicles							
Services and other revenue							
(a)							
Revenues from sales and services							
Leasing income							
Leasing income							
Leasing income							
Financing income							
Insurance income							
Total revenues							
First Half 2023							
First Half 2023							
First Half 2023							
First Nine Months 2023							
First Nine Months 2023							
First Nine Months 2023							
Vehicles, parts, and accessories	Company excluding Ford Credit	Company excluding Ford Credit	Ford Credit	Consolidated	Company excluding Ford Credit	Ford Credit	Consolidated
Used vehicles							
Services and other revenue							
(a)							
Revenues from sales and services							
Leasing income							
Leasing income							
Leasing income							
Financing income							
Insurance income							
Total revenues							
First Half 2024							
First Half 2024							
First Half 2024							
First Nine Months 2024							
First Nine Months 2024							
First Nine Months 2024							
Vehicles, parts, and accessories	Company excluding Ford Credit	Company excluding Ford Credit	Ford Credit	Consolidated	Company excluding Ford Credit	Ford Credit	Consolidated
Used vehicles							
Services and other revenue							
(a)							
Revenues from sales and services							
Leasing income							
Leasing income							
Leasing income							
Financing income							
Insurance income							
Total revenues							

Vehicles, parts, and accessories
Used vehicles
Services and other revenue
(a)
Revenues from sales and services
Leasing income
Leasing income
Leasing income
Financing income
Insurance income
Total revenues

(a) Includes extended service contract revenue.

Item 1. Financial Statements (Continued)

FORD MOTOR COMPANY AND SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS

NOTE 3. REVENUE (Continued)

The amount of consideration we receive and revenue we recognize on our vehicles, parts, and accessories varies with changes in return rights, marketing incentives we offer to our customers and their customers, and other pricing adjustments. Estimates of marketing incentives and other pricing adjustments are based on our expectations of retail and fleet sales volumes, mix of products to be sold, competitor actions, and incentive programs to be offered. Customer acceptance of products and programs, as well as other market conditions, will impact these estimates. As a result of changes in our estimate of variable consideration (e.g., marketing incentives), we recorded a **decrease de minimis adjustment** related to revenue recognized in prior periods of \$3 million and \$256 million in the **second** **third** quarter of 2023 and 2024, respectively, **a decrease of \$329 million in the third quarter of 2024.**

We had a balance of \$4.8 billion and **\$5.0 billion** \$5.3 billion of unearned revenue associated primarily with outstanding extended service contracts reported in *Other liabilities and deferred revenue* at December 31, 2023 and **June 30, 2024** September 30, 2024, respectively. We expect to recognize approximately **\$900 million** \$500 million of the unearned amount in the remainder of 2024, **\$1.4** \$1.6 billion in 2025, and **\$2.7** \$3.2 billion thereafter. We recognized **\$374 million** \$385 million and **\$427** \$472 million of unearned amounts from prior years as revenue during the **second** **third** quarter of 2023 and 2024, respectively, and **\$754 million** \$1.1 billion and **\$858 million** \$1.3 billion in the **first half** **nine months** of 2023 and 2024, respectively.

Amounts paid to dealers to obtain extended service contracts are deferred and recorded as *Other assets*. We had a balance of \$317 million and **\$319** \$321 million in deferred costs as of December 31, 2023 and **June 30, 2024** September 30, 2024, respectively. We recognized \$25 million and \$27 million \$26 million of amortization during **both the second** **third** quarter of 2023 and 2024, respectively, and **\$51** \$77 million and **\$53** \$79 million in the **first half** **nine months** of 2023 and 2024, respectively.

Item 1. Financial Statements (Continued)

FORD MOTOR COMPANY AND SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS

NOTE 4. OTHER INCOME/(LOSS)

The amounts included in *Other income/(loss), net* for the periods ended **June** September 30 were as follows (in millions):

	Second Quarter		First Half					
	2023	2024	2023	2024	2023	2024	2023	2024
Net periodic pension and OPEB income/(cost), excluding service cost (Note 11)					2023	2024	2023	2024
Investment-related interest income								
Interest income/(expense) on income taxes								
Realized and unrealized gains/(losses) on cash equivalents, marketable securities, and other investments								
Gains/(Losses) on changes in investments in affiliates								
Royalty income								
Other								
Total								

NOTE 5. INCOME TAXES

For interim tax reporting, we estimate one single effective tax rate for tax jurisdictions not subject to a valuation allowance, which is applied to the year-to-date ordinary income/(loss). Tax effects of significant unusual or infrequently occurring items are excluded from the estimated annual effective tax rate calculation and recognized in the interim period in which they occur. During the quarter we recognized tax benefits from a change in our full-year forecast of tax expense, including benefits related to the write-down of certain product-specific manufacturing and vendor tooling assets, resulting in a negative 3.1% effective tax rate for the third quarter of 2024.

NOTE 6. CAPITAL STOCK AND EARNINGS/(LOSS) PER SHARE

Earnings/(Loss) Per Share Attributable to Ford Motor Company Common and Class B Stock

Basic and diluted earnings/(loss) per share were calculated using the following (in millions):

	Second Quarter		First Half					
	2023	2024	2023	2024	2023	2024	2023	2024
Net income/(loss) attributable to Ford Motor Company								
Basic and Diluted Shares								
Basic and Diluted Shares								
Basic and Diluted Shares								
Basic shares (average shares outstanding)								
Basic shares (average shares outstanding)								
Basic shares (average shares outstanding)								
Net dilutive options, unvested restricted stock units, unvested restricted stock shares, and convertible debt								
Diluted shares								

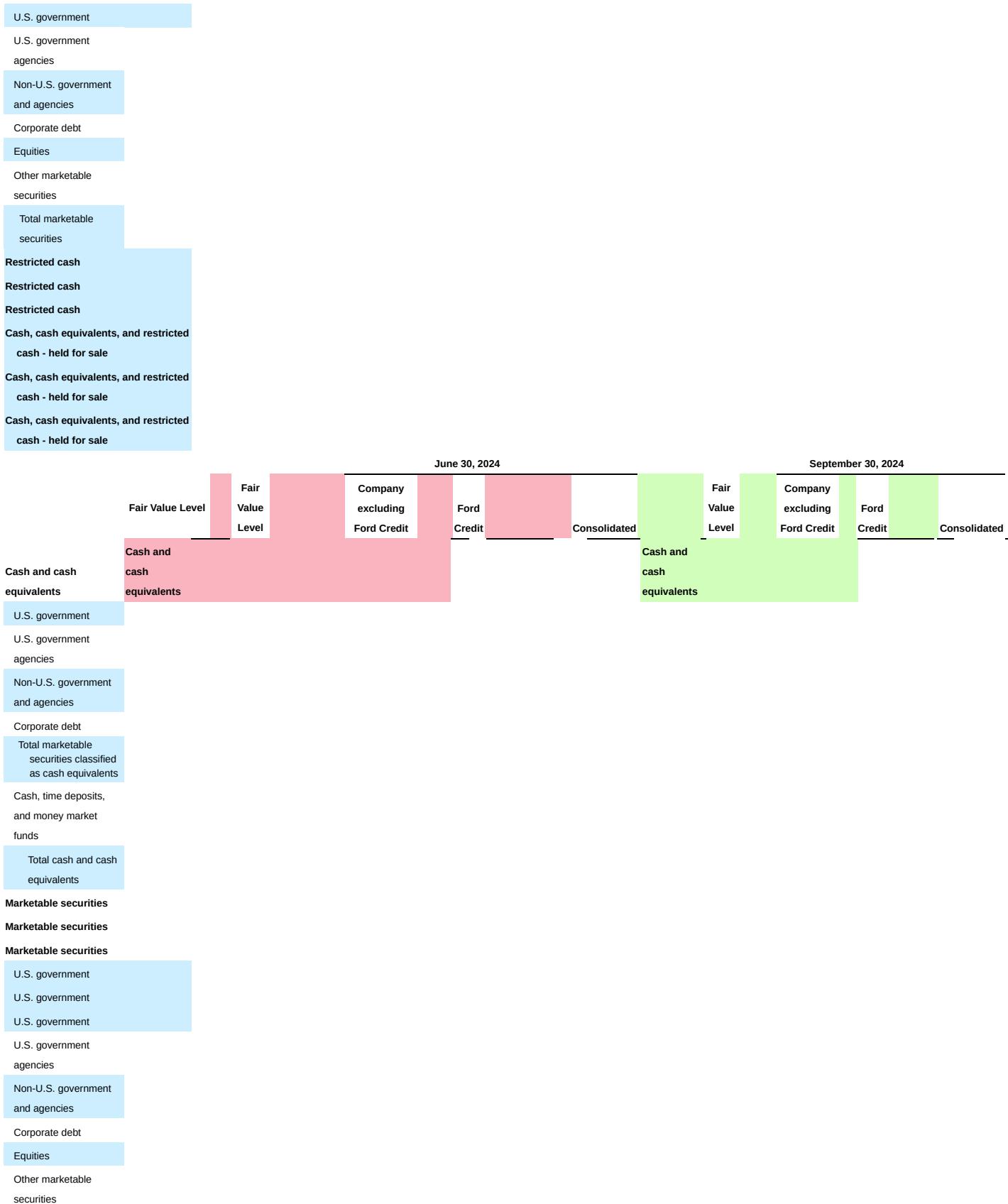
Item 1. Financial Statements (Continued)

FORD MOTOR COMPANY AND SUBSIDIARIES NOTES TO THE FINANCIAL STATEMENTS

NOTE 7. CASH, CASH EQUIVALENTS, AND MARKETABLE SECURITIES

The fair values of cash, cash equivalents, and marketable securities measured at fair value on a recurring basis were as follows (in millions):

	December 31, 2023			December 31, 2024					
	Fair Value Level	Company excluding Ford Credit		Fair Value Level	Company excluding Ford Credit		Fair Value Level		
		Consolidated	Consolidated		Consolidated	Consolidated		Consolidated	Consolidated
Cash and cash equivalents	Cash and cash equivalents			Cash and cash equivalents			Cash and cash equivalents		
U.S. government									
U.S. government agencies									
Non-U.S. government and agencies									
Corporate debt									
Total marketable securities classified as cash equivalents									
Cash, time deposits, and money market funds									
Total cash and cash equivalents									
Marketable securities									
Marketable securities									
Marketable securities									
U.S. government									
U.S. government									



Total marketable securities
Restricted cash
Restricted cash
Restricted cash
Cash, cash equivalents, and restricted cash - held for sale (Note 15)
Cash, cash equivalents, and restricted cash - held for sale (Note 15)
Cash, cash equivalents, and restricted cash - held for sale (Note 15)

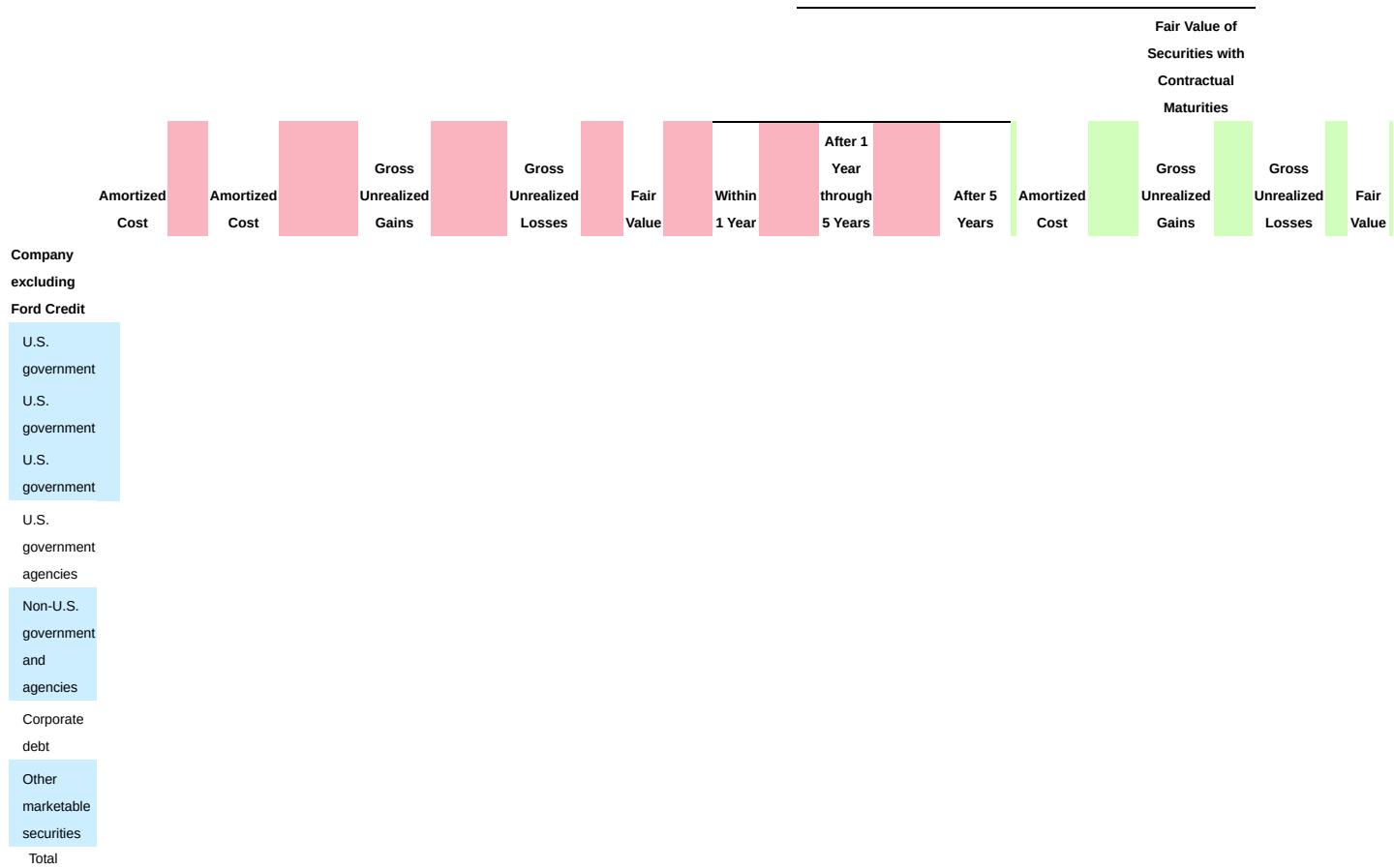
Item 1. Financial Statements (Continued)

FORD MOTOR COMPANY AND SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS

NOTE 7. CASH, CASH EQUIVALENTS, AND MARKETABLE SECURITIES (Continued)

The cash equivalents and marketable securities accounted for as available-for-sale ("AFS") securities were as follows (in millions):

	December 31, 2023										December 31, 2023		
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value	Within 1 Year	After 1 through 5 Years	After 5 Years	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses	Within Year
Company excluding Ford Credit													
U.S. government													
U.S. government													
U.S. government													
U.S. government													
U.S. government													
U.S. government agencies													
Non-U.S. government and agencies													
Corporate debt													
Other marketable securities													
Total													
	June 30, 2024										June 30, 2024		
	June 30, 2024										June 30, 2024		
	June 30, 2024										September 30, 2024		
	September 30, 2024										September 30, 2024		
	September 30, 2024										September 30, 2024		



Sales proceeds and gross realized gains/losses from the sale of AFS securities for the periods ended June September 30 were as follows (in millions):



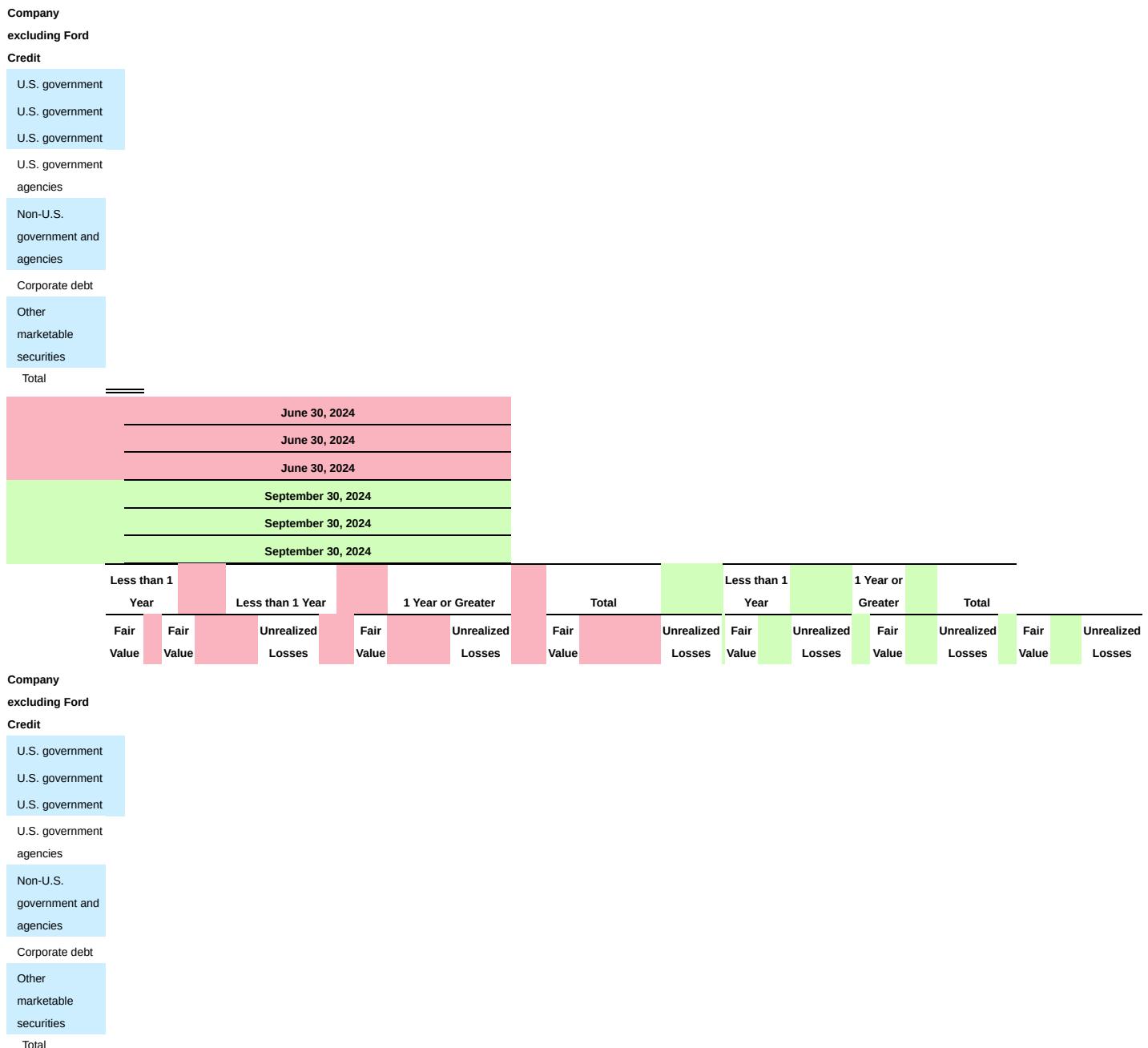
Item 1. Financial Statements (Continued)

FORD MOTOR COMPANY AND SUBSIDIARIES NOTES TO THE FINANCIAL STATEMENTS

NOTE 7. CASH, CASH EQUIVALENTS, AND MARKETABLE SECURITIES (Continued)

The present fair values and gross unrealized losses for cash equivalents and marketable securities accounted for as AFS securities that were in an unrealized loss position, aggregated by investment category and the length of time that individual securities have been in a continuous loss position, were as follows (in millions):

December 31, 2023													
Less than 1 Year		Less than 1 Year		1 Year or Greater		Total		Less than 1 Year		1 Year or Greater		Total	
Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses



We determine credit losses on AFS debt securities using the specific identification method. During the first ~~half~~ nine months of 2024, we did not recognize any credit loss. The unrealized losses on securities are due to changes in interest rates and market liquidity.

Cash, Cash Equivalents, and Restricted Cash

Cash, cash equivalents, and restricted cash, as reported in the consolidated statements of cash flows, were as follows (in millions):

	December 31, 2023	December 31, 2023	June 30, 2024	December 31, 2023	September 30, 2024
Cash and cash equivalents					
Restricted cash (a)					
Cash, cash equivalents, and restricted cash - held for sale (Note 15)					
Total cash, cash equivalents, and restricted cash					

(a) Included in *Other assets* in the non-current assets section of our consolidated balance sheets.

Item 1. Financial Statements (Continued)

**FORD MOTOR COMPANY AND SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS**

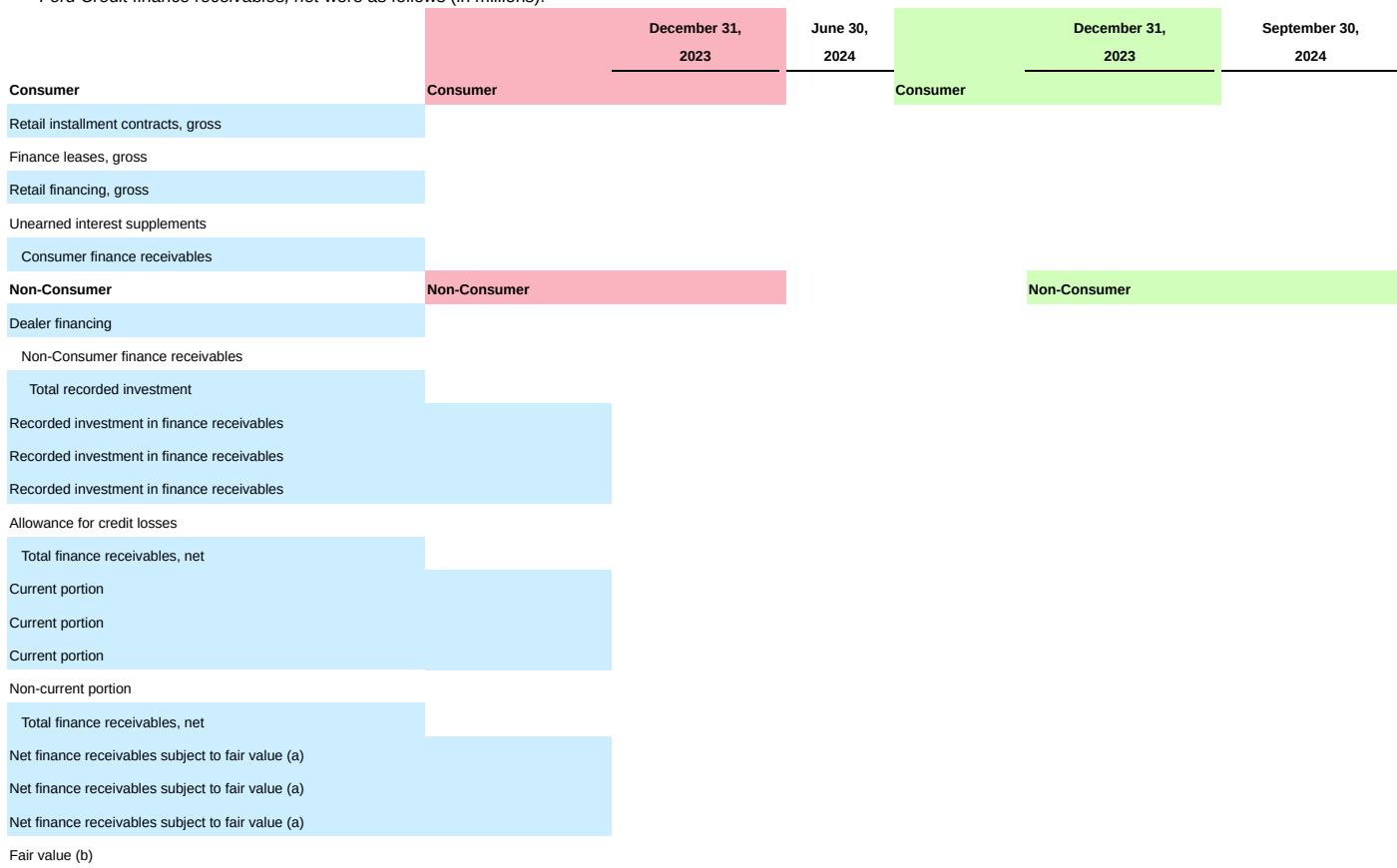
NOTE 8. FORD CREDIT FINANCE RECEIVABLES AND ALLOWANCE FOR CREDIT LOSSES

Ford Credit manages finance receivables as "consumer" and "non-consumer" portfolios. The receivables are generally secured by the vehicles, inventory, or other property being financed.

Finance receivables are recorded at the time of origination or purchase at fair value and are subsequently reported at amortized cost, net of any allowance for credit losses.

For all finance receivables, Ford Credit defines "past due" as any payment, including principal and interest, that is at least 31 days past the contractual due date.

Ford Credit finance receivables, net were as follows (in millions):



(a) Net finance receivables subject to fair value exclude finance leases.

(b) The fair value of finance receivables is categorized within Level 3 of the fair value hierarchy.

Ford Credit's finance leases are comprised of sales-type and direct financing leases. Financing revenue from finance leases for the **second** **third** quarter of 2023 and 2024 was **\$91 million** **\$102 million** and **\$122 million** **\$137 million**, respectively, and for the first **half** **nine** months of 2023 and 2024 was **\$174 million** **\$276 million** and **\$239 million** **\$376 million**, respectively, and is included in *Ford Credit revenues* on our consolidated income statements.

At December 31, 2023 and **June 30, 2024** **September 30, 2024**, accrued interest was \$294 million and **\$306** **\$303** million, respectively, which we report in *Other assets* in the current assets section of our consolidated balance sheets.

Included in the recorded investment in finance receivables at December 31, 2023 and **June 30, 2024** **September 30, 2024**, were consumer receivables of \$46.0 billion and **\$45.1 billion** **\$48.7 billion**, respectively, and non-consumer receivables of \$21.3 billion and **\$22.7** **\$23.7** billion, respectively, (including Ford Blue, Ford Model e, and Ford Pro receivables sold to Ford Credit, which we report in *Trade and other receivables*) that have been sold for legal purposes in securitization transactions but continue to be reported in our consolidated financial statements. The receivables are available only for payment of the debt issued by, and other obligations of, the securitization entities that are parties to those

securitization transactions; they are not available to pay the other obligations or the claims of Ford Credit's other creditors. Ford Credit holds the right to receive the excess cash flows not needed to pay the debt issued by, and other obligations of, the securitization entities that are parties to those securitization transactions.

Item 1. Financial Statements (Continued)

FORD MOTOR COMPANY AND SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS

NOTE 8. FORD CREDIT FINANCE RECEIVABLES AND ALLOWANCE FOR CREDIT LOSSES (Continued)

Credit Quality

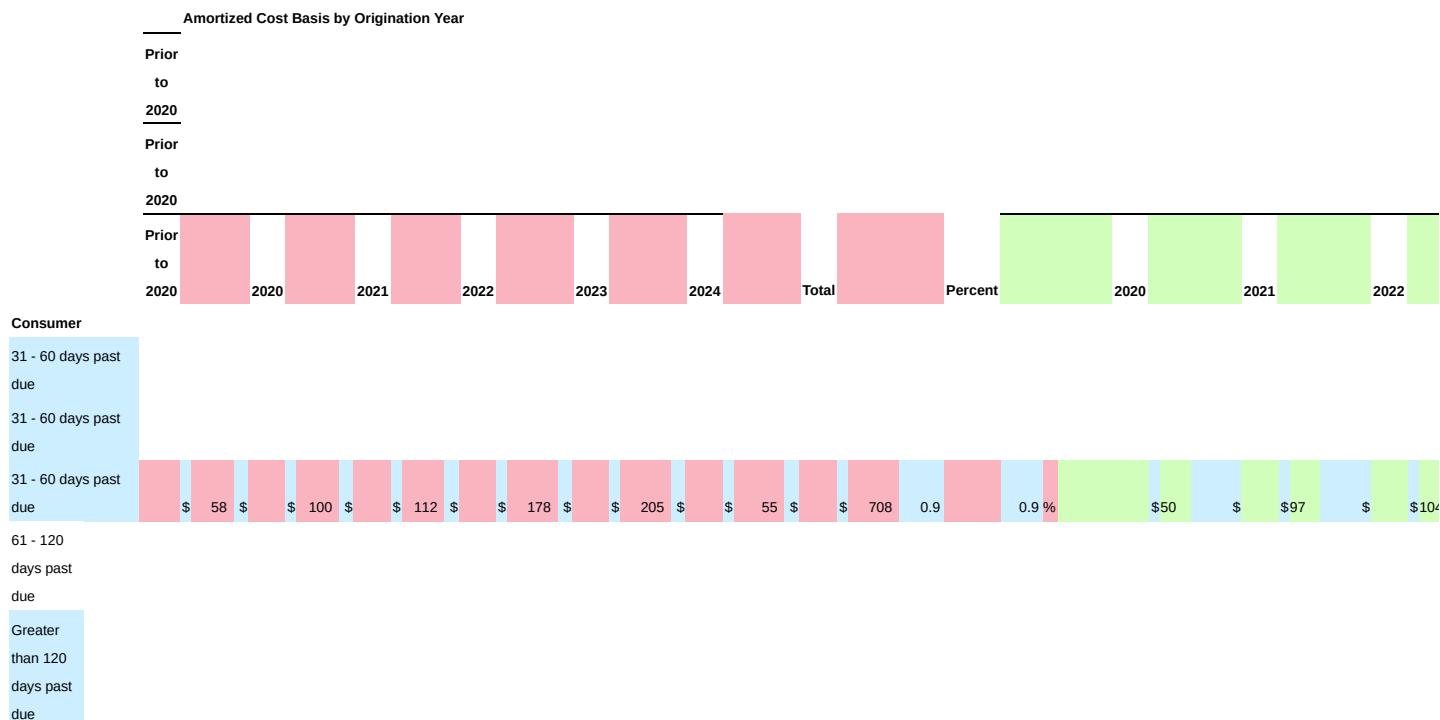
Consumer Portfolio. Credit quality ratings for consumer receivables are based on Ford Credit's aging analysis. Consumer receivables credit quality ratings are as follows:

- *Pass* – current to 60 days past due;
- *Special Mention* – 61 to 120 days past due and in intensified collection status; and
- *Substandard* – greater than 120 days past due and for which the uncollectible portion of the receivables has already been charged off, as measured using the fair value of collateral less costs to sell.

The credit quality analysis of consumer receivables at December 31, 2023 was as follows (in millions):

	Amortized Cost Basis by Origination Year						Total	Percent
	Prior to 2019	2019	2020	2021	2022	2023		
Consumer								
31 - 60 days past due	\$ 40	\$ 49	\$ 130	\$ 125	\$ 187	\$ 159	\$ 690	0.9 %
61 - 120 days past due	9	11	30	37	58	50	195	0.2
Greater than 120 days past due	7	4	7	10	10	5	43	0.1
Total past due	56	64	167	172	255	214	928	1.2
Current	891	2,359	7,385	11,301	20,247	35,163	77,346	98.8
Total	\$ 947	\$ 2,423	\$ 7,552	\$ 11,473	\$ 20,502	\$ 35,377	\$ 78,274	100.0 %
Gross charge-offs	\$ 47	\$ 40	\$ 75	\$ 85	\$ 117	\$ 37	\$ 401	

The credit quality analysis of consumer receivables at **June 30, 2024** **September 30, 2024** was as follows (in millions):



Non-Consumer Portfolio. The credit quality of dealer financing receivables is evaluated based on Ford Credit's internal dealer risk rating analysis. Ford Credit uses a proprietary model to assign each dealer a risk rating. This model uses historical dealer performance data to identify key factors about a dealer that are considered most significant in predicting a dealer's ability to meet its financial obligations. Ford Credit also considers numerous other financial and qualitative factors of the dealer's operations, including capitalization and leverage, liquidity and cash flow, profitability, and credit history with Ford Credit and other creditors.

Dealers are assigned to one of four groups according to risk ratings as follows:

- *Group I* – strong to superior financial metrics;
- *Group II* – fair to favorable financial metrics;
- *Group III* – marginal to weak financial metrics; and
- *Group IV* – poor financial metrics, including dealers classified as uncollectible.

Item 1. Financial Statements (Continued)

**FORD MOTOR COMPANY AND SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 8. FORD CREDIT FINANCE RECEIVABLES AND ALLOWANCE FOR CREDIT LOSSES (Continued)

The credit quality analysis of dealer financing receivables at December 31, 2023 was as follows (in millions):

Amortized Cost Basis by Origination Year												
	Dealer Loans							Wholesale				
	Prior to 2019	2019	2020	2021	2022	2023	Total	Loans	Total	Percent		
Group I	\$ 383	\$ 30	\$ 58	\$ 156	\$ 61	\$ 331	\$ 1,019	\$ 20,419	\$ 21,438	86.9 %		
Group II	16	—	1	3	2	44	66	2,834	2,900	11.7		
Group III	—	—	—	—	1	8	9	292	301	1.2		
Group IV	—	1	—	—	—	2	3	41	44	0.2		
Total (a)	\$ 399	\$ 31	\$ 59	\$ 159	\$ 64	\$ 385	\$ 1,097	\$ 23,586	\$ 24,683	100.0 %		
Gross charge-offs	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	1 \$	1 \$	3 \$	4		

(a) Total past due dealer financing receivables at December 31, 2023 were \$33 million.

The credit quality analysis of dealer financing receivables at June 30, 2024 September 30, 2024 was as follows (in millions):

(a) Total past due dealer financing receivables at June 30, 2024 September 30, 2024 were \$4 million \$3 million.

Non-Accrual of Revenue. The accrual of financing revenue is discontinued at the time a receivable is determined to be uncollectible or when it is 90 days past due. Accounts may be restored to accrual status only when a customer settles all past-due deficiency balances and future payments are reasonably assured. For receivables in non-accrual status, subsequent financing revenue is recognized only to the extent a payment is received. Payments are generally applied first to outstanding interest and then to the unpaid principal balance.

Loan Modifications. Consumer and non-consumer receivables that have a modified interest rate and/or a term extension (including receivables that were modified in reorganization proceedings pursuant to the U.S. Bankruptcy Code) are typically considered to be loan modifications. Ford Credit does not grant modifications to the principal balance of the receivables. If a receivable is modified in a reorganization proceeding, all payment requirements of the reorganization plan need to be met before remaining balances are forgiven.

The use of interest rate modifications and term extensions helps Ford Credit mitigate financial loss. Term extensions may assist in cases where Ford Credit believes the customer will recover from short-term financial difficulty and resume regularly scheduled payments. The effect of most loan modifications made to borrowers experiencing financial difficulty is included in the historical trends used to measure the allowance for credit losses. A loan modification that improves the delinquency status of a borrower reduces the probability of default, which results in a lower allowance for credit losses. At **June 30, 2024** **September 30, 2024**, an insignificant portion of Ford Credit's total finance receivables portfolio had been granted a loan modification, and these modifications are generally treated as a continuation of the existing loan.

Item 1. Financial Statements (Continued)

FORD MOTOR COMPANY AND SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS

NOTE 8. FORD CREDIT FINANCE RECEIVABLES AND ALLOWANCE FOR CREDIT LOSSES (Continued)

Allowance for Credit Losses

The allowance for credit losses represents an estimate of the lifetime expected credit losses inherent in finance receivables as of the balance sheet date. The adequacy of the allowance for credit losses is assessed quarterly.

Adjustments to the allowance for credit losses are made by recording charges to *Ford Credit interest, operating, and other expenses* on our consolidated income statements. The uncollectible portion of a finance receivable is charged to the allowance for credit losses at the earlier of when an account is deemed to be uncollectible or when an account is 120 days delinquent, taking into consideration the financial condition of the customer or borrower, the value of the collateral, recourse to guarantors, and other factors.

Charge-offs on finance receivables include uncollected amounts related to principal, interest, late fees, and other allowable charges. Recoveries on finance receivables previously charged off as uncollectible are credited to the allowance for credit losses. In the event Ford Credit repossesses the collateral, the receivable is charged off and the collateral is recorded at its estimated fair value less costs to sell and reported in *Other assets* on our consolidated balance sheets.

An analysis of the allowance for credit losses related to finance receivables for the periods ended June September 30 was as follows (in millions):

Beginning balance											
Charge-offs											
Recoveries											
Provision for credit losses											
Other (a)											
Ending balance											
	Second Quarter 2024			First Half 2024							
	Third Quarter 2024			First Nine Months 2024							
	Consumer	Non-Consumer	Total	Consumer	Non-Consumer	Total	Consumer	Non-Consumer	Total	Consumer	Non-Consumer
Allowance for credit losses											
Beginning balance											
Beginning balance											
Beginning balance											
Charge-offs											
Recoveries											
Provision for credit losses											
Other (a)											
Ending balance											

(a) Primarily represents amounts related to translation adjustments.

The During the first nine months of 2024, the allowance for credit losses remained unchanged during the second quarter of 2024 and decreased \$2 \$20 million, during the first half of 2024, driven by the impact of reflecting improvement in Ford Credit's the macroeconomic outlook, assumptions, offset partially by an increase in Ford Credit finance consumer receivables. Net charge-offs increased from a year ago, reflecting normalization from lower levels following the COVID-19 pandemic. While credit performance has remained strong, high inflationary pressure and high interest rates have caused economic uncertainty, which is expected to have an unfavorable impact on future consumer credit losses. Ford Credit will continue to monitor economic trends and conditions and portfolio performance and will adjust the reserve accordingly.

Item 1. Financial Statements (Continued)

FORD MOTOR COMPANY AND SUBSIDIARIES NOTES TO THE FINANCIAL STATEMENTS

NOTE 9. INVENTORIES

Inventories were as follows (in millions):

	December 31, 2023	June 30, 2024	December 31, 2023	September 30, 2024
Raw materials, work-in-process, and supplies				
Finished products				
Total inventories				

Our finished product inventory at June 30, 2024 September 30, 2024 was higher than at December 31, 2023, primarily reflecting higher in-plant and in-transit inventory, partially driven by new vehicle launches and units awaiting final quality review. launches.

NOTE 10. OTHER LIABILITIES AND DEFERRED REVENUE

Other liabilities and deferred revenue were as follows (in millions):

	December 31, 2023	June 30, 2024	December 31, 2023	September 30, 2024
Current				
Dealer and dealers' customer allowances and claims				
Dealer and dealers' customer allowances and claims				
Dealer and dealers' customer allowances and claims				
Deferred revenue				
Employee benefit plans				
Accrued interest				

Operating lease liabilities	
OPEB (a)	
Pension (a)	
Other (b)	
Total current other liabilities and deferred revenue	
Non-current	Non-current
Dealer and dealers' customer allowances and claims	Non-current
Pension (a)	
OPEB (a)	
Deferred revenue	
Operating lease liabilities	
Employee benefit plans	
Other (b)	
Total non-current other liabilities and deferred revenue	

(a) Balances at **June 30, 2024** **September 30, 2024** reflect pension and OPEB liabilities at December 31, 2023, updated for: service and interest cost; expected return on assets; curtailments, settlements, and associated interim remeasurement (where applicable); separation expense; actual benefit payments; and cash contributions. The discount rate and rate of expected return assumptions are unchanged from year-end 2023. Included in **Other assets** are pension assets of \$4.3 billion and \$4.2 billion at both December 31, 2023 and **June 30, 2024** **September 30, 2024**, respectively.

(b) Includes current derivative liabilities of \$1.0 billion and **\$1.2 billion** \$0.8 billion at December 31, 2023 and **June 30, 2024** **September 30, 2024**, respectively. Includes non-current derivative liabilities of \$1.3 billion and **\$0.9 billion** \$1.0 billion at December 31, 2023 and **June 30, 2024** **September 30, 2024**, respectively (see Note 13).

Item 1. Financial Statements (Continued)

FORD MOTOR COMPANY AND SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS

NOTE 11. RETIREMENT BENEFITS

Defined Benefit Plans - Expense

The pre-tax net periodic benefit cost/(income) for our defined benefit pension and OPEB plans for the periods ended **June** **September** 30 were as follows (in millions):

	Second Quarter				Third Quarter				
	2023		2023		2024		2023		
	Pension Benefits	OPEB	Pension Benefits	OPEB	Pension Benefits	OPEB	Pension Benefits	OPEB	Pension Benefits
	U.S. Plans	Non-U.S. Plans	Worldwide	U.S. Plans	Non-U.S. Plans	Worldwide	U.S. Plans	Non-U.S. Plans	Worldwide
Service cost									
Interest cost									
Expected return on assets									
Amortization of prior service costs/(credits)									
Net remeasurement (gain)/loss									
Separation programs/other									
Separation costs/other									
Settlements and curtailments									
Net periodic benefit cost/(income)									
First Half									
	2023		2023		2024		2023		
	Pension Benefits	OPEB	Pension Benefits	OPEB	Pension Benefits	OPEB	Pension Benefits	OPEB	
	U.S. Plans	Non-U.S. Plans	Worldwide	U.S. Plans	Non-U.S. Plans	Worldwide	U.S. Plans	Non-U.S. Plans	Worldwide
Service cost									
Interest cost									
First Nine Months									
	2023		2023		2024		2023		
	Pension Benefits	OPEB	Pension Benefits	OPEB	Pension Benefits	OPEB	Pension Benefits	OPEB	
	U.S. Plans	Non-U.S. Plans	Worldwide	U.S. Plans	Non-U.S. Plans	Worldwide	U.S. Plans	Non-U.S. Plans	Worldwide
Service cost									
Interest cost									

Expected return on assets
Amortization of prior service costs/(credits)
Net remeasurement (gain)/loss
Separation programs/other
Separation costs/other
Settlements and curtailments
Net periodic benefit cost/(income)

The service cost component is included in *Cost of sales and Selling, administrative, and other expenses*. Other components of net periodic benefit cost/(income) are included in *Other income/(loss)*, net on our consolidated income statements.

In the third quarter and first nine months of 2024, we had settlement and curtailment expenses of \$128 million and \$125 million, respectively, which resulted in remeasurement losses of \$168 million and remeasurement gains of \$15 million, respectively.

Pension Plan Contributions

During 2024, we continue to expect to contribute about \$1 billion of cash to our global funded pension plans. We also expect to make about \$420 million \$400 million of benefit payments to participants in unfunded plans. In the first half nine months of 2024, we contributed \$633 million \$967 million to our global funded pension plans and made \$210 million \$316 million of benefit payments to participants in unfunded plans.

Item 1. Financial Statements (Continued)

FORD MOTOR COMPANY AND SUBSIDIARIES NOTES TO THE FINANCIAL STATEMENTS

NOTE 12. DEBT

The carrying value of Company debt excluding Ford Credit and Ford Credit debt was as follows (in millions):

	December 31, 2023	December 31, 2023	June 30, 2024	December 31, 2023	September 30, 2024
Company excluding Ford Credit	Company excluding Ford Credit		Company excluding Ford Credit		
Debt payable within one year					
Short-term					
Short-term					
Short-term					
Long-term payable within one year		Long-term payable within one year			Long-term payable within one year
U.K. Export Finance Program					
Other debt (including finance leases)					
Unamortized (discount)/premium					
Unamortized issuance costs					
Total debt payable within one year					
Long-term debt payable after one year	Long-term debt payable after one year			Long-term debt payable after one year	
Public unsecured debt securities					
Convertible notes (a)					
U.K. Export Finance Program					
Other debt (including finance leases)					
Unamortized (discount)/premium					
Unamortized issuance costs					
Total long-term debt payable after one year					
Total Company excluding Ford Credit					
Fair value of Company debt excluding Ford Credit (b)	Ford Credit		Ford Credit		
Debt payable within one year					
Short-term					
Short-term					
Short-term					
Long-term payable within one year		Long-term payable within one year			Long-term payable within one year

Unsecured debt
Asset-backed debt
Unamortized (discount)/premium
Unamortized issuance costs
Fair value adjustments (c)
Total debt payable within one year
Long-term debt payable after one year
Unsecured debt
Unsecured debt
Unsecured debt
Asset-backed debt
Unamortized (discount)/premium
Unamortized issuance costs
Fair value adjustments (c)
Total long-term debt payable after one year
Total Ford Credit
Fair value of Ford Credit debt (b)

(a) As of **June 30, 2024** **September 30, 2024**, each \$1,000 principal amount of the notes will be convertible into **68.17** **69.23** shares of our Common Stock, which is equivalent to a conversion price of approximately **\$14.67** **\$14.44** per share. We recognized issuance cost amortization of \$2 million and **\$3 million** **\$5 million** during the **second** **third** quarter and first **half** **nine months** of 2023 and 2024, respectively.

(b) At December 31, 2023 and **June 30, 2024** **September 30, 2024**, the fair value of debt includes \$362 million and **\$799 million** **\$536 million** of Company excluding Ford Credit short-term debt, respectively, and \$15.5 billion and **\$15.2 billion** **\$16.0 billion** of Ford Credit short-term debt, respectively, carried at cost, which approximates fair value. All other debt is categorized within Level 2 of the fair value hierarchy.

(c) These adjustments are related to hedging activity and include discontinued hedging relationship adjustments of \$(681) million and \$(527) **\$(536)** million at December 31, 2023 and **June 30, 2024** **September 30, 2024**, respectively. The carrying value of hedged debt was \$38.7 billion and **\$42.0 billion** **\$42.2 billion** at December 31, 2023 and **June 30, 2024** **September 30, 2024**, respectively.

Item 1. Financial Statements (Continued)

FORD MOTOR COMPANY AND SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS

NOTE 13. DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGING ACTIVITIES

In the normal course of business, our operations are exposed to global market risks, including the effect of changes in foreign currency exchange rates, certain commodity prices, and interest rates. To manage these risks, we enter into highly effective derivative contracts. We have elected to apply hedge accounting to certain derivatives. Derivatives that are designated in hedging relationships are evaluated for effectiveness using regression analysis at the time they are designated and throughout the hedge period. Some derivatives do not qualify for hedge accounting; for others, we elect not to apply hedge accounting.

Income Effect of Derivative Financial Instruments

The gains/(losses), by hedge designation, reported in income for the periods ended **June** **September** 30 were as follows (in millions):

	Second Quarter		First Half		Third Quarter		First Nine Months		2023	2024
	Cash flow hedges	2023	2024	2023	2024	Cash flow hedges	2023	2024		
Cash flow hedges										
Reclassified from AOCI to Cost of sales										
Foreign currency exchange contracts (a)										
Foreign currency exchange contracts (a)										
Foreign currency exchange contracts (a)										
Commodity contracts (b)										
Fair value hedges										
Interest rate contracts										
Interest rate contracts										
Interest rate contracts										
Interest rate contracts										
Net interest settlements and accruals on hedging instruments										
Net interest settlements and accruals on hedging instruments										
Net interest settlements and accruals on hedging instruments										
Fair value changes on hedging instruments										
Fair value changes on hedged debt										
Cross-currency interest rate swap contracts										
Net interest settlements and accruals on hedging instruments										
Net interest settlements and accruals on hedging instruments										

Net interest settlements and accruals on hedging instruments
Fair value changes on hedging instruments
Fair value changes on hedged debt
Derivatives not designated as hedging instruments
Foreign currency exchange contracts (c)
Foreign currency exchange contracts (c)
Foreign currency exchange contracts (c)
Cross-currency interest rate swap contracts
Interest rate contracts
Commodity contracts
Total

(a) For the **second** **third** quarter and first **half** **nine months** of 2023, a **\$328 million loss** **\$372 million gain** and a **\$391 million \$19 million loss**, respectively, were reported in *Other comprehensive income/(loss), net of tax*. For the **second** **third** quarter and first **half** **nine months** of 2024, a **\$49 million gain** **\$388 million loss** and a **\$337 million gain, \$51 million loss**, respectively, were reported in *Other comprehensive income/(loss), net of tax*.

(b) For the **second** **third** quarter and first **half** **nine months** of 2023, a **\$108 million loss** **\$58 million gain** and a **\$100 million \$42 million loss**, respectively, were reported in *Other comprehensive income/(loss), net of tax*. For the **second** **third** quarter and first **half** **nine months** of 2024, a **\$54 million an \$11 million gain** and a **\$22 million \$33 million gain**, respectively, were reported in *Other comprehensive income/(loss), net of tax*.

(c) For the **second** **third** quarter and first **half** **nine months** of 2023, a **\$32 million gain** **\$37 million loss** and a **\$51 million \$14 million gain**, respectively, were reported in *Cost of sales*, and a **\$7 \$59 million loss gain** and a **\$29 \$30 million loss, gain**, respectively, were reported in *Other income/(loss), net*. For the **second** **third** quarter and first **half** **nine months** of 2024, an **\$81 a \$138 million gain** and a **\$58 \$196 million gain**, respectively, were reported in *Cost of sales*, and a **\$45 \$5 million gain loss** and a **\$137 \$132 million gain**, respectively, were reported in *Other income/(loss), net*.

Item 1. Financial Statements (Continued)

FORD MOTOR COMPANY AND SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS

NOTE 13. DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGING ACTIVITIES (Continued)

Balance Sheet Effect of Derivative Financial Instruments

Derivative assets and liabilities are reported on our consolidated balance sheets at fair value and are presented on a gross basis. The notional amounts of the derivative instruments do not necessarily represent amounts exchanged by the parties and are not a direct measure of our financial exposure. We also enter into master agreements with counterparties that may allow for netting of exposures in the event of default or breach of the counterparty agreement. Collateral represents cash received or paid under reciprocal arrangements that we have entered into with our derivative counterparties, which we do not use to offset our derivative assets and liabilities.

The fair value of our derivative instruments and the associated notional amounts were as follows (in millions):

	December 31, 2023	December 31, 2023	June 30, 2024	December 31, 2023	September 30, 2024				
	Notional	Fair Value of Assets	Fair Value of Liabilities	Notional	Fair Value of Assets	Fair Value of Liabilities	Notional	Fair Value of Assets	Fair Value of Liabilities
Cash flow hedges									
Foreign currency exchange contracts									
Foreign currency exchange contracts									
Foreign currency exchange contracts									
Commodity contracts									
Fair value hedges									
Interest rate contracts									
Interest rate contracts									
Interest rate contracts									
Cross-currency interest rate swap contracts									
Derivatives not designated as hedging instruments									
Foreign currency exchange contracts									
Foreign currency exchange contracts									
Foreign currency exchange contracts									
Cross-currency interest rate swap contracts									
Interest rate contracts									
Commodity contracts									
Total derivative financial instruments, gross (a)	(b)								

Current portion
Current portion
Current portion
Non-current portion
Total derivative financial instruments, gross

(a) At December 31, 2023 and **June 30, 2024** **September 30, 2024**, we held collateral of \$40 million and **\$22 million** **\$35 million**, respectively, and we posted collateral of \$185 million and **\$119** **\$145 million**, respectively.

(b) At December 31, 2023 and **June 30, 2024** **September 30, 2024**, the fair value of assets and liabilities available for counterparty netting was \$815 million and **\$603** **\$1,030 million**, respectively. All derivatives are categorized within Level 2 of the fair value hierarchy.

Item 1. Financial Statements (Continued)

FORD MOTOR COMPANY AND SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS

NOTE 14. EMPLOYEE SEPARATION ACTIONS AND EXIT AND DISPOSAL ACTIVITIES

We generally record costs associated with voluntary separations at the time of employee acceptance. We record costs associated with involuntary separation programs when management has approved the plan for separation, the affected employees are identified, and it is unlikely that actions required to complete the separation plan will change significantly. Costs associated with benefits that are contingent on the employee continuing to provide service are accrued over the required service period.

Company Excluding Ford Credit

Employee separation actions and exit and disposal activities include employee separation costs, facility and other asset-related charges (e.g., impairment, accelerated depreciation), dealer and supplier payments, other statutory and contractual obligations, and other expenses, which are recorded in *Cost of sales* and *Selling, administrative, and other expenses*. Below are actions that have been initiated:

- Brazil.** Exited manufacturing operations in 2021 resulting in the closure of facilities in Camaçari, Taubaté, and Troller. Sales of the Taubaté and Camaçari plants were completed in 2023
- India.** Ceased vehicle manufacturing in Sanand in the fourth quarter of 2021 and ceased manufacturing in Chennai in the third quarter of 2022. A sale of the Sanand vehicle assembly and powertrain plants was completed in the first quarter of 2023 (see Note 15)
- Spain.** Ceased production of the Mondeo at the Valencia plant in the first quarter of 2022
- China.** Ceased development of certain product programs in 2023
- Germany.** Production of the Focus will cease at our Saarlouis Body and Assembly Plant in 2025. Our plan is to repurpose the facility into a technology center, retaining 1,000 positions

In addition, we are continuing to reduce our global workforce and take other restructuring actions, including the separation of salaried workers announced in 2023 and separation packages for certain members of our hourly workforce.

The following table summarizes the activities for the periods ended **June** **September** 30, which are recorded in *Other liabilities and deferred revenue* (in millions):

	Second Quarter		First Half		Third Quarter		First Nine Months			
	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024
Beginning balance										
Changes in accruals (a)										
Payments										
Foreign currency translation and other										
Ending balance										

(a) Excludes pension costs of **\$55 million** **\$58 million** and **\$50 million** **\$158 million** in the **second** **third** quarter of 2023 and 2024, respectively, and **\$59 million** **\$117 million** and **\$64 million** **\$222 million** in the first **half** **nine months** of 2023 and 2024, respectively.

We recorded **\$2 million** in the second quarter of 2023 **\$0** and **\$50 million** in the **third quarter** and first **half** **nine months** of 2023, respectively, for accelerated depreciation and other non-cash items.

We recorded costs of **\$1** **\$1.2 billion** and **\$853 million** **\$1.1 billion** in the first **half** **nine months** of 2023 and 2024, respectively, related to the actions above. We estimate that For the remainder of 2024, we will do not expect to incur about **\$1 billion** in total significant additional charges in 2024 related to such actions, primarily attributable to employee separations and supplier settlements; some charges are related to plans that are subject to negotiations with a works council, union, or other social partner. In addition, we actions. We continue to review our global businesses and may take additional restructuring actions where a path to sustained profitability is not feasible when considering the capital allocation required for those businesses.

Item 1. Financial Statements (Continued)

FORD MOTOR COMPANY AND SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS

NOTE 15. ACQUISITIONS AND DIVESTITURES

Company Excluding Ford Credit

Ford Sales and Service Korea Company ("FSSK"). In the first quarter of 2024, we entered into an agreement to sell 100% of our equity interest in FSSK. Accordingly, as of **June 30, 2024** **September 30, 2024**, we reported **\$55 million** **\$56 million** of held-for-sale assets, including **\$45 million** **\$43 million** of cash, and **\$37 million** **\$31 million** of held-for-sale liabilities in *Other assets* and *Other liabilities*, respectively. We determined the assets held for sale were not impaired.

Auto Motive Power ("AMP"). In the fourth quarter of 2023, we acquired AMP, a California-based energy management startup focused on electric vehicle charging solutions. Assets acquired primarily include goodwill and technology, which are reported in *Other assets*. The acquisition did not have a material impact on our financial statements.

Sanand, India ("Sanand") Plants. In the first quarter of 2023, we completed the sale of our Sanand vehicle assembly and powertrain plants to Tata Passenger Electric Mobility Limited, a subsidiary of Tata Motors Limited. Ford continues to operate the powertrain facility by leasing back the associated land and building. As a result of the sale transaction, we derecognized the fixed assets and recognized the powertrain facility operating lease right-of-use asset and related lease liability in the first quarter of 2023. The fair value of the cash consideration received approximated the carrying value of the fixed assets at the time of sale.

Item 1. Financial Statements (Continued)

FORD MOTOR COMPANY AND SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS

NOTE 16. ACCUMULATED OTHER COMPREHENSIVE INCOME/(LOSS)

The changes in the balances for each component of accumulated other comprehensive income/(loss) attributable to Ford Motor Company for the periods ended **June 30** **September 30** were as follows (in millions):

	Second Quarter		First Half					
	Third Quarter		First Nine Months					
	2023	2023	2024	2023	2024	2023	2024	2023
Foreign currency translation								
Beginning balance								
Beginning balance								
Beginning balance								
Gains/(Losses) on foreign currency translation								
Less: Tax/(Tax benefit) (a)								
Net gains/(losses) on foreign currency translation								
(Gains)/Losses reclassified from AOCI to net income (b)								
Other comprehensive income/(loss), net of tax (c)								
Ending balance								
Marketable securities								
Marketable securities								
Marketable securities								
Beginning balance								
Beginning balance								
Beginning balance								
Gains/(Losses) on available for sale securities								
Less: Tax/(Tax benefit)								
Net gains/(losses) on available for sale securities								
(Gains)/Losses reclassified from AOCI to net income								
Less: Tax/(Tax benefit)								
Net (gains)/losses reclassified from AOCI to net income (b) (d)								
Other comprehensive income/(loss), net of tax								
Ending balance								
Derivative instruments								
Derivative instruments								
Derivative instruments								

Derivative instruments
Beginning balance
Beginning balance
Beginning balance
Gains/(Losses) on derivative instruments
Less: Tax/(Tax benefit)
Net gains/(losses) on derivative instruments
(Gains)/Losses reclassified from AOCI to net income
Less: Tax/(Tax benefit)
Net (gains)/losses reclassified from AOCI to net income (d) (e)
Other comprehensive income/(loss), net of tax
Ending balance
Pension and other postretirement benefits
Pension and other postretirement benefits
Pension and other postretirement benefits
Beginning balance
Beginning balance
Beginning balance
Amortization and recognition of prior service costs/(credits)
Less: Tax/(Tax benefit)
Net prior service costs/(credits) reclassified from AOCI to net income
Translation impact on non-U.S. plans
Other comprehensive income/(loss), net of tax
Ending balance
Total AOCI ending balance at June 30
Total AOCI ending balance at June 30
Total AOCI ending balance at June 30
Total AOCI ending balance at September 30
Total AOCI ending balance at September 30
Total AOCI ending balance at September 30

(a) We do not recognize deferred taxes for a majority of the foreign currency translation gains and losses because we do not anticipate reversal in the foreseeable future. However, we have made elections to tax certain non-U.S. operations simultaneously in U.S. tax returns, and have recorded deferred taxes for temporary differences that will reverse, independent of repatriation plans, in U.S. tax returns. Taxes or tax benefits resulting from foreign currency translation of the temporary differences are recorded in *Other comprehensive income/(loss), net of tax*.

(b) Includes the reclassification of foreign currency translation net gains of \$64 million and \$65 million in the third quarter and first nine months of 2024, respectively, to *Other income/(loss), net* related to the substantial liquidation of certain Ford Credit investments in Europe.

(c) Excludes a \$2 million loss and a \$2 million gain in the third quarter and first nine months of 2023, respectively, and a \$1 million gain and a \$0 loss in the third quarter and first nine months of 2024, respectively, related to a noncontrolling interest.

(d) Reclassified to *Other income/(loss), net*.

(e) Excludes a \$4 million gain and a \$1 million loss related to noncontrolling interests in 2023 and 2024, respectively.

(d) (e) Reclassified to *Cost of sales*. During the next twelve months, we expect to reclassify existing net gains losses on cash flow hedges of \$13 \$238 million (see Note 13).

Item 1. Financial Statements (Continued)

FORD MOTOR COMPANY AND SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS

NOTE 17. VARIABLE INTEREST ENTITIES

Certain of our affiliates are variable interest entities in which we are not the primary beneficiary. Our maximum exposure to any potential losses associated with these unconsolidated affiliates is limited to our equity investments, accounts receivable, loans, and guarantees and was \$3.7 billion and **\$5.2 billion** \$5.9 billion at December 31, 2023 and **June 30, 2024** September 30, 2024, respectively. Of these amounts, guarantees of \$125 million at both December 31, 2023 and **June 30, 2024** September 30, 2024 related to certain obligations of our VIEs also are included in Note 18.

On July 13, 2022, Ford, SK On Co., Ltd., and SK Battery America, Inc. (a wholly owned subsidiary of SK On) completed the creation of BlueOval SK, LLC ("BOSK"), a 50/50 joint venture that will build and operate electric vehicle battery plants in Tennessee and Kentucky to supply batteries to Ford and Ford affiliates. BOSK is a variable interest entity of which we are not the primary beneficiary, and we use the equity method of accounting for our investment. As of **June 30, 2024** September 30, 2024, Ford has recognized

contributions to BOSK of **\$4.8** **\$5.5** billion of its agreed capital contribution of up to \$6.6 billion through 2026. The total amount of capital contributions is subject to adjustments agreed to by the parties.

Item 1. Financial Statements (Continued)

FORD MOTOR COMPANY AND SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS

NOTE 18. COMMITMENTS AND CONTINGENCIES

Commitments and contingencies primarily consist of guarantees and indemnifications, litigation and claims, and warranty and field service actions.

Guarantees and Indemnifications

Financial Guarantees. Financial guarantees and indemnifications are recorded at fair value at their inception. Subsequent to initial recognition, the guarantee liability is adjusted at each reporting period to reflect the current estimate of expected payments resulting from possible default events over the remaining life of the guarantee. The maximum potential payments for financial guarantees were \$535 million and **\$537 million** **\$588 million** at December 31, 2023 and **June 30, 2024** **September 30, 2024**, respectively. The carrying value of recorded liabilities related to financial guarantees was \$59 million and **\$39** **\$41 million** at December 31, 2023 and **June 30, 2024** **September 30, 2024**, respectively.

Our financial guarantees consist of debt and lease obligations of certain joint ventures, as well as certain financial obligations of outside third parties, including suppliers, to support our business and economic growth. Expiration dates vary through 2037, and guarantees will terminate on payment and/or cancellation of the underlying obligation. A payment by us would be triggered by failure of the joint venture or other third party to fulfill its obligation covered by the guarantee. In some circumstances, we are entitled to recover from a third party amounts paid by us under the guarantee.

Non-Financial Guarantees. Non-financial guarantees and indemnifications are recorded at fair value at their inception. We regularly review our performance risk under these arrangements, and in the event it becomes probable we will be required to perform under a guarantee or indemnity, the amount of probable payment is recorded. The maximum potential payments and carrying values of recorded liabilities related to non-financial guarantees were de minimis at both December 31, 2023 and **June 30, 2024** **September 30, 2024**.

In the ordinary course of business, we execute contracts involving indemnifications standard in the industry and indemnifications specific to a transaction, such as the sale of a business. These indemnifications might include and are not limited to claims relating to any of the following: environmental, tax, and shareholder matters; intellectual property rights; power generation contracts; governmental regulations and employment-related matters; dealer, supplier, and other commercial contractual relationships; and financial matters, such as securitizations. Performance under these indemnities generally would be triggered by a breach of contract claim brought by a counterparty, including a joint venture or alliance partner, or a third-party claim. While some of these indemnifications are limited in nature, many of them do not limit potential payment. Therefore, we are unable to estimate a maximum amount of future payments that could result from claims made under these unlimited indemnities.

Item 1. Financial Statements (Continued)

FORD MOTOR COMPANY AND SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS

NOTE 18. COMMITMENTS AND CONTINGENCIES (Continued)

Litigation and Claims

Various legal actions, proceedings, and claims (generally, "matters") are pending or may be instituted or asserted against us. These include, but are not limited to, matters arising out of alleged defects in our products; product warranties; governmental regulations relating to safety, emissions, and fuel economy or other matters; government incentives; tax matters, including trade and customs; alleged illegal acts resulting in fines or penalties; financial services; employment-related matters; dealer, supplier, and other contractual relationships; intellectual property rights; environmental matters; shareholder or investor matters; and financial reporting matters. Certain of the pending legal actions are, or purport to be, class actions. Some of the matters involve or may involve claims for compensatory, punitive, or antitrust or other treble damages in very large amounts, or demands for field service actions, environmental remediation programs, sanctions, loss of government incentives, assessments, or other relief, which, if granted, would require very large expenditures.

The extent of our financial exposure to these matters is difficult to estimate. Many matters do not specify a dollar amount for damages, and many others specify only a jurisdictional minimum. To the extent an amount is asserted, our historical experience suggests that in most instances the amount asserted is not a reliable indicator of the ultimate outcome.

We accrue for matters when losses are deemed probable and reasonably estimable. In evaluating matters for accrual and disclosure purposes, we take into consideration factors such as our historical experience with matters of a similar nature, the specific facts and circumstances asserted, the likelihood that we will prevail, and the severity of any potential loss. We reevaluate and update our accruals as matters progress over time.

For the majority of matters, which generally arise out of alleged defects in our products, we establish an accrual based on our extensive historical experience with similar matters. We do not believe there is a reasonably possible outcome materially in excess of our accrual for these matters.

For the remaining matters, where our historical experience with similar matters is of more limited value (i.e., "non-pattern matters"), we evaluate the matters primarily based on the individual facts and circumstances. For non-pattern matters, we evaluate whether there is a reasonable possibility of a material loss in excess of any accrual that can be

estimated. Our estimate of reasonably possible loss in excess of our accruals for all material matters currently reflects indirect tax and regulatory matters, for which we estimate the aggregate risk to be a range of up to about \$0.6 billion.

As noted, the litigation process is subject to many uncertainties, and the outcome of individual matters is not predictable with assurance. Our assessments are based on our knowledge and experience, but the ultimate outcome of any matter could require payment substantially in excess of the amount that we have accrued and/or disclosed.

Item 1. Financial Statements (Continued)

**FORD MOTOR COMPANY AND SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 18. COMMITMENTS AND CONTINGENCIES (Continued)

Warranty and Field Service Actions

We accrue the estimated cost of both base warranty coverages and field service actions at the time of sale. We establish our estimate of base warranty obligations using a patterned estimation model, using historical information regarding the nature, frequency, and average cost of claims for each vehicle line by model year. We establish our estimates of field service action obligations using a patterned estimation model, using historical information regarding the nature, frequency, severity, and average cost of claims for each model year. In addition, from time to time, we issue extended warranties at our expense, the estimated cost of which is accrued at the time of issuance. Warranty and field service action obligations are reported in *Other liabilities and deferred revenue*. We reevaluate the adequacy of our accruals on a regular basis.

We recognize the benefit from a recovery of the costs associated with our warranty and field service actions when specifics of the recovery have been agreed with our supplier and the amount of recovery is virtually certain. Recoveries are reported in *Trade and other receivables, net* and *Other assets*.

The estimate of our future warranty and field service action costs, net of estimated supplier recoveries, for the periods ended **June** **September** 30 was as follows (in millions):

	First Half	First Nine Months
	2023	2024
Beginning balance		
Payments made during the period		
Changes in accrual related to warranties issued during the period		
Changes in accrual related to pre-existing warranties		
Foreign currency translation and other		
Ending balance		

Changes to our estimated costs are reported as changes in accrual related to pre-existing warranties in the table above. Our estimate of reasonably possible costs in excess of our accruals for material field service actions and customer satisfaction actions is a range of up to about **\$1.3** **\$1.5** billion in the aggregate.

Item 1. Financial Statements (Continued)

**FORD MOTOR COMPANY AND SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 19. SEGMENT INFORMATION

We report segment information consistent with the way our chief operating decision maker ("CODM") evaluates the operating results and performance of the Company. Accordingly, we analyze the results of our business through the following segments: Ford Blue, Ford Model e, Ford Pro, Ford Next, and Ford Credit.

Below is a description of our reportable segments and other activities.

Ford Blue Segment

Ford Blue primarily includes the sale of Ford and Lincoln internal combustion engine ("ICE") and hybrid vehicles, service parts, accessories, and digital services for retail customers, together with the associated costs of development, manufacture, and distribution of the vehicles, parts, accessories, and services. This segment focuses on developing Ford and Lincoln ICE and hybrid vehicles. Additionally, this segment provides hardware engineering and manufacturing capabilities to Ford Model e and manufactures vehicles on behalf of Ford Pro and, in certain cases, Ford Model e. Ford Blue also includes:

- All sales for markets not presently in scope for Ford Model e or Ford Pro (as further described below)
- In markets outside of the United States and Canada, sales to commercial, government, and rental customers of ICE and hybrid vehicles not considered core to Ford Pro
- Sales of electric vehicles ("EVs") by our unconsolidated affiliates in China
- All sales of vehicles manufactured and sold to other OEMs

Ford Model e Segment

Ford Model e primarily includes the sale of our electric vehicles, service parts, accessories, and digital services for retail customers, together with the associated costs of development, manufacture, and distribution of the vehicles, parts, accessories, and services. This segment focuses on developing EV and digital vehicle technologies, as well as software development. Additionally, Ford Model e provides software and connected vehicle technologies on behalf of the enterprise, and manufactures certain EVs, including for Ford Pro. Ford Model e operates in North America, Europe, and China. Ford Model e also includes EV and related sales not considered core to Ford Pro to commercial, government, and rental customers in Europe, China, and Mexico.

Ford Pro Segment

Ford Pro primarily includes the sale of Ford and Lincoln vehicles, service parts, accessories, and services for commercial, government, and rental customers. Included in this segment are sales of all core Ford Pro vehicles, such as Super Duty and the Transit range of vans in North America and Europe and all sales of Ranger in Europe. In the United States and Canada, Ford Pro also includes all vehicle sales to commercial, government, and rental customers. This segment focuses on selling ICE, hybrid, and electric vehicles, and providing digital and physical services to optimize and maintain fleets, including telematics and EV charging solutions. This segment reflects external sales of vehicles produced by Ford Blue and Ford Model e, and the costs (including intersegment markup) associated with acquiring vehicles for sale and providing services are reflected in this segment. Ford Pro operates in North America and Europe.

Ford Next Segment

The Ford Next segment primarily includes expenses and investments for emerging business initiatives aimed at creating value for Ford in vehicle-adjacent market segments.

Ford Credit Segment

The Ford Credit segment is comprised of the Ford Credit business on a consolidated basis, which is primarily vehicle-related financing and leasing activities.

Item 1. Financial Statements (Continued)

FORD MOTOR COMPANY AND SUBSIDIARIES NOTES TO THE FINANCIAL STATEMENTS

NOTE 19. SEGMENT INFORMATION (Continued)

Corporate Other

Corporate Other primarily includes corporate governance expenses, past service pension and OPEB income and expense, interest income (excluding Ford Credit interest income and interest earned on our extended service contract portfolio) and gains and losses from our cash, cash equivalents, and marketable securities (excluding gains and losses on investments in equity securities), and foreign exchange derivatives gains and losses associated with intercompany lending. Corporate governance expenses are primarily administrative, delivering benefit on behalf of the global enterprise, that are not allocated to operating segments. These include expenses related to setting and directing global policy, providing oversight and stewardship, and promoting the Company's interests. Corporate Other assets include: cash, cash equivalents and marketable securities, tax related assets, defined benefit pension plan net assets, and other assets managed centrally.

Interest on Debt

Interest on Debt is presented as a separate reconciling item and consists of interest expense on Company debt excluding Ford Credit.

Special Items

Special Items are presented as a separate reconciling item. They consist of (i) pension and OPEB remeasurement gains and losses, (ii) gains and losses on investments in equity securities, (iii) significant personnel expenses, supplier- and dealer-related costs, and facility-related charges stemming from our efforts to match production capacity and cost structure to market demand and changing model mix, and (iv) other items that we do not necessarily consider to be indicative of earnings from ongoing operating activities. Our management ordinarily excludes these items from its review of the results of the operating segments for purposes of measuring segment profitability and allocating resources. We also report these special items separately to help investors track amounts related to these activities and to allow investors analyzing our results to identify certain infrequent significant items that they may wish to exclude when considering the trend of ongoing operating results.

Item 1. Financial Statements (Continued)

FORD MOTOR COMPANY AND SUBSIDIARIES NOTES TO THE FINANCIAL STATEMENTS

NOTE 19. SEGMENT INFORMATION (Continued)

Segment Revenue, Cost, and Asset Principles for Ford Blue, Ford Model e, and Ford Pro

External vehicle and digital services revenue is generally vehicle-specific and included in the segment responsible for the external vehicle sale. A majority of parts and accessories revenue and cost is attributed to customer sales channels or vehicle lines based on recent end customer sales and is included in the respective segment.

In the normal course of business, Ford Blue, Ford Model e, and Ford Pro transact between segments and cooperate to leverage synergies, including developing and manufacturing vehicles on behalf of another segment. When one segment produces a vehicle that is sold externally by another segment, an intersegment transaction occurs. The

producing segment will report intersegment revenue to recoup the costs associated with the unit produced. This includes material cost, labor and overhead (including depreciation and amortization), inbound freight, and an intersegment markup. The intersegment markup amount is set to deliver a competitive return to the producing segment for its manufacturing and distribution service. Costs are reflected in the associated segment externally reporting the vehicle sale, as detailed in the table below:

Income Statement Elements	Examples	Segment Reporting
Costs specific to a particular vehicle	Bill of material cost and initial warranty accrual	Reported in the segment externally selling the vehicle
Costs identifiable by product line	Manufacturing and logistics costs, depreciation & amortization expense, direct research & development costs	Typically identifiable to the product line or production location. Reported in the segment externally selling the vehicle, based on relative volume
Shared costs	Selling, general & administrative expense, and indirect/cross product line research & development costs	Typically shared across all segments, generally based on relative volume. Certain costs clearly linked to a segment are reported in the specific segment
Intersegment markup costs for intersegment vehicle transactions	Contract manufacturing and distribution fees	Reported in the segment externally selling the vehicle, for each applicable vehicle transaction

Assets are reported in each segment, aligned to the appropriate operational responsibility. Manufacturing assets, e.g., our plants and the machinery and equipment therein, are included in our Ford Blue and Ford Model e segments. Manufacturing assets producing only, or primarily, EVs and related components are reflected in Ford Model e. Manufacturing assets that support the production of ICE and hybrid vehicles, including those producing ICE and electric in the same facility, are included in Ford Blue. Vendor tooling dedicated to producing EV parts is reported in Ford Model e. There are no Ford manufacturing or vendor tooling assets reported in Ford Pro. Regardless of the segment reporting the asset, depreciation and amortization expense is reflected on the basis of production volume and reported in the segment that reports the external vehicle sale.

Equity in net income/(loss) of affiliated companies is included in *Income/(Loss) before income taxes*, based primarily on which segment the entity supports or has the majority of the entity's purchases or sales. The table below shows the segment reporting for our most significant unconsolidated entities:

<u>Ford Blue</u>	<u>Ford Model e</u>	<u>Ford Pro</u>
◦ Chang'an Ford Automobile Corporation, Ltd. ("CAF")	◦ BlueOval SK, LLC	◦ Ford Otomotiv Sanayi Anonim Sirketi ("Ford Otosan")
◦ Jiaxing Motors Corporation, Ltd. ("JMC")		
◦ AutoAlliance (Thailand) Co., Ltd. ("AAT")		

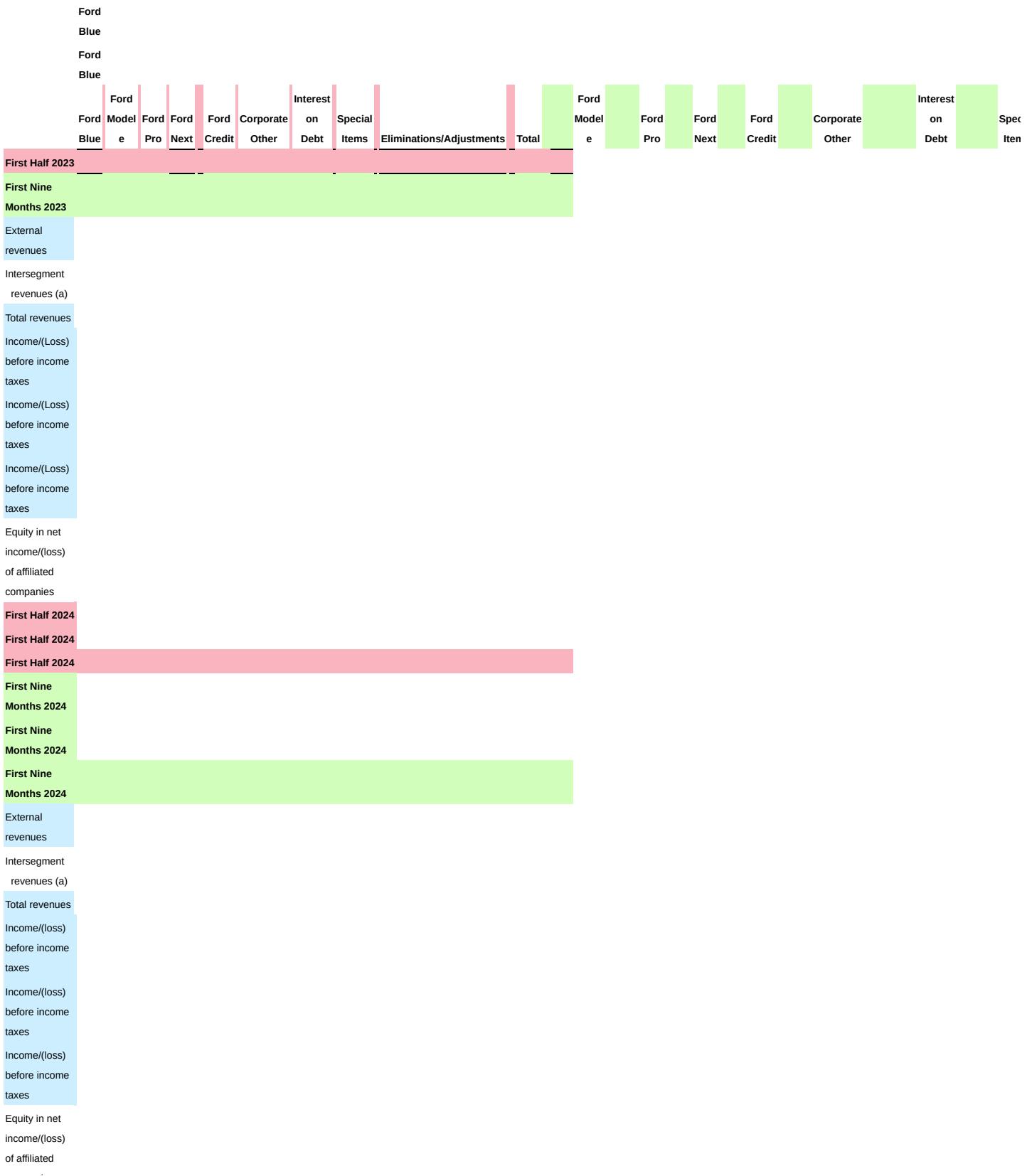
Item 1. Financial Statements (Continued)

FORD MOTOR COMPANY AND SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS

NOTE 19. SEGMENT INFORMATION (Continued)

Key financial information for the periods ended or at June September 30 was as follows (in millions):																						
	Ford Blue	Ford Model e	Ford Pro	Ford Next	Ford Credit	Corporate Other	on Debt	Interest	Special Items	on Debt	Interest	on Debt	Eliminations/Adjustments	Total	Ford Blue	Ford Model e	Ford Pro	Ford Next	Ford Credit	Corporate Other	Interest	on Debt
Second Quarter 2023																						
Third Quarter 2023																						
External revenues																						
Intersegment revenues (a)																						
Total revenues																						
Income/(Loss) before income taxes																						
Income/(Loss) before income taxes																						
Income/(Loss) before income taxes																						

Equity in net income/(loss) of affiliated companies	
Equity in net income/(loss) of affiliated companies	
Equity in net income/(loss) of affiliated companies	
Total assets	
Total assets	
Total assets	
Second Quarter 2024	
Second Quarter 2024	
Second Quarter 2024	
Third Quarter 2024	
Third Quarter 2024	
Third Quarter 2024	
External revenues	
Intersegment revenues (a)	
Total revenues	
Income/(loss) before income taxes	
Income/(loss) before income taxes	
Income/(loss) before income taxes	
Equity in net income/(loss) of affiliated companies	
Equity in net income/(loss) of affiliated companies	
Equity in net income/(loss) of affiliated companies	
Total assets	
Total assets	
Total assets	



(a) Intersegment revenues only reflect finished vehicle transactions between Ford Blue, Ford Model e, and Ford Pro where there is an intersegment markup and are recognized at the time of the intersegment transaction.

- (b) Primarily reflects restructuring actions, mark-to-market adjustments for our global pension and OPEB plans, and an accrual for the Transit Connect customs matter (relating to certain Transit Connect vehicles produced between 2009 and 2013).
- (c) Primarily includes eliminations of intersegment transactions occurring in the ordinary course of business.
- (d) Primarily reflects a write-down of certain product-specific assets of \$391 million and other expenses of \$588 million related to the cancellation of a previously planned all-electric three-row SUV program, all of which was recorded in *Cost of sales*. The remaining items consist of pension curtailment costs and remeasurement losses (primarily related to hourly buyouts in North America) and continued restructuring actions in Europe.
- (e) Primarily reflects our share of charges from an equity method investment resulting from Ford's ongoing restructuring actions in China.
- (d) (f) Primarily includes eliminations of intersegment transactions occurring in the ordinary course of business.
- (g) Primarily reflects restructuring actions in Europe (which triggered remeasurement) includes a write-down of certain European pension plans) product-specific assets of \$391 million and updated assumptions for other expenses of \$588 million related to the duration cancellation of the Oakville Assembly Plant changeover, a previously planned all-electric three-row SUV program, all of which is now shorter than originally planned.
- (h) was recorded in *Primarily Cost of sales*. The amount also reflects restructuring actions in Europe, buyouts for hourly employees in North America, and the extended duration of the Oakville Assembly Plant changeover, changeover, and pension curtailment and separation costs in North America and Europe.

ITEM 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

RECENT DEVELOPMENTS

Electric Vehicle Market

Although we continue to invest in our electric vehicle strategy, we have observed lower-than-anticipated industrywide electric vehicle adoption rates and near-term pricing pressures, which has led us, and may in the future lead us, to adjust our spending, production, and/or product launches to better match the pace of electric vehicle adoption. As a result, we have incurred, recorded about \$1.1 billion of expenses in the third quarter of 2024 and may continue to incur expenses related to payments to our electric vehicle-related suppliers (battery, raw material, or otherwise), inventory adjustments, or other matters. The third quarter amount includes \$979 million related to the cancellation of a previously announced all-electric three-row SUV program. We may incur additional expenses and cash expenditures of up to about \$900 million related to the cancellation, the majority of which we expect to record by the first half of 2025. Further, significant unexpected changes in the EV demand environment have led, and may in the future lead, to incremental competitive pricing actions. These market dynamics may continue to occur, which could have a substantial impact on our business.

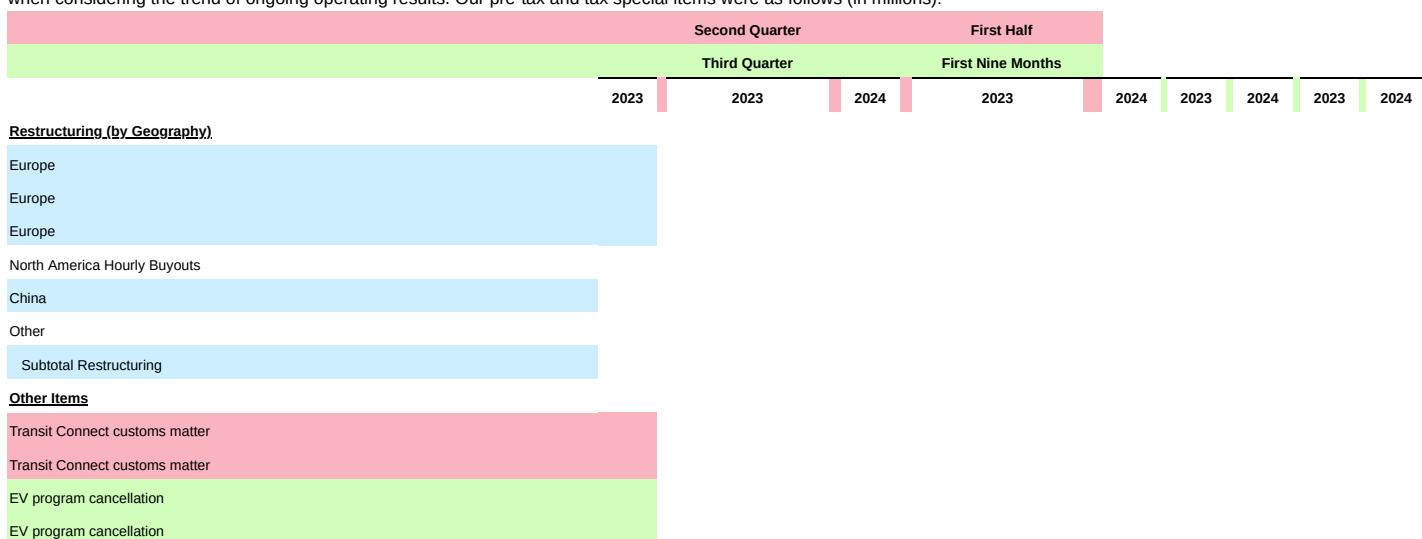
In addition, slower-than-anticipated development of the electric vehicle market may impact our strategy to comply with regulatory standards, and, in some cases, we plan to utilize credits purchased from third parties to demonstrate regulatory compliance or we may need to modify our product offerings. In the second quarter of 2024, for example, we entered into agreements to purchase about \$3.8 billion of regulatory compliance credits for use in North America and Europe for current and future model years. Our obligations under those agreements as well as the ultimate number of credits we may purchase are dependent on the sellers' delivery of the credits and on the continued existence of the underlying regulatory compliance obligation in the applicable jurisdiction. During the second quarter of 2024, we recorded about \$100 million of expense for our anticipated utilization of regulatory compliance credits, which is included in Ford Blue and Ford Pro results. See Item 1A. Risk Factors in our 2023 Form 10-10-K Report and as updated by our subsequent filings with the SEC for a discussion of the risks related to lower-than-anticipated electric vehicle volumes and our planned transition to a greater mix of electric vehicles.

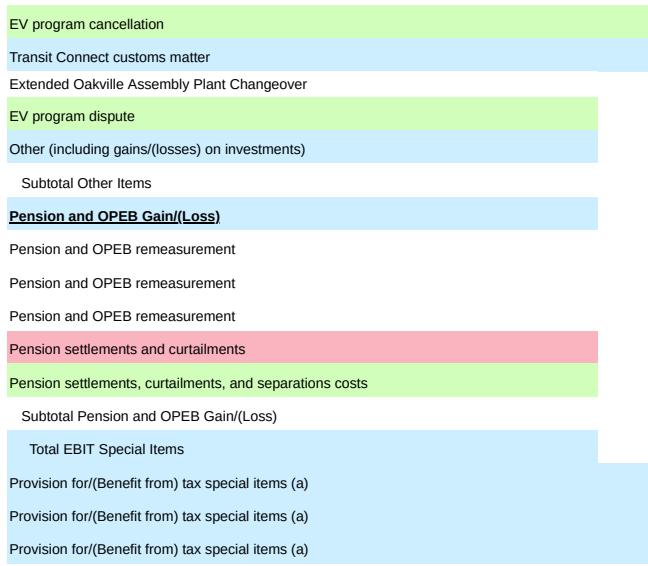
Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations (Continued)

RESULTS OF OPERATIONS

In the second third quarter of 2024, the net income attributable to Ford Motor Company was \$1,831 million \$892 million, and Company adjusted EBIT was \$2,757 million \$2,550 million.

Net income/(loss) includes certain items ("special items") that are excluded from Company adjusted EBIT. These items are discussed in more detail in Note 19 of the Notes to the Financial Statements. We report special items separately to allow investors analyzing our results to identify certain infrequent significant items that they may wish to exclude when considering the trend of ongoing operating results. Our pre-tax and tax special items were as follows (in millions):





(a) Includes related tax effect on special items and tax special items.

We recorded **\$49 million** **\$1.4 billion** of pre-tax special item charges in the **second** **third** quarter of 2024, primarily reflecting a write-down of certain product-specific assets and other expenses related to the cancellation of a previously planned all-electric three-row SUV program, pension curtailment costs and remeasurement losses (primarily related to hourly buyouts in North America), and continued restructuring actions in Europe (which triggered remeasurement of certain European pension plans) and updated assumptions for the duration of the Oakville Assembly Plant changeover, which is now shorter than originally planned. **Europe.**

In Note 19 of the Notes to the Financial Statements, special items are reflected as a separate reconciling item, as opposed to being allocated among our segments. This reflects the fact that management excludes these items from its review of operating segment results for purposes of measuring segment profitability and allocating resources.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations (Continued)

COMPANY KEY METRICS

The table below shows our **second** **third** quarter and first **half** **nine months** 2024 key metrics for the Company, compared to a year ago.



Non-GAAP FinancialMeasures (a)Non-GAAP FinancialMeasures (a)

Company Adj. Free Cash Flow (\$B)

Company Adj. Free Cash Flow (\$B)

Company Adj. Free Cash Flow (\$B)

Company Adj.

EBIT (\$M)

Company Adj. EBIT Margin (%)

Company Adj. EBIT Margin (%)

8.4 %

5.8 %

(2.7) ppts

8.3 %

6.1 %

(2.2) EBIT Margin ppts (%)

5.0 %

5.5 %

0.5 ppts

7.2 %

5.9 %

Adjusted EPS

(Diluted)

Adjusted

ROIC (Trailing

Four

Quarters)

(a) See Non-GAAP Financial Measure Reconciliations section for reconciliation to GAAP.

In the **second** **third** quarter of 2024, our diluted earnings per share of Common and Class B Stock was **\$0.46**, **\$0.22**, and our diluted adjusted earnings per share was **\$0.47**, **\$0.49**.

Net income/(loss) margin was **3.8%** **1.9%** in the **second** **third** quarter of 2024, down **0.4** **0.8** percentage points from a year ago. Company adjusted EBIT margin was **5.8%** **5.5%** in the **second** **third** quarter of 2024, **down 2.7** **up 0.5** percentage points from a year ago.

The table below shows our **second** **third** quarter and first **half** **nine months** 2024 net income/(loss) attributable to Ford and Company adjusted EBIT by segment.

	Second Quarter				First Half				First Nine Months			
	Third Quarter		First Nine Months		2023		2024		H / (L)		2023	
	2023	2024	2023	2024	H / (L)	2023	2024	H / (L)	2023	2024	H / (L)	2023
Ford Blue												
Ford Model e												
Ford Pro												
Ford Next												
Ford Credit												
Corporate Other												
Company Adjusted EBIT (a)												
Interest on Debt												
Special Items												
Taxes / Noncontrolling Interests												
Net Income/(Loss)												

(a) See Non-GAAP Financial Measure Reconciliations section for reconciliation to GAAP.

The year-over-year decrease of **\$86 million** **\$307 million** in net income was primarily driven by lower Ford Blue EBIT and higher tax expense, the three-row SUV EV program cancellation special item, offset partially by higher Company adjusted EBIT and lower restructuring costs, the non-recurrence of an accrual for the Transit Connect customs matter, and a pension remeasurement gain, tax expense. The year-over-year **decrease** **increase** of **\$1.0 billion** **\$352 million** in Company adjusted EBIT was driven by lower higher Ford Blue Credit and Ford Pro EBIT and a lower Ford Model e EBIT loss, offset partially by higher lower Ford Pro Blue EBIT.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations (Continued)

The tables below and on the following pages provide **second** **third** quarter and first **half** **nine months** 2024 key metrics and the change in **second** **third** quarter 2024 EBIT compared with **second** **third** quarter 2023 by causal factor for each of our Ford Blue, Ford Model e, and Ford Pro segments. For a description of these causal factors, see *Definitions and Information Regarding Ford Blue, Ford Model e, Ford Pro Causal Factors*.

Ford Blue Segment

Key Metrics	Key Metrics	Second Quarter			First Half			Key Metrics	2023	2024	H / (L)	2023	2024	H / (L)	2023	2024	H / (L)										
		Third Quarter			First Nine Months																						
		2023	2024	H / (L)	2023	2024	H / (L)																				
Wholesale Units (000) (a)																											
Revenue (\$M)																											
EBIT (\$M)																											
EBIT Margin (%)	EBIT Margin (%)	9.2 %	4.4 %	(4.8) ppts	9.8 %	4.3 %	(5.6) ppts	EBIT Margin (%)	6.7 %	6.2 %	(0.5) ppts	8.8 %	5.0 %	(3.8) ppts													

(a) Includes Ford and Lincoln brand and JMC brand vehicles produced and sold in China by our unconsolidated affiliates (about 107,000 124,000 units in Q2 Q3 2023 and 105,000 101,000 units in Q2 Q3 2024).

Change in EBIT by Causal Factor (in millions)

Second Third Quarter 2023 EBIT	\$ 2,308	1,718
Volume / Mix		299 13
Net Pricing		194 113
Cost		(1,408) 201
Exchange		(200) (369)
Other		(22) (49)
Second Third Quarter 2024 EBIT	\$ 1,171	1,627

In the second third quarter of 2024, Ford Blue's wholesales increased 3% decreased 2% from a year ago, driven primarily by higher F-150, Maverick, the end of production of the Edge in North America and Ranger volumes, fewer vehicles produced and sold in China by our unconsolidated affiliates, offset partially by ceasing production of the Fiesta in Europe. Second higher Bronco and F-150 wholesales. Third quarter 2024 revenue increased 7% 3%, driven primarily by higher wholesales, wholesales excluding our unconsolidated affiliates in China, offset partially by unfavorable exchange.

Ford Blue's second third quarter 2024 EBIT was \$1.2 billion \$1.6 billion, a decrease of \$1.1 billion \$91 million from a year ago, with an EBIT margin of 4.4% 6.2%. The lower EBIT was primarily driven by higher warranty costs, higher material costs for new products, unfavorable exchange and higher manufacturing cost, offset partially by lower warranty costs and higher wholesales, net pricing.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations (Continued)

Ford Model e Segment

Key Metrics	Key Metrics	Second Quarter			First Half			Key Metrics	2023	2024	H / (L)	2023	2024	H / (L)	2023	2024	H / (L)										
		Third Quarter			First Nine Months																						
		2023	2024	H / (L)	2023	2024	H / (L)																				
Wholesale Units (000)																											
Revenue (\$M)																											
EBIT (\$M)																											
EBIT Margin (%)	EBIT Margin (%)	(58.9) %	(99.5) %	(40.6) ppts	(70.9) %	(194.8) %	(123.9) ppts	EBIT Margin (%)	(75.6) %	(104.4) %	(28.8) ppts	(72.8) %	(151.3) %	(78.5) ppts													

Change in EBIT by Causal Factor (in millions)

Second Third Quarter 2023 EBIT	\$ (1,080)	(1,329)
Volume / Mix		(202) 37
Net Pricing		(254) (470)
Cost		422 526
Exchange		(45) 11
Other		16 1
Second Third Quarter 2024 EBIT	\$ (1,143)	(1,224)

In the second third quarter of 2024, Ford Model e's wholesales decreased 23% 11% from a year ago to 26,000 32,000 units due to competitive market conditions. Second Third quarter 2024 revenue decreased 37% 33%, primarily driven by reflecting a more competitive EV demand environment (including new entrants to the market), which resulted in lower wholesales, net pricing and lower net pricing, wholesales.

Ford Model e's **second** **third** quarter 2024 EBIT loss was **\$1.1 billion** **\$1.2 billion**, a **\$63 million** higher loss than **\$105 million** improvement from a year ago, with an EBIT margin of negative **99.5%** **104.4%**. The **lower** **improved** EBIT was primarily driven by lower **net pricing**, **costs** (including lower **wholesales**, **battery-related raw material costs** as well as other **material costs** and **adverse mix**, **lower warranty**), offset partially by **favorable material cost**, including lower **battery-related raw materials**, **unfavorable net pricing**.

Ford Pro Segment

Key Metrics	Key Metrics	Second Quarter		First Half		Key Metrics	Third Quarter		First Nine Months		Key Metrics	2023		2024		H / (L)	
		2023	2024	H / (L)	2023	2024	H / (L)	2023	2024	H / (L)		2023	2024	H / (L)	2023	2024	
		Wholesale Units (000) (a)	Revenue (\$M)	EBIT (\$M)	EBIT Margin (%)	15.3 %	15.1 %	(0.2) ppts	13.0 %	15.9 %	2.9 ppts	EBIT Margin (%)	12.0 %	11.6 %	(0.4) ppts	12.7 %	14.6 %

(a) Includes Ford brand vehicles produced and sold by our unconsolidated affiliate Ford Otosan in Türkiye (about 24,000 units in Q2 Q3 2023 and 21,000 units in Q2 Q3 2024).

Change in EBIT by Causal Factor (in millions)

Second Quarter 2023 EBIT	\$	2,391	1,654
Volume / Mix		498	586
Net Pricing		275	252
Cost		(586)	(613)
Exchange		100	12
Other		(114)	(77)
Second Quarter 2024 EBIT	\$	2,564	1,814

In the **second** **third** quarter of 2024, Ford Pro's **wholesales** increased **3%** **9%** from a year **ago**. **Second** **ago** more than explained by higher sales of the **Transit** family of vehicles and **Super Duty**. **Third** quarter 2024 revenue increased **9%** **13%**, reflecting higher **wholesales**, **favorable mix**, and higher **net pricing** driven by continued strong demand for **our** **certain** **core** Ford Pro products.

Ford Pro's **second** **third** quarter 2024 EBIT was **\$2.6 billion** **\$1.8 billion**, an increase of **\$173 million** **\$160 million** from a year ago, with an EBIT margin of **15.1%** **11.6%**. The EBIT improvement in EBIT was driven by **higher volume**, **favorable mix**, and **higher net pricing**, **market factors**, offset partially by **higher growth-related structural warranty costs** and **higher manufacturing growth-related structural costs**.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations (Continued)

Definitions and Information Regarding Ford Blue, Ford Model e, and Ford Pro Causal Factors

In general, we measure year-over-year change in Ford Blue, Ford Model e, and Ford Pro segment EBIT using the causal factors listed below, with net pricing and cost variances calculated at present-period volume and mix and exchange:

- **Market Factors** (exclude the impact of unconsolidated affiliate wholesale units):
 - *Volume and Mix* – primarily measures EBIT variance from changes in wholesale unit volumes (at prior-year average contribution margin per unit) driven by changes in industry volume, market share, and dealer stocks, as well as the EBIT variance resulting from changes in product mix, including mix among vehicle lines and mix of trim levels and options within a vehicle line
 - *Net Pricing* – primarily measures EBIT variance driven by changes in wholesale unit prices to dealers and marketing incentive programs such as rebate programs, low-rate financing offers, special lease offers, and stock adjustments on dealer inventory
- **Cost:**
 - *Contribution Costs* – primarily measures EBIT variance driven by per-unit changes in cost categories that typically vary with volume, such as material costs (including commodity and component costs), warranty expense, and freight and duty costs
 - *Structural Costs* – primarily measures EBIT variance driven by absolute change in cost categories that typically do not have a directly proportionate relationship to production volume. Structural costs include the following cost categories:
 - *Manufacturing, Including Volume-Related* – consists primarily of costs for hourly and salaried manufacturing personnel, plant overhead (such as utilities and taxes), and new product launch expense. These costs could be affected by volume for operating pattern actions such as overtime, line-speed, and shift schedules
 - *Engineering and Connectivity* – consists primarily of costs for vehicle and software engineering personnel, prototype materials, testing, and outside engineering and software services
 - *Spending-Related* – consists primarily of depreciation and amortization of our manufacturing and engineering assets, but also includes asset retirements and operating leases
 - *Advertising and Sales Promotions* – includes costs for advertising, marketing programs, brand promotions, customer mailings and promotional events, and auto shows

- *Administrative, Information Technology, and Selling* – includes primarily costs for salaried personnel and purchased services related to our staff activities, information technology, and selling functions
- *Exchange* – primarily measures EBIT variance driven by one or more of the following: (i) transactions denominated in currencies other than the functional currencies of the relevant entities, (ii) effects of converting functional currency income to U.S. dollars, (iii) effects of remeasuring monetary assets and liabilities of the relevant entities in currencies other than their functional currency, or (iv) results of our foreign currency hedging
- *Other* – includes a variety of items, such as parts and services earnings, royalties, government incentives, and compensation-related changes

In addition, definitions and calculations used in this report include:

- *Wholesale and Revenue* – wholesale unit volumes include all Ford and Lincoln badged units (whether produced by Ford or by an unconsolidated affiliate) that are sold to dealerships or others, units manufactured by Ford that are sold to other manufacturers, units distributed by Ford for other manufacturers, and local brand units produced by our China joint venture, Jiangling Motors Corporation, Ltd. (“JMC”), that are sold to dealerships or others. Vehicles sold to daily rental car companies that are subject to a guaranteed repurchase option (i.e., rental repurchase), as well as other sales of finished vehicles for which the recognition of revenue is deferred (e.g., consignments), also are included in wholesale unit volumes. Revenue from certain vehicles in wholesale unit volumes (specifically, Ford badged vehicles produced and distributed by our unconsolidated affiliates, as well as JMC brand vehicles) are not included in our revenue. Excludes transactions between Ford Blue, Ford Model e, and Ford Pro segments
- *Industry Volume and Market Share* – based, in part, on estimated vehicle registrations; includes medium and heavy duty trucks
- *SAAR* – seasonally adjusted annual rate

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations (Continued)

Ford Next Segment

The Ford Next segment primarily includes expenses and investments for emerging business initiatives aimed at creating value for Ford in vehicle-adjacent market segments. Ford Next's ~~second~~ ^{third} quarter 2024 EBIT loss was ~~\$13~~ ^{\$10} million, a ~~\$13~~ ^{\$7} million improvement from a year ago.

Ford Credit Segment

Ford Credit files periodic reports with the SEC that contain additional information regarding Ford Credit. The reports are available through Ford Credit's website located at www.ford.com/finance/investor-center and can also be found on the SEC's website located at www.sec.gov. The foregoing information regarding Ford Credit's website and its content is for convenience only and not deemed to be incorporated by reference into this Report nor filed with the SEC.

The tables below provide ~~second~~ ^{third} quarter and first ~~half~~ ^{nine months} 2024 key metrics and the change in ~~second~~ ^{third} quarter 2024 EBT compared with ~~second~~ ^{third} quarter 2023 by causal factor for the Ford Credit segment. For a description of these causal factors, see *Definitions and Information Regarding Ford Credit Causal Factors*.

Key Metrics	Second Quarter			First Half			Third Quarter			First Nine Months			H / (L)								
	Key Metrics		2023	2024	H / (L)		2023	2024	H / (L)		Key Metrics	2023	2024	H / (L)		2023	2024	H / (L)			
	Total Net Receivables (\$B)	Loss-to-Receivables (bps) (a)	Loss-to-Receivables (bps) (a)	Loss-to-Receivables (bps) (a)	Auction Values (b)	\$33,445	\$30,515	(9)	(9)%	\$32,135	\$29,145	(9)	(9)%	Auction Values (b)	\$31,685	\$31,265	(1)	(1)%	\$31,980	\$29,770	(7)
EBT (\$M)	ROE (%)	9 %	8 %	(1) ppts	9 %	7 %	6.3	(2) ppts	7.8 %	14.1 %	8.4 %	6.3	9.6 %	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2
<u>Other Balance Sheet Metrics</u>																					
<u>Other Balance Sheet Metrics</u>																					
<u>Other Balance Sheet Metrics</u>																					
Debt (\$B)																					
Debt (\$B)																					
Debt (\$B)																					
Net Liquidity (\$B)																					

Net Liquidity (\$B)

Net Liquidity (\$B)

Financial Statement Leverage

(to 1)

Financial Statement Leverage

(to 1)

Financial Statement Leverage

(to 1)

(a) U.S. retail financing only.

(b) U.S. 36-month off-lease **second** **third** quarter auction values at **Q2 Q3** 2024 mix and YTD amounts at YTD 2024 mix.

Change in EBT by Causal Factor (in millions)

Second	Third Quarter 2023 EBT	\$	390 358
Volume / Mix			53 37
Financing Margin			144 201
Credit Loss			(54) (26)
Lease Residual			(123) (66)
Exchange			(1) 1
Other			(66) 39
Second Third Quarter 2024 EBT		\$	343 544

Ford Credit's total net receivables of **\$137.7 billion** **\$142.2 billion** were **9%** **13%** higher than a year ago, explained primarily by higher consumer and non-consumer financing, financing and a larger lease portfolio. The **second** **third** quarter 2024 U.S. loss-to-receivables ("LTR") ratio of **41.57** basis points increased from a year ago, reflecting increased loss severity and higher repossessions. U.S. auction values in the **second** **third** quarter of 2024 were lower year over year.

Ford Credit's **second** **third** quarter 2024 EBT of **\$343 million** **\$544 million** was **\$47 million** lower **\$186 million** higher than a year ago, explained primarily by higher operating lease depreciation reflecting higher lease return rates, higher insurance losses due to severe weather events (included in Other), financing margin and higher credit losses, receivables, offset partially by lower expected auction values and higher financing margin, higher volume, and favorable mix, return rates on existing operating leases.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations (Continued)

Definitions and Information Regarding Ford Credit Causal Factors

In general, we measure year-over-year changes in Ford Credit's EBT using the causal factors listed below:

- **Volume and Mix:**
 - Volume primarily measures changes in net financing margin driven by changes in average net receivables excluding the allowance for credit losses at prior period financing margin yield (defined below in financing margin) at prior period exchange rates. Volume changes are primarily driven by the volume of new and used vehicles sold and leased, the extent to which Ford Credit purchases retail financing and operating lease contracts, the extent to which Ford Credit provides wholesale financing, the sales price of the vehicles financed, the level of dealer inventories, Ford-sponsored special financing programs available exclusively through Ford Credit, and the availability of cost-effective funding
 - Mix primarily measures changes in net financing margin driven by period-over-period changes in the composition of Ford Credit's average net receivables excluding the allowance for credit losses by product within each region
- **Financing Margin:**
 - Financing margin variance is the period-over-period change in financing margin yield multiplied by the present period average net receivables excluding the allowance for credit losses at prior period exchange rates. This calculation is performed at the product and country level and then aggregated. Financing margin yield equals revenue, less interest expense and scheduled depreciation for the period, divided by average net receivables excluding the allowance for credit losses for the same period
 - Financing margin changes are driven by changes in revenue and interest expense. Changes in revenue are primarily driven by the level of market interest rates, cost assumptions in pricing, mix of business, and competitive environment. Changes in interest expense are primarily driven by the level of market interest rates, borrowing spreads, and asset-liability management
- **Credit Loss:**
 - Credit loss is the change in the provision for credit losses at prior period exchange rates. For analysis purposes, management splits the provision for credit losses into net charge-offs and the change in the allowance for credit losses
 - Net charge-off changes are primarily driven by the number of repossessions, severity per repossession, and recoveries. Changes in the allowance for credit losses are primarily driven by changes in historical trends in credit losses and recoveries, changes in the composition and size of Ford Credit's present portfolio, changes in trends in

historical used vehicle values, and changes in forward looking macroeconomic conditions. For additional information, refer to the "Critical Accounting Estimates - Allowance for Credit Losses" section of Item 7 of Part II of our 2023 Form 10-K Report

- *Lease Residual:*
 - Lease residual measures changes to residual performance at prior period exchange rates. For analysis purposes, management splits residual performance primarily into residual gains and losses, and the change in accumulated supplemental depreciation
 - Residual gain and loss changes are primarily driven by the number of vehicles returned to Ford Credit and sold, and the difference between the auction value and the depreciated value (which includes both base and accumulated supplemental depreciation) of the vehicles sold. Changes in accumulated supplemental depreciation are primarily driven by changes in Ford Credit's estimate of the expected auction value at the end of the lease term and changes in Ford Credit's estimate of the number of vehicles that will be returned to it and sold. Depreciation on vehicles subject to operating leases includes early termination losses on operating leases due to customer default events. For additional information, refer to the "Critical Accounting Estimates - Accumulated Depreciation on Vehicles Subject to Operating Leases" section of Item 7 of Part II of our 2023 Form 10-K Report
- *Exchange:*
 - Reflects changes in EBT driven by the effects of converting functional currency income to U.S. dollars
- *Other:*
 - Primarily includes operating expenses, other revenue, insurance expenses, and other income/(loss) at prior period exchange rates
 - Changes in operating expenses are primarily driven by salaried personnel costs, facilities costs, and costs associated with the origination and servicing of customer contracts
 - In general, other income/(loss) changes are primarily driven by changes in earnings related to market valuation adjustments to derivatives (primarily related to movements in interest rates) and other miscellaneous items

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations (Continued)

In addition, the following definitions and calculations apply to Ford Credit when used in this Report:

- *Cash* (as shown in the Funding Structure and Liquidity tables) – Cash, cash equivalents, marketable securities, and restricted cash, excluding amounts related to insurance activities
- *Debt* (as shown in the Key Metrics and Leverage tables) – Debt on Ford Credit's balance sheets. Includes debt issued in securitizations and payable only out of collections on the underlying securitized assets and related enhancements. Ford Credit holds the right to receive the excess cash flows not needed to pay the debt issued by, and other obligations of, the securitization entities that are parties to those securitization transactions
- *Earnings Before Taxes ("EBT")* – Reflects Ford Credit's income before income taxes
- *Loss-to-Receivables ("LTR") Ratio* – LTR ratio is calculated using net charge-offs divided by average finance receivables, excluding unearned interest supplements and the allowance for credit losses
- *Return on Equity ("ROE")* (as shown in the Key Metrics table) – Reflects return on equity calculated by annualizing net income for the period and dividing by monthly average equity for the period
- *Securitization and Restricted Cash* (as shown in the Liquidity table) – Securitization cash is held for the benefit of the securitization investors (for example, a reserve fund). Restricted cash primarily includes cash held to meet certain local governmental and regulatory reserve requirements and cash held under the terms of certain contractual agreements
- *Securitizations* (as shown in the Public Term Funding Plan table) – Public securitization transactions, Rule 144A offerings sponsored by Ford Credit, and widely distributed offerings by Ford Credit Canada
- *Term Asset-Backed Securities* (as shown in the Funding Structure table) – Obligations issued in securitization transactions that are payable only out of collections on the underlying securitized assets and related enhancements
- *Total Net Receivables* (as shown in the Key Metrics table) – Includes finance receivables (retail financing and wholesale) sold for legal purposes and net investment in operating leases included in securitization transactions that do not satisfy the requirements for accounting sale treatment. These receivables and operating leases are reported on Ford Credit's balance sheets and are available only for payment of the debt issued by, and other obligations of, the securitization entities that are parties to those securitization transactions; they are not available to pay the other obligations of Ford Credit or the claims of Ford Credit's other creditors

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations (Continued)

Corporate Other

Corporate Other primarily includes corporate governance expenses, past service pension and OPEB income and expense, interest income (excluding Ford Credit interest income and interest earned on our extended service contract portfolio) and gains and losses from our cash, cash equivalents, and marketable securities (excluding gains and losses on investments in equity securities), and foreign exchange derivatives gains and losses associated with intercompany lending. Corporate governance expenses are primarily administrative, delivering benefit on behalf of the global enterprise, that are not allocated to operating segments. These include expenses related to setting and directing global policy, providing oversight and stewardship, and promoting the Company's interests. In the **second** **third** quarter of 2024, Corporate Other had a **\$165 million** **\$201 million** EBIT loss, compared to a **\$32 million** improvement from **\$186 million** EBIT loss a year ago.

Interest on Debt

Interest on Debt, which consists of interest expense on Company debt excluding Ford Credit, was **\$270 million** **\$272 million** in the **second** **third** quarter of 2024, **\$34 million** **\$52 million** lower than a year ago.

Taxes

Our *Provision for/(Benefit from) income taxes* for the **second** **third** quarter and first **half** **nine** months of 2024 was a benefit of **\$27 million** and a provision of **\$605 million** and **\$883 million** **\$856 million**, respectively, resulting in effective tax rates of **24.8%** negative **3.1%** and **21.8%** **17.4%**, respectively. During the **third** quarter of 2024, we recognized tax benefits from a change in our full-year forecast of tax expense, including benefits related to the write-down of certain product-specific manufacturing and vendor tooling assets classified as a special item.

Our **second** **third** quarter and first **half** **nine** months of 2024 adjusted effective tax rates, which exclude special items, were **23.1%** **13.9%** and **21.6%** **19.2%**, respectively.

We regularly review our organizational structure and income tax elections for affiliates in non-U.S. and U.S. tax jurisdictions, which may result in changes in affiliates that are included in or excluded from our U.S. tax return. Any future changes to our structure, as well as any changes in income tax laws in the countries that we operate, could cause increases or decreases to our deferred tax balances and related valuation allowances.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations (Continued)

LIQUIDITY AND CAPITAL RESOURCES

At **June 30, 2024** **September 30, 2024**, total balance sheet cash, cash equivalents, marketable securities, and restricted cash, including Ford Credit and entities held for sale, was **\$34.8 billion** **\$37.2 billion**.

We consider our key balance sheet metrics to be: (i) Company cash, which includes cash equivalents, marketable securities, and restricted cash, including cash held for sale, excluding Ford Credit's cash, cash equivalents, marketable securities, and restricted cash; and (ii) Company liquidity, which includes Company cash, less restricted cash, and total available committed credit lines, excluding Ford Credit's total available committed credit lines.

Company excluding Ford Credit

	December 31, 2023	December 31, 2023	June 30, 2024	December 31, 2023	September 30, 2024
<u>Balance Sheets (\$B)</u>					
Company Cash					
Company Cash					
Company Cash					
Liquidity					
Debt					
Cash Net of Debt					
<u>Pension Funded Status (\$B) (a)</u>					
Pension Funded Status (\$B) (a)					
Pension Funded Status (\$B) (a)					
Pension Funded Status (\$B) (a)					
Funded Plans					
Funded Plans					
Funded Plans					
Unfunded Plans					
Total Global Pension					
Total Funded Status OPEB					
Total Funded Status OPEB					
Total Funded Status OPEB					

(a) Balances at **June 30, 2024** **September 30, 2024** reflect net funded status at December 31, 2023, updated for service and interest cost; expected return on assets; curtailments, settlements, and associated interim remeasurement (where applicable); separation expense; actual benefit payments; and cash contributions. The discount rate and rate of expected return assumptions are unchanged from year-end 2023.

Liquidity. Our key priority is to maintain a strong balance sheet to withstand potential stress scenarios, while having resources available to invest in and grow our business. At **June 30, 2024** **September 30, 2024**, we had Company cash of **\$26.6 billion** **\$27.9 billion** and liquidity of **\$44.8 billion** **\$46.1 billion**. At **June 30, 2024** **September 30, 2024**, about **86%** **84%** of Company cash was held by consolidated entities domiciled in the United States.

To be prepared for an economic downturn and other stress scenarios, we target an ongoing Company cash balance at or above \$20 billion plus significant additional liquidity above our Company cash target. We expect to have periods when we will be above or below this amount due to: (i) future cash flow expectations, such as for investments in future opportunities, capital investments, debt maturities, pension contributions, or restructuring requirements, (ii) short-term timing differences, and (iii) changes in the global economic or operating environment.

Our Company cash investments primarily include U.S. Department of Treasury obligations, federal agency securities, bank time deposits with investment-grade institutions, investment-grade corporate securities, investment-grade commercial paper, and debt obligations of a select group of non-U.S. governments, non-U.S. governmental agencies, and supranational institutions. The average maturity of these investments is approximately one year and adjusted based on market conditions and liquidity needs. We monitor our Company cash levels and average maturity on a daily basis.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations (Continued)

Material Cash Requirements. Our material cash requirements include:

- Capital expenditures (for additional information, see the "Changes in Company Cash" section below) and other payments for engineering, software, product development, and implementation of our plans for electric vehicles
- Purchase of raw materials and components to support the manufacturing and sale of vehicles (including electric vehicles), parts, and accessories (for additional information, see the Aggregate Contractual Obligations table and the accompanying description of our "Purchase obligations" in the "Liquidity and Capital Resources - Company Excluding Ford Credit" section in Item 7 of our 2023 Form 10-K Report)
- Purchase of regulatory compliance credits
- Marketing incentive payments to dealers
- Payments for warranty and field service actions (for additional information, see Note 18 of the Notes to the Financial Statements herein)
- Debt repayments (for additional information, see the Aggregate Contractual Obligations table in the "Liquidity and Capital Resources - Company Excluding Ford Credit" section in Item 7 and Note 19 of the Notes to the Financial Statements in our 2023 Form 10-K Report)
- Discretionary and mandatory payments to our global pension plans (for additional information, see the Aggregate Contractual Obligations table in the "Liquidity and Capital Resources - Company Excluding Ford Credit" section in Item 7 of our 2023 Form 10-K Report, the "Changes in Company Cash" section below, and Note 11 of the Notes to the Financial Statements herein)
- Employee wages, benefits, and incentives
- Operating lease payments (for additional information, see the Aggregate Contractual Obligations table in the "Liquidity and Capital Resources - Company Excluding Ford Credit" section in Item 7 and Note 18 of the Notes to the Financial Statements in our 2023 Form 10-K Report)
- Cash effects related to the restructuring of our business
- Strategic acquisitions and investments to grow our business, including electrification

Subject to approval by our Board of Directors, shareholder distributions in the form of dividend payments and/or a share repurchase program (including share repurchases to offset the anti-dilutive effect of increased share-based compensation) may require the expenditure of a material amount of cash. We target shareholder distributions of 40% to 50% of adjusted free cash flow. Moreover, we may be subject to additional material cash requirements that are contingent upon the occurrence of certain events, e.g., legal contingencies, uncertain tax positions, and other matters.

We plan to utilize our liquidity (as described above) and our cash flows from business operations to fund our material cash requirements.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations (Continued)

Changes in Company Cash. In managing our business, we classify changes in Company cash into operating and non-operating items. Operating items include: Company adjusted EBIT excluding Ford Credit EBT, capital spending, depreciation and tooling amortization, changes in working capital, Ford Credit distributions, interest on debt, cash taxes, and all other and timing differences (including timing differences between accrual-based EBIT and associated cash flows). Non-operating items include: restructuring costs, changes in Company debt excluding Ford Credit, contributions to funded pension plans, shareholder distributions, and other items (including gains and losses on investments in equity securities, acquisitions and divestitures, equity investments, and other transactions with Ford Credit).

With respect to "Changes in working capital," in general, the Company excluding Ford Credit carries relatively low trade receivables compared with our trade payables because the majority of our wholesales are financed (primarily by Ford Credit) immediately upon the sale of vehicles to dealers, which generally occurs shortly after being produced. In contrast, our trade payables are based primarily on industry-standard production supplier payment terms of about 45 days. As a result, our cash flow deteriorates if wholesale volumes (and the corresponding revenue) decrease while trade payables continue to become due. Conversely, our cash flow improves if wholesale volumes (and the corresponding revenue) increase while new trade payables are generally not due for about 45 days. For example, the suspension of production at most of our assembly plants and lower industry volumes due to COVID-19 in early 2020 resulted in an initial deterioration of our cash flow, while the subsequent resumption of manufacturing operations and return to pre-COVID-19 production levels at most of our assembly plants resulted in a subsequent improvement of our cash flow. Even in normal economic conditions, however, these working capital balances generally are subject to seasonal changes that can impact cash flow. For example, we typically experience cash flow timing differences associated with inventories and payables due to our annual shutdown periods when production, and therefore inventories and wholesale volumes, are usually at their lowest levels, while payables continue to come due and be paid. The net impact of this typically results in cash outflows from changes in our working capital balances during these shutdown periods.

Our finished product inventory at **June 30, 2024** **September 30, 2024** was higher than at December 31, 2023, primarily reflecting higher in-plant and in-transit inventory, partially driven by new vehicle launches and units awaiting final quality review launches.

In response to, or in anticipation of, supplier disruptions, we may stockpile certain components or raw materials to help prevent disruption in our production of vehicles. Such actions could have a short-term adverse impact on our cash and increase our inventory. Moreover, in order to secure critical materials for production of electric vehicles, we have entered into and we may, in the future, enter into offtake agreements with raw material suppliers and make investments in certain raw material and battery suppliers, including contributing up to a maximum of \$6.6 billion in capital to BlueOval SK, LLC over a five-year period ending in 2026. Our actual capital outlay could vary significantly based on the final project costs and potential financing opportunities. Such investments could have an additional adverse impact on our cash in the near-term.

The terms of the offtake agreements we have entered into, and those we may enter into in the future, vary by transaction, though they generally obligate us to purchase a certain percentage or minimum amount of output produced by the counterparty over an agreed upon period of time. The purchase price mechanism included in the offtake agreement is typically based on the market price of the material at the time of delivery. The terms may also include conditions to our obligation to purchase the materials, such as quality or minimum output. Subject to satisfaction of those conditions, we will be obligated to purchase the materials at or otherwise compensate the cost supplier in an amount determined by the purchase price mechanism contract. As of **June 30, 2024** **September 30, 2024**, our estimated expenditures for the maximum quantity that we are committed to purchase under these offtake agreements through 2035, subject to certain conditions, consist of approximately **\$3.7 billion** **\$3.4 billion** of purchase obligations and approximately **\$6.8 billion** **\$4.9 billion** of contingent purchase obligations based on our present forecast; however, our forecast could fluctuate from period to period based on market prices, which could result in significant increases or decreases in our estimate. The actual price paid for these materials will be recorded on our balance sheet at the time of purchase. In the event that we do not expect to consume all of the materials we are obligated to purchase pursuant to the terms of these agreements, we may sell the excess materials to a replacement purchaser or back to the supplier. The resale price may or may not be the same as the original purchase price, depending on then-current market conditions and negotiated terms. As a result, we have recorded, and may in certain instances the future record, accruals related to either the resale when the purchase price mechanism under our agreements is higher than the expected resale price of the excess materials or when we have recorded and may in are required to otherwise compensate the future record accruals related to the resale supplier. Accruals recorded to date for such items have been immaterial.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations (Continued)

As market conditions dictate, we have and may in the future enter into additional offtake agreements with raw material suppliers or renegotiate existing agreements. In addition, as mentioned above, we may seek to resell excess materials. Based on the offtake agreements we have entered into thus far, the earliest date by which we could be obligated to purchase any output, subject to satisfaction of the applicable conditions, will be in the first half of 2025. See Item 1A. Risk Factors in our 2023 Form 10-K Report and as updated by our subsequent filings with the SEC for a discussion of the risks related to our offtake agreements and other long-term purchase contracts.

Financial institutions participate in a supply chain finance ("SCF") program that enables our suppliers, at their sole discretion, to sell their Ford receivables (i.e., our payment obligations to the suppliers) to the financial institutions on a non-recourse basis in order to be paid earlier than our payment terms provide. Our suppliers' voluntary inclusion of invoices in the SCF program has no bearing on our payment terms, the amounts we pay, or our liquidity. We have no economic interest in a supplier's decision to participate in the SCF program, and we do not provide any guarantees in connection with it. As of **June 30, 2024** **September 30, 2024**, the outstanding amount of Ford receivables that suppliers elected to sell to the SCF financial institutions was **\$194 million** **\$211 million**. The amount settled through the SCF program during the first half nine months of 2024 was **\$767 million** **\$1.1 billion**.

Changes in Company cash excluding Ford Credit are summarized below (in billions):

	Second Quarter		First Half		Third Quarter		First Nine Months			
	2023		2023		2024		2023		2024	
	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024
<u>Company Excluding Ford Credit</u>										
Company Adjusted EBIT excluding Ford Credit (a)										
Company Adjusted EBIT excluding Ford Credit (a)										
Company Adjusted EBIT excluding Ford Credit (a)										
Capital spending										
Capital spending										
Capital spending										
Depreciation and tooling amortization										
Net spending										

Receivables	
Receivables	
Receivables	
Inventory	
Trade Payables	
Changes in working capital	
Ford Credit distributions	
Ford Credit distributions	
Ford Credit distributions	
Interest on debt and cash taxes	
All other and timing differences	
Company adjusted free cash flow (a)	
Restructuring	
Restructuring	
Restructuring	
Changes in debt	
Funded pension contributions	
Shareholder distributions	
All other	
Change in cash	

(a) See *Non-GAAP Financial Measure Reconciliations* section for reconciliation to GAAP.
Note: Numbers may not sum due to rounding.

Our **second** **third** quarter 2024 Net cash provided by/(used in) operating activities was positive \$5.5 billion, **\$0.5** **\$0.9** billion higher than a year ago (see page 61 for additional information). The increase reflects **lower** **higher** working capital, and **higher** offset partially by **lower** Ford Credit operating cash **flow** **flow** and **lower** net income. Company adjusted free cash flow was \$3.2 billion, **\$0.3 billion** **\$2.0 billion** higher than a year ago, primarily driven by **lower** working **capital**, **capital changes**, **adjusted EBIT improvement**, and **Ford Credit distributions**, offset partially by **all other and timing differences**.

Capital spending was **\$2.1 billion** **\$2.0 billion** in the **second** **third** quarter of 2024, **an increase** **a decrease** of \$0.2 billion from a year ago. We **continue to now** expect full year 2024 capital spending to be in the range of \$8 billion to **\$9 billion** **\$8.5 billion**.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations (Continued)

Second **Third** quarter 2024 working capital impact was **flat**, **\$0.8 billion**, driven by **lower** **inventory**, **higher** **trade payables**, partially offset by **higher** **trade receivables** and **lower** **trade payables**, **inventory**, each compared to **March 31, 2024** **June 30, 2024**. All other and timing differences were positive **\$2.0 billion** **\$1.4 billion**. Timing differences include differences between accrual-based EBIT and the associated cash flows (e.g., marketing incentive and warranty payments to dealers, JV equity income, compensation payments, and pension and OPEB income or expense). Cash outflows related to our warranty accruals are expected to occur over several years.

In the **second** **third** quarter and first nine months of 2024, we contributed **\$83 million** **\$334 million** and **\$967 million**, respectively, to our global funded pension plans. We **continue** **to** expect to contribute about \$1 billion to our global funded pension plans in 2024.

Shareholder distributions (including a regular cash dividend **dividends** and anti-dilutive share repurchases) were **\$0.8 billion** **\$0.6 billion** in the **second** **third** quarter of 2024 and **\$2.8 billion** for the first nine months of 2024.

Available Credit Lines. Total Company committed credit lines, excluding Ford Credit, at **June 30, 2024** **September 30, 2024** were **\$20.1** **\$20.2 billion**, consisting of \$13.5 billion of our corporate credit facility, \$2.0 billion of our supplemental revolving credit facility, \$2.5 billion of our 364-day revolving credit facility, and **\$2.1 billion** **\$2.2 billion** of local credit facilities. At **June 30, 2024** **September 30, 2024**, the utilized portion of the corporate credit facility was **\$6 million**, representing amounts utilized for letters of credit. In addition, **\$1.7 billion** **\$1.8 billion** of committed Company credit lines, excluding Ford Credit, was utilized under local credit facilities for our affiliates, **as** and the full amount under each of **June 30, 2024**.

Our **our** corporate, supplemental, and 364-day revolving credit facilities were amended as of April 22, 2024 to extend the maturity dates of the commitments under each facility and increase the size of our 364-day revolving credit facility. **was available.**

Lenders under our corporate credit facility have \$25 million of commitments maturing on April 26, 2026, \$3.4 billion of commitments maturing on April 22, 2027, \$0.1 billion of commitments maturing on April 26, 2028, and \$10.0 billion of commitments maturing on April 20, 2029. Lenders under our supplemental revolving credit facility have \$2.0 billion of commitments maturing on April 22, 2027. Lenders under our 364-day revolving credit facility have \$2.5 billion of commitments maturing on April 21, 2025.

The corporate, supplemental, and 364-day credit agreements include certain sustainability-linked targets, pursuant to which the applicable margin and facility fees may be adjusted if Ford achieves, or fails to achieve, the specified targets related to global manufacturing facility greenhouse gas emissions, carbon-free electricity consumption, and Ford Europe CO₂ tailpipe emissions. Prior to 2024, the specified targets related to global manufacturing facility greenhouse gas emissions, renewable electricity consumption, and Ford Europe CO₂ tailpipe emissions; Ford outperformed all three of these sustainability-linked metrics in 2023.

The corporate credit facility is unsecured and free of material adverse change conditions to borrowing, restrictive financial covenants (for example, interest or fixed-charge coverage ratio, debt-to-equity ratio, and minimum net worth requirements), and credit rating triggers that could limit our ability to obtain funding or trigger early repayment. The corporate credit facility contains a liquidity covenant that requires us to maintain a minimum of \$4 billion in aggregate of domestic cash, cash equivalents, and loaned and marketable securities and/or availability under the corporate credit facility, supplemental revolving credit facility, and 364-day revolving credit facility. If our senior, unsecured, long-term debt does not maintain at least two investment grade ratings from Fitch, Moody's, and S&P, the guarantees of certain subsidiaries will be required. The terms and conditions of the supplemental and 364-day revolving credit facilities are consistent with our corporate credit facility. Ford Credit has been designated as a subsidiary borrower under the corporate credit facility and the 364-day revolving credit facility.

Debt. As shown in Note 12 of the Notes to the Financial Statements, at **June 30, 2024** **September 30, 2024**, Company debt excluding Ford Credit was **\$20.4 billion** **\$20.6 billion**. This balance is **\$0.5 billion** **\$0.7 billion** higher than at December 31, 2023.

Leverage. We manage Company debt (excluding Ford Credit) levels with a leverage framework that targets investment grade credit ratings through a normal business cycle. The leverage framework includes a ratio of total Company debt (excluding Ford Credit), underfunded pension liabilities, operating leases, and other adjustments, divided by Company adjusted EBIT (excluding Ford Credit EBT), and further adjusted to exclude depreciation and tooling amortization (excluding Ford Credit).

Ford Credit's leverage is calculated as a separate business as described in the "Liquidity and Capital Resources - Ford Credit Segment" section of Item 2. Ford Credit is self-funding and its debt, which is used to fund its operations, is separate from our Company debt excluding Ford Credit.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations (Continued)

Ford Credit Segment

Ford Credit remains well capitalized with a strong balance sheet and funding diversified across platforms and markets. Ford Credit ended the **second** **third** quarter of 2024 with **\$28.3 billion** **\$29.6 billion** of liquidity, up **\$2.6 billion** **\$3.9 billion** from year-end. Ford Credit continues to have robust access to capital markets, completing **\$22 billion** **\$29 billion** of public term issuances through **July 23, 2024** **October 25, 2024**.

Key elements of Ford Credit's funding strategy include:

- Maintain strong liquidity and funding diversity
- Prudently access public markets
- Continue to leverage retail deposits in Europe
- Flexibility to increase asset-backed securities mix as needed; preserving assets and committed capacity
- Target financial statement leverage of 9:1 to 10:1
- Maintain self-liquidating balance sheet

Ford Credit's liquidity profile continues to be diverse, robust, and focused on maintaining liquidity levels that meet its business and funding requirements. Ford Credit regularly stress tests its balance sheet and liquidity to ensure that it can continue to meet its financial obligations through economic cycles.

The following table shows funding for Ford Credit's net receivables (in billions):

	June 30, 2023	December 31, 2023	June 30, 2024
	September 30, 2023	December 31, 2023	September 30, 2024
Funding Structure			
Term unsecured debt			
Term unsecured debt			
Term unsecured debt			
Term asset-backed securities			
Retail Deposits / Ford Interest Advantage			
Other			
Equity			
Adjustments for cash			
Cash			
Total Net Receivables			
Securitized Funding as Percent of Total Debt			

Securitized Funding as Percent of Total Debt	45.0 %	44.9 %	41.3 %	45.5 %	44.9 %	41.2 %
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Net receivables of \$137.7 billion \$142.2 billion at June 30, 2024 September 30, 2024 were funded primarily with term unsecured debt and term asset-backed securities. Securitized funding as a percent of total debt was 41.3% 41.2% as of June 30, 2024 September 30, 2024.

Public Term Funding Plan. The following table shows Ford Credit's issuances for full year 2022 and 2023, planned issuances for full year 2024, and its global public term funding issuances through July 23, 2024 October 25, 2024, excluding short-term funding programs (in billions):

	2022 Actual	2022 Actual	2023 Actual	2024 Forecast	Through July 23	2022 Actual	2023 Actual	2024 Forecast	Through October 25
Unsecured									
Securitizations (a)									
Total public									

(a) See Definitions and Information Regarding Ford Credit Causal Factors section.

For 2024, Ford Credit now projects full year public term funding in the range of \$28 billion \$30 billion to \$33 billion \$35 billion.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations (Continued)

Liquidity. The following table shows Ford Credit's liquidity sources and utilization (in billions):

	June 30, 2023	December 31, 2023	June 30, 2024
	September 30, 2023	December 31, 2023	September 30, 2024
Liquidity Sources (a)			
Cash			
Cash			
Cash			
Committed asset-backed facilities			
Other unsecured credit facilities			
Total liquidity sources			
Utilization of Liquidity (a)			
Utilization of Liquidity (a)			
Utilization of Liquidity (a)			
Securitization and restricted cash			
Securitization and restricted cash			
Securitization and restricted cash			
Committed asset-backed facilities			
Other unsecured credit facilities			
Total utilization of liquidity			
Available liquidity			
Available liquidity			
Available liquidity			
Other adjustments			
Net liquidity available for use			

(a) See Definitions and Information Regarding Ford Credit Causal Factors section.

Ford Credit's net liquidity available for use will fluctuate quarterly based on factors including near-term debt maturities, receivable growth and decline, and timing of funding transactions. At June 30, 2024 September 30, 2024, Ford Credit's net liquidity available for use was \$28.3 billion \$29.6 billion, \$2.6 \$3.9 billion higher than year-end 2023, primarily reflecting strong access to public funding markets, markets resulting in lower utilization of committed asset-backed facilities. At June 30, 2024 September 30, 2024, Ford Credit's liquidity sources, including cash, committed asset-backed facilities, and unsecured credit facilities, totaled \$52.2 billion \$55.0 billion, down \$4.0 \$1.2 billion from year-end 2023, primarily explained by lower cash due to higher receivables.

Material Cash Requirements. Ford Credit's material cash requirements include: (1) the purchase of retail financing and operating lease contracts from dealers and providing wholesale financing for dealers to finance new and used vehicles; and (2) debt repayments (for additional information on debt, see the "Aggregate Contractual Obligations" table in

the "Liquidity and Capital Resources - Company Excluding Ford Credit" section in Item 7 and Note 19 of the Notes to the Financial Statements in our 2023 Form 10-K Report). In addition, subject to approval by Ford Credit's Board of Directors, shareholder distributions may require the expenditure of a material amount of cash. Moreover, Ford Credit may be subject to additional material cash requirements that are contingent upon the occurrence of certain events, e.g., legal contingencies, uncertain tax positions, and other matters.

Ford Credit plans to utilize its liquidity (as described above) and its cash flows from business operations to fund its material cash requirements.

Funding and Liquidity Risks. Ford Credit's funding plan is subject to risks and uncertainties, many of which are beyond its control, including disruption in the capital markets, that could impact both unsecured debt and asset-backed securities issuance and the effects of regulatory changes on the financial markets. Refer to the "Liquidity and Capital Resources - Ford Credit Segment - Funding and Liquidity Risks" section of Item 7 of Part II of our 2023 Form 10-K Report for more information.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations (Continued)

Leverage. Ford Credit uses leverage, or the debt-to-equity ratio, to make various business decisions, including evaluating and establishing pricing for finance receivable and operating lease financing, and assessing its capital structure.

The table below shows the calculation of Ford Credit's financial statement leverage (in billions):

	June 30, 2023	December 31, 2023	June 30, 2024
	September 30, 2023	December 31, 2023	September 30, 2024
<u>Leverage Calculation</u>			
Debt			
Debt			
Debt			
Equity (a)			
Financial statement leverage (to 1)			

(a) Total shareholder's interest reported on Ford Credit's balance sheets.

Ford Credit plans its leverage by considering market conditions and the risk characteristics of its business. At **June 30, 2024** **September 30, 2024**, Ford Credit's financial statement leverage was **9.6**:**9.7**:1. Ford Credit targets financial statement leverage in the range of 9:1 to 10:1.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations (Continued)

Total Company

Pension Plans - Funded Balances. As of **June 30, 2024** **September 30, 2024**, our total Company pension underfunded status reported on our consolidated balance sheets was **\$1.4 billion** **\$1.3 billion** and reflects the net funded status at December 31, 2023, updated for: service and interest cost; expected return on assets; curtailments, settlements, and associated interim remeasurement (where applicable); separation expense; actual benefit payments; and cash contributions. For plans without interim remeasurement, the discount rate and rate of expected return assumptions are unchanged from year-end 2023.

Return on Invested Capital ("ROIC"). We analyze total Company performance using an adjusted ROIC financial metric based on an after-tax, rolling four-quarter average. The following table contains the calculation of our ROIC for the periods shown (in billions):

	Four Quarters Ending	
	June 30, 2023	June 30, 2024
	September 30, 2023	September 30, 2024
<u>Adjusted Net Operating Profit/(Loss) After Cash Tax</u>		
Net income/(loss) attributable to Ford		
Net income/(loss) attributable to Ford		
Net income/(loss) attributable to Ford		
Add: Noncontrolling interest		
Less: Income tax		
Add: Cash tax		
Less: Interest on debt		
Less: Total pension/OPEB income/(cost)		

Add: Pension/OPEB service costs
 Net operating profit/(loss) after cash tax
 Less: Special items (excl. pension/OPEB) pre-tax
 Adjusted net operating profit/(loss) after cash tax

Invested Capital

Invested Capital

Invested Capital

Equity

Equity

Equity

Debt (excl. Ford Credit)

Net pension and OPEB liability

Invested capital (end of period)

Average invested capital

ROIC (a)

ROIC (a)

ROIC (a)

Adjusted ROIC (Non-GAAP) (b)

	6.7 %	8.2 %	11.1 %	7.4 %
Adjusted ROIC (Non-GAAP) (b)	14.2 %	11.1 %	Adjusted ROIC (Non-GAAP) (b)	15.1 %
				11.4 %

(a) Calculated as the sum of net operating profit/(loss) after cash tax from the last four quarters, divided by the average invested capital over the last four quarters.

(b) Calculated as the sum of adjusted net operating profit/(loss) after cash tax from the last four quarters, divided by the average invested capital over the last four quarters.

Note: Numbers may not sum due to rounding.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations (Continued)

CREDIT RATINGS

Our short-term and long-term debt is rated by four credit rating agencies designated as nationally recognized statistical rating organizations ("NRSROs") by the U.S. Securities and Exchange Commission: DBRS, Fitch, Moody's, and S&P.

In several markets, locally recognized rating agencies also rate us. A credit rating reflects an assessment by the rating agency of the credit risk associated with a corporate entity or particular securities issued by that entity. Rating agencies' ratings of us are based on information provided by us and other sources. Credit ratings are not recommendations to buy, sell, or hold securities and are subject to revision or withdrawal at any time by the assigning rating agency. Each rating agency may have different criteria for evaluating company risk and, therefore, ratings should be evaluated independently for each rating agency.

There have been no rating actions taken by these NRSROs since the filing of our Quarterly Report on Form 10-Q for the quarter ended March 31, 2024 June 30, 2024.

The following table summarizes certain of the credit ratings and outlook presently assigned by these four NRSROs:

Issuer	NRSRO RATINGS						
	Ford			Ford Credit			NRSROs
	Default /	Long-Term Senior		Long-Term Senior	Short-Term	Outlook / Trend	Minimum Long-Term Investment Grade
	Corporate / Issuer Rating	Unsecured	Outlook / Trend	Unsecured	Unsecured	Outlook / Trend	Rating
DBRS	BBB (low)	BBB (low)	Stable	BBB (low)	R-2 (low)	Stable	BBB (low)
Fitch	BBB-	BBB-	Stable	BBB-	F3	Stable	BBB-
Moody's	N/A	Ba1	Stable	Ba1	NP	Stable	Baa3
S&P	BBB-	BBB-	Stable	BBB-	A-3	Stable	BBB-

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations (Continued)

OUTLOOK

We provided 2024 Company guidance in our earnings release furnished on Form 8-K dated July 24, 2024 October 28, 2024. The guidance is based on our expectations as of July 24, 2024 October 28, 2024, and assumes no material change to our current assumptions for inflation, logistics issues, production, or macroeconomic conditions. Our actual results could differ materially from our guidance due to risks, uncertainties, and other factors, including those set forth in "Risk Factors" in Item 1A of our 2023 Form 10-K Report and as updated by our subsequent filings with the SEC.

Total Company

Adjusted EBIT (a)	\$10 - \$12 billion	About \$10 billion
Adjusted Free Cash Flow (a)	\$7.5 - \$8.5 billion	
Capital spending	\$8 - \$9 billion	\$8.5 billion

Ford Credit

EBT	About \$1.5 billion	\$1.6 billion
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(a) When we provide guidance for Adjusted EBIT and Adjusted Free Cash Flow, we do not provide guidance for the most comparable GAAP measures because, as described in more detail below in "Non-GAAP Measures That Supplement GAAP Measures," they include items that are difficult to predict with reasonable certainty.

For full-year 2024, we now expect adjusted EBIT of about \$10 billion to \$12 billion and adjusted free cash flow of \$7.5 billion to \$8.5 billion, including lower-than-planned volume in the second half of 2024 for Ford Pro and Ford Blue due to supplier disruptions.

On a segment basis, we now expect:

- Ford Pro EBIT of about \$9 billion to \$10 billion driven by continued growth and favorable mix offset partially by moderated as well as continued pricing strength on core products
- Ford Blue EBIT of \$6 billion to \$6.5 billion about \$5 billion, reflecting a balanced market equation and higher product, manufacturing, and warranty costs, offset partially by cost efficiencies
- Ford Model e EBIT loss of about \$5 billion to \$5.5 billion driven by continued pricing pressure and investments in new electric vehicles
- Ford Credit EBT of about \$1.5 billion \$1.6 billion

Our outlook for 2024 assumes:

- Flat to modest U.S. industry growth at 16 million to 16.5 million
- Full year of all-new Super Duty, which drives positive pricing and mix in Ford Pro
- Lower industry pricing
- \$2 billion of cost reductions in material, freight, and manufacturing

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations (Continued)

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 is highly dependent on its suppliers to deliver components in accordance with Ford's production schedule and specifications, and a shortage of or inability to acquire key components or raw materials, such as lithium, cobalt, nickel, graphite, and manganese, can disrupt Ford's production of vehicles;
- To facilitate access to the raw materials and other components necessary for the production of electric vehicles, Ford has entered into and may, in the future, enter into multi-year commitments to raw material and other suppliers that subject Ford to risks associated with lower future demand for such items as well as costs that fluctuate and are difficult to accurately forecast;
- Ford's long-term competitiveness depends on the successful execution of Ford+;
- Ford's vehicles could be affected by defects that result in recall campaigns, increased warranty costs, or delays in new model launches, and the time it takes to improve the quality of our vehicles and services could continue to have an adverse effect on our business;
- Ford may not realize the anticipated benefits of existing or pending strategic alliances, joint ventures, acquisitions, divestitures, or business strategies;
- Ford may not realize the anticipated benefits of restructuring actions and such actions may cause Ford to incur significant charges, disrupt our operations, or harm our reputation;
- Operational information systems, security systems, vehicles, and services could be affected by cybersecurity incidents, ransomware attacks, and other disruptions and impact Ford and Ford Credit as well as their suppliers and dealers;
- Ford's production, as well as Ford's suppliers' production, and/or the ability to deliver products to consumers could be disrupted by labor issues, public health issues, natural or man-made disasters, adverse effects of climate change, financial distress, production difficulties, capacity limitations, or other factors;
- Failure to develop and deploy secure digital services that appeal to customers could have a negative impact on Ford's business;
- Ford's ability to maintain a competitive cost structure could be affected by labor or other constraints;
- Ford's ability to attract, develop, grow, and reward talent is critical to its success and competitiveness;
- Ford's new and existing products and digital, software, and physical services are subject to market acceptance and face significant competition from existing and new entrants in the automotive and digital and software services industries, and its reputation may be harmed if it is unable to achieve the initiatives it has announced;

- Ford's results are dependent on sales of larger, more profitable vehicles, particularly in the United States;
- With a global footprint and supply chain, Ford's results and operations could be adversely affected by economic or geopolitical developments, including protectionist trade policies such as tariffs, or other events;
- Industry sales volume can be volatile and could decline if there is a financial crisis, recession, public health emergency, 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, particularly for electric vehicles;
- Inflationary pressure and fluctuations in commodity and energy prices, foreign currency exchange rates, interest rates, and market value of Ford or Ford Credit's investments, including marketable securities, 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;
- The impact of government incentives on Ford's business could be significant, and 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 OPEB 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 and Ford Credit could experience unusual or significant litigation, governmental investigations, or adverse publicity arising out of alleged defects in products, services, perceived environmental impacts, or otherwise;
- Ford may need to substantially modify its product plans and facilities to comply with safety, emissions, fuel economy, autonomous driving technology, environmental, and other regulations;
- Ford and Ford Credit could be affected by the continued development of more stringent privacy, data use, data protection, and artificial intelligence laws and regulations as well as consumers' heightened expectations to safeguard their personal information; and
- Ford Credit could be subject to new or increased credit regulations, consumer protection regulations, or other regulations.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations (Continued)

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 2023 Form 10-K Report, as updated by our subsequent Quarterly Reports on Form 10-Q and Current Reports on Form 8-K.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations (Continued)

NON-GAAP FINANCIAL MEASURES THAT SUPPLEMENT GAAP MEASURES

We use both generally accepted accounting principles ("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 operating results and trends, and a means to compare 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/(Loss) Attributable to Ford)* – Earnings before interest and taxes (EBIT) 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 focuses on underlying operating results and trends, and improves comparability of our period-over-period results. Our management ordinarily excludes special items from its review of the results of the operating segments for purposes of measuring segment profitability and allocating resources. Our categories of pre-tax special items and the applicable significance guideline for each item (which may consist of a group of items related to a single event or action) are as follows:

<u>Pre-Tax Special Item</u>	<u>Significance Guideline</u>
◦ Pension and OPEB remeasurement gains and losses	◦ No minimum
◦ Gains and losses on investments in equity securities	◦ No minimum
◦ Personnel expenses, supplier- and dealer-related costs, and facility-related charges stemming from our efforts to match production capacity and cost structure to market demand and changing model mix	◦ Generally \$100 million or more
◦ Other items that we do not necessarily consider to be indicative of earnings from ongoing operating activities	◦ \$500 million or more for individual field service actions; generally \$100 million or more for other items

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, including gains and losses on pension and OPEB remeasurements and on investments in equity securities.

- **Company Adjusted EBIT Margin (Most Comparable GAAP Measure: Company Net Income/(Loss) Margin)** – Company **Adjusted 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/(Loss) Per Share (Most Comparable GAAP Measure: Earnings/(Loss) Per Share)** – Measure of Company's diluted net earnings/(loss) per share adjusted for impact of pre-tax special items (described above), tax special items, and restructuring impacts in noncontrolling interests. The measure provides investors with useful information to evaluate performance of our business excluding items not indicative of earnings from ongoing operating activities. When we provide guidance for adjusted earnings/(loss) per share, we do not provide guidance on an earnings/(loss) 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 remeasurement 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 remeasurement gains and losses.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations (Continued)

- **Company Adjusted Free 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 Company excluding Ford Credit capital spending, Ford Credit distributions to its parent, and settlement of derivatives. The measure excludes cash outflows for funded pension contributions, restructuring actions, and other items that are considered operating cash flows 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 free 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.
- **Adjusted ROIC** – Calculated as the sum of adjusted net operating profit/(loss) after cash tax from the last four quarters, divided by the average invested capital over the last four quarters. Adjusted Return on Invested Capital ("Adjusted ROIC") provides management and investors with useful information to evaluate the Company's after-cash tax operating return on its invested capital for the period presented. Adjusted net operating profit/(loss) after cash tax measures operating results less special items, interest on debt (excl. Ford Credit Debt), and certain pension/OPEB costs. Average invested capital is the sum of average balance sheet equity, debt (excl. Ford Credit Debt), and net pension/OPEB liability.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations (Continued)

Non-GAAP Financial Measure Reconciliations

The following tables show our Non-GAAP financial measure reconciliations.

Net Income/(Loss) Reconciliation to Adjusted EBIT (\$M)

	Second Quarter		First Half	
	2023	2024	2023	2024
	Third Quarter	First Nine Months	2023	2024
	2023	2024	2023	2024
Net income/(loss) attributable to Ford (GAAP)				
Income/(Loss) attributable to noncontrolling interests				
Net income/(loss)				
Less: (Provision for)/Benefit from income taxes				
Income/(Loss) before income taxes				
Less: Special items pre-tax				
Income/(Loss) before special items pre-tax				
Less: Interest on debt				
Adjusted EBIT (Non-GAAP)				
Memo:				
Memo:				
Memo:				
Revenue (\$B)				

Revenue (\$B)	Revenue (\$B)	Net income/(loss) margin (GAAP) (%)	Net income/(loss) margin (GAAP) (%)	4.3 %	3.8 %	4.3 %	3.5 %	Net income/(loss) margin (GAAP) (%)	2.7 %	1.9 %	3.7 %	3.0 %
Adjusted EBIT margin (Non-GAAP) (%)	Adjusted EBIT margin (Non-GAAP) (%)	8.4 %	Adjusted EBIT margin (Non-GAAP) (%)	8.4 %	5.8 %	8.3 %	6.1 %	Adjusted EBIT margin (Non-GAAP) (%)	5.0 %	5.5 %	7.2 %	5.9 %

Earnings per Share Reconciliation to Adjusted Earnings per Share

	Second Quarter		First Half	
	2023	2024	2023	2024
	Third Quarter	First Nine Months	2023	2024
<u>Diluted After-Tax Results (\$M)</u>				
Diluted after-tax results (GAAP)				
Diluted after-tax results (GAAP)				
Diluted after-tax results (GAAP)				
Less: Impact of pre-tax and tax special items (a)				
Adjusted net income/(loss) – diluted (Non-GAAP)				
<u>Basic and Diluted Shares (M)</u>				
Basic and Diluted Shares (M)				
Basic and Diluted Shares (M)				
Basic shares (average shares outstanding)				
Basic shares (average shares outstanding)				
Basic shares (average shares outstanding)				
Net dilutive options, unvested restricted stock units, unvested restricted stock shares, and convertible debt				
Diluted shares				
Earnings/(Loss) per share – diluted (GAAP)				
Earnings/(Loss) per share – diluted (GAAP)				
Earnings/(Loss) per share – diluted (GAAP)				
Less: Net impact of adjustments				
Adjusted earnings/(loss) per share – diluted (Non-GAAP)				

(a) Includes adjustment for noncontrolling interest in the **second** **third** quarter and first **half** **nine months** of 2023.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations (Continued)

Effective Tax Rate Reconciliation to Adjusted Effective Tax Rate

	Second Quarter		Third Quarter		2023	2023	Memo: FY	2024	2024	2023	2024	Memo: FY	
	2023	2024	2023	2024									
	2023	2024	2023	2024									
<u>Pre-Tax Results (\$M)</u>													
Income/(Loss) before income taxes (GAAP)													
Income/(Loss) before income taxes (GAAP)													
Income/(Loss) before income taxes (GAAP)													
Less: Impact of special items													
Adjusted earnings before taxes (Non-GAAP)													
<u>Taxes (\$M)</u>													
Taxes (\$M)													
Taxes (\$M)													
(Provision for)/Benefit from income taxes (GAAP) (a)													

(Provision for)/Benefit from income taxes (GAAP) (a)

(Provision for)/Benefit from income taxes (GAAP) (a)

Less: Impact of special items (b)

Adjusted (provision for)/benefit from
income taxes (Non-GAAP)

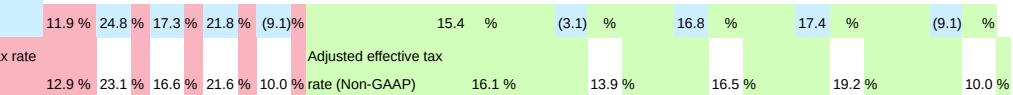
Tax Rate (%)

Tax Rate (%)

Effective tax rate (GAAP)

Effective tax rate (GAAP)

Effective tax rate (GAAP)



(a) Full Year 2023 reflects benefits from U.S. research tax credits and legal entity restructuring within our leasing operations and China.

(b) Full Year 2023 reflects benefits from China legal entity restructuring.

Net Cash Provided by/(Used in) Operating Activities Reconciliation to Company Adjusted Free Cash Flow (\$M)

	Second Quarter		First Half	
	2023	2024	2023	2024
	Third Quarter		First Nine Months	
	2023	2024	2023	2024
Net cash provided by/(used in) operating activities (GAAP)				
Less: Items not included in Company Adjusted Free Cash Flows				
Less: Items not included in Company Adjusted Free Cash Flows				
Less: Items not included in Company Adjusted Free Cash Flows				
Ford Credit operating cash flows				
Ford Credit operating cash flows				
Ford Credit operating cash flows				
Funded pension contributions				
Restructuring (including separations) (a)				
Ford Credit tax payments/(refunds) under tax sharing agreement				
Other, net				
Add: Items included in Company Adjusted Free Cash Flows				
Add: Items included in Company Adjusted Free Cash Flows				
Add: Items included in Company Adjusted Free Cash Flows				
Company excluding Ford Credit capital spending				
Company excluding Ford Credit capital spending				
Company excluding Ford Credit capital spending				
Ford Credit distributions				
Settlement of derivatives				
Company adjusted free cash flow (Non-GAAP)				

(a) Restructuring excludes cash flows reported in investing activities.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations (Continued)

SUPPLEMENTAL INFORMATION

The tables below provide supplemental consolidating financial information, other financial information, and U.S. sales by type. Company excluding Ford Credit includes our Ford Blue, Ford Model e, Ford Pro, and Ford Next 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 June 30, 2024			Second Quarter			For the period ended September 30, 2024			Third Quarter
	Company excluding Ford Credit	Company excluding Ford Credit	Ford Credit	Company excluding Ford Credit	Ford Credit	Company excluding Ford Credit	Ford Credit	Company excluding Ford Credit	Ford Credit	Consolidated
Revenues										
Total costs and expenses										
Operating income/(loss)										
Interest expense on Company debt excluding Ford Credit										
Other income/(loss), net										
Equity in net income/(loss) of affiliated companies										
Income/(Loss) before income taxes										
Provision for/(Benefit from) income taxes										
Net income/(loss)										
Less: Income/(Loss) attributable to noncontrolling interests										
Net income/(loss) attributable to Ford Motor Company										
For the period ended June 30, 2024										
For the period ended June 30, 2024										
For the period ended June 30, 2024										
First Half										
For the period ended September 30, 2024										
For the period ended September 30, 2024										
For the period ended September 30, 2024										
First Nine Months										
	Company excluding Ford Credit	Company excluding Ford Credit	Ford Credit	Company excluding Ford Credit	Ford Credit	Company excluding Ford Credit	Ford Credit	Company excluding Ford Credit	Ford Credit	Consolidated
Revenues										
Total costs and expenses										
Operating income/(loss)										
Interest expense on Company debt excluding Ford Credit										
Credit										
Other income/(loss), net										
Equity in net income/(loss) of affiliated companies										
Income/(Loss) before income taxes										
Provision for/(Benefit from) income taxes										
Net income/(loss)										
Less: Income/(Loss) attributable to noncontrolling interests										
Net income/(loss) attributable to Ford Motor Company										

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations (Continued)

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

Assets	Assets	June 30, 2024			September 30, 2024					
		Company excluding Ford Credit	Ford Credit	Eliminations	Consolidated	Assets	Company excluding Ford Credit	Ford Credit	Eliminations	Consolidated
Cash and cash equivalents										
Marketable securities										
Ford Credit finance receivables, net										
Trade and other receivables, net										
Inventories										

Other assets
Receivable from other segments
Total current assets
Ford Credit finance receivables, net
Ford Credit finance receivables, net
Ford Credit finance receivables, net
Net investment in operating leases
Net property
Equity in net assets of affiliated companies
Deferred income taxes
Other assets
Receivable from other segments
Total assets
Liabilities
Payables
Payables
Payables
Other liabilities and deferred revenue
Debt payable within one year
Payable to other segments
Payable to other segments
Payable to other segments
Total current liabilities
Other liabilities and deferred revenue
Other liabilities and deferred revenue
Other liabilities and deferred revenue
Long-term debt
Deferred income taxes
Payable to other segments
Total liabilities

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations (Continued)

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

	For the period ended				For the period ended				For the period ended			
	June 30, 2024				First Half				September 30, 2024			
	Company		Ford		Company		Ford		Company		Ford	
	<u>Cash flows from</u>	<u>operating activities</u>	<u>Company</u>	<u>excluding Ford</u>	<u>Credit</u>	<u>Ford</u>	<u>Credit</u>	<u>Eliminations</u>	<u>Consolidated</u>	<u>Cash flows from</u>	<u>operating</u>	<u>Company</u>
	<u>operating activities</u>									<u>activities</u>		
<u>Cash flows from operating activities</u>												
Net income/(loss)												
Depreciation and tooling amortization												
Other amortization												
Provision for credit and insurance losses												
Provision for credit and insurance losses												
Provision for credit and insurance losses												
Pension and OPEB expense/(income)												
Equity method investment dividends received in excess of (earnings)/losses and impairments												
Foreign currency adjustments												
Net realized and unrealized (gains)/losses on cash equivalents, marketable securities, and other investments												

Stock compensation
Provision for/(Benefit from) deferred income taxes
Decrease/(Increase) in finance receivables (wholesale and other)
Decrease/(Increase) in intersegment receivables/payables
Decrease/(Increase) in accounts receivable and other assets
Decrease/(Increase) in inventory
Increase/(Decrease) in accounts payable and accrued and other liabilities
Other
Interest supplements and residual value support to Ford Credit

Net cash provided by/(used in) operating activities

Cash flows from investing activities

Capital spending
Capital spending
Capital spending
Acquisitions of finance receivables and operating leases
Collections of finance receivables and operating leases
Purchases of marketable and other investments
Sales and maturities of marketable securities and other investments
Settlements of derivatives
Capital contributions to equity method investments
Other
Investing activity (to)/from other segments

Net cash provided by/(used in) investing activities

Cash flows from financing activities

Cash payments for dividends and dividend equivalents
Cash payments for dividends and dividend equivalents
Cash payments for dividends and dividend equivalents
Purchases of common stock
Net changes in short-term debt
Proceeds from issuance of long-term debt
Payments of long-term debt
Other
Financing activity to/(from) other segments

Net cash provided by/(used in) financing activities

Effect of exchange rate changes on cash, cash equivalents, and restricted cash
Effect of exchange rate changes on cash, cash equivalents, and restricted cash
Effect of exchange rate changes on cash, cash equivalents, and restricted cash

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations (Continued)

Selected Other Information.

Equity. At **June 30, 2024** **September 30, 2024**, total equity attributable to Ford was **\$43.6 billion** **\$44.3 billion**, an increase of **\$0.8 billion** **\$1.5 billion** compared with December 31, 2023. The detail for this change is shown below (in billions):

	Increase/ (Decrease)
Net income/(loss)	\$ 3.2 4.0
Shareholder distributions	(2.2) (2.8)
Other comprehensive income/(loss), net	(0.3) —
Common stock issued (including share-based compensation impacts)	0.1 0.3
Total	\$ 0.8 1.5

U.S. Sales by Type. The following table shows **second** **third** quarter 2024 U.S. sales volume and U.S. wholesales segregated by electric, hybrid, and internal combustion vehicles. U.S. sales volume represents primarily sales by dealers, sales to the government, and leases to Ford management, and is based, in part, on estimated vehicle registrations and includes medium and heavy trucks.



ACCOUNTING STANDARDS ISSUED BUT NOT YET ADOPTED

For a discussion of recent accounting standards, see Note 2 of the Notes to the Financial Statements.

ITEM 3. Quantitative and Qualitative Disclosures About Market Risk.

Company Excluding Ford Credit

Foreign Currency Risk. The net fair value of foreign exchange forward contracts (including adjustments for credit risk) as of **June 30, 2024** **September 30, 2024**, was an asset **liability** of **\$51 million** **\$396 million**, compared with a liability of \$319 million as of December 31, 2023. The potential change in the fair value from a 10% change in the underlying exchange rates, in U.S. dollar terms, would have been **\$3.1 billion** **\$3.0 billion** at **June 30, 2024** **September 30, 2024**, compared with \$3.1 billion at December 31, 2023.

Commodity Price Risk. The net fair value of commodity forward contracts (including adjustments for credit risk) as of **June 30, 2024** **September 30, 2024**, was an asset of **\$54 million** **\$41 million**, compared with a liability of \$9 million at December 31, 2023. The potential change in the fair value from a 10% change in the underlying commodity prices would have been **\$200 million** **\$198 million** at **June 30, 2024** **September 30, 2024**, compared with \$203 million at December 31, 2023.

Ford Credit Segment

Interest Rate Risk. To provide a quantitative measure of the sensitivity of its pre-tax cash flow to changes in interest rates, Ford Credit uses interest rate scenarios that assume a hypothetical, instantaneous decrease or increase of one percentage point in all interest rates across all maturities (a "parallel shift"), as well as a base case that assumes that all interest rates remain constant at existing levels. Maturing assets and liabilities are also instantaneously reinvested, capturing 100% of any hypothetical change in interest rates. The differences in pre-tax cash flow between these scenarios and the base case over a 12-month period represent an estimate of the sensitivity of Ford Credit's pre-tax cash flow. Under this model, Ford Credit estimates that at **June 30, 2024** **September 30, 2024**, all else constant, such a decrease in interest rates would decrease its pre-tax cash flow by **\$95 million** **\$103 million** over the next 12 months, compared with a decrease of \$78 million at December 31, 2023. In reality, new assets and liabilities may not immediately capture changes in interest rates, and interest rate changes are rarely instantaneous, parallel, or move exactly the one percentage point assumed in Ford Credit's analysis. As a result, the actual impact to pre-tax cash flow could be higher or lower than the results detailed above.

ITEM 4. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures. James D. Farley, Jr., our Chief Executive Officer ("CEO"), and John T. Lawler, our Chief Financial Officer ("CFO"), have performed an evaluation of the Company's disclosure controls and procedures, as that term is defined in Rule 13a-15(e) of the Securities Exchange Act of 1934, as amended ("Exchange Act"), as of **June 30, 2024** **September 30, 2024**, and each has concluded that such disclosure controls and procedures are effective to ensure that information required to be disclosed in our periodic reports filed under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified by SEC rules and forms, and that such information is accumulated and communicated to the CEO and CFO to allow timely decisions regarding required disclosures.

Changes in Internal Control Over Financial Reporting. There were no changes in internal control over financial reporting during the quarter ended **June 30, 2024** **September 30, 2024** that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

ITEM 1. Legal Proceedings.

ENVIRONMENTAL MATTERS

Any legal proceeding arising under any federal, state, or local provisions that have been enacted or adopted regulating the discharge of materials into the environment or primarily for the purpose of protecting the environment, in which (i) a governmental authority is a party, and (ii) we believe there is the possibility of monetary sanctions (exclusive of interest and costs) in excess of \$1,000,000 is described on page 35 of our 2023 Form 10-K Report.

OTHER MATTERS

Brazilian Tax Matters (as previously reported on page 35 of our 2023 Form 10-K Report, and page 66 of our Quarterly Report on Form 10-Q for the quarter ended March 31, 2024, and page 67 of our Quarterly Report on Form 10-Q for the quarter ended June 30, 2024). One Brazilian state (São Paulo) and the Brazilian federal tax authority currently have outstanding substantial tax assessments against Ford Motor Company Brasil Ltda. ("Ford Brazil") related to state and federal tax incentives Ford Brazil received for its operations in the Brazilian state of Bahia. The São Paulo assessment is part of a broader conflict among various states in Brazil. The federal legislature enacted laws designed to encourage the states to end that conflict, and in 2017 the states reached an agreement on a framework for resolution. Ford Brazil continues to pursue a resolution under the framework and expects the amount of any remaining assessments by the states to be resolved under that framework. The federal assessments are outside the scope of the legislation.

All of the outstanding assessments have been appealed to the relevant administrative court of each jurisdiction. To proceed with an appeal within the judicial court system, an appellant may be required to post collateral. To date, we have not been required to post any collateral. If we are required to post collateral, which could be in excess of \$1 billion, we expect it to be in the form of fixed assets, surety bonds, and/or letters of credit, but we may be required to post cash collateral. Although the ultimate resolution of these matters may take many years, we consider our overall risk of loss to be remote.

ITEM 2. Unregistered Sales of Equity Securities and Use of Proceeds.

In the **second** **third** quarter of 2024, we repurchased shares of Ford Common Stock as part of an anti-dilutive share repurchase program to offset the dilutive effect of share-based compensation granted during 2024. The program originally authorized repurchases of up to 53 million shares of Ford Common Stock.

Period	Total Number of Shares Purchased	Average Price Paid per Share	Maximum Number (or Approximate Dollar Value)	
			Purchased as Part of Publicly-Announced Plans or Programs	Purchased Under the Plans or Programs
April 1, 2024 through April 30, 2024	—	\$ —	—	53,000,000
May 1, 2024 through May 31, 2024	19,299,600	12.34	19,299,600	33,700,400
June 1, 2024 through June 30, 2024	480,400	11.95	480,400	33,220,000
Total / Average	19,780,000	\$ 12.33	19,780,000	

Period	Total Number of Shares Purchased	Average Price Paid per Share	Maximum Number (or Approximate Dollar Value)	
			Purchased as Part of Publicly-Announced Plans or Programs	Purchased Under the Plans or Programs
July 1, 2024 through July 31, 2024	—	\$ —	—	33,220,000
August 1, 2024 through August 31, 2024	2,950,000	10.95	2,950,000	30,270,000
September 1, 2024 through September 30, 2024	—	\$ —	—	30,270,000
Total / Average	2,950,000	\$ 10.95	2,950,000	

ITEM 5. Other Information.

During the quarter ended **June 30, 2024** **September 30, 2024**, no director or officer of the Company adopted, modified, or terminated a "Rule 10b5-1 trading arrangement" or a "non-Rule 10b5-1 trading arrangement" as each term is defined in Item 408(a) of Regulation S-K.

ITEM 6. Exhibits.

<u>Designation</u>	<u>Description</u>	<u>Method of Filing</u>
Exhibit 10.1.4	Twenty-First Amendment dated April 22, 2024 No. 5 effective September 12, 2024 to the Credit Agreement dated as of December 15, 2006 Tax Benefit Preservation Plan between Ford Motor Company and Computershare Trust Company, N.A., as amended and restated as of November 24, 2009, as amended and restated as of April 30, 2014, as amended and restated as of April 30, 2015, as amended and restated as of September 29, 2021. Rights Agent	Filed as Exhibit 10.1.4 to our Current Report on Form 8-K filed April 22, 2024. (a)
Exhibit 10.2	Sixth Amendment dated April 22, 2024 to the Revolving Credit Agreement dated as of April 23, 2019, as amended and restated as of September 29, 2021.	Filed as Exhibit 10.2 to our Current Report on Form 8-K filed April 22, 2024. (a)
Exhibit 10.3	Third Amendment dated April 22, 2024 to the 364-Day Revolving Credit Agreement dated June 23, 2022.	Filed as Exhibit 10.3 to our Current Report on Form 8-K filed April 22, 2024 September 13, 2024. (a)
Exhibit 31.1	Rule 15d-14(a) Certification of CEO.	Filed with this Report.
Exhibit 31.2	Rule 15d-14(a) Certification of CFO.	Filed with this Report.
Exhibit 32.1	Section 1350 Certification of CEO.	Furnished with this Report.
Exhibit 32.2	Section 1350 Certification of CFO.	Furnished with this Report.
Exhibit 101.INS	Interactive Data Files pursuant to Rule 405 of Regulation S-T formatted in Inline Extensible Business Reporting Language ("Inline XBRL").	(b)
Exhibit 101.SCH	XBRL Taxonomy Extension Schema Document.	(b)
Exhibit 101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document.	(b)
Exhibit 101.LAB	XBRL Taxonomy Extension Label Linkbase Document.	(b)
Exhibit 101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document.	(b)
Exhibit 101.DEF	XBRL Taxonomy Extension Definition Linkbase Document.	(b)
Exhibit 104	Cover Page Interactive Data File (formatted in Inline XBRL and contained in Exhibit 101).	(b)

(a) Incorporated by reference as an exhibit to this Report (file number reference 1-3950, unless otherwise indicated).

(b) Submitted electronically with this Report in accordance with the provisions of Regulation S-T.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

FORD MOTOR COMPANY

By: /s/ Mark Kosman
 Mark Kosman, Chief Accounting Officer
 (principal accounting officer)

Date: July 24, October 28, 2024

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Exhibit 31.1

CERTIFICATION

I, James D. Farley, Jr., certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the period ended June 30, 2024 September 30, 2024 of Ford Motor Company;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

- (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
- (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
- (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
- (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

- (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
- (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: **July 24, 2024** **October 28, 2024**

/s/ James D. Farley, Jr.

James D. Farley, Jr.
President and Chief Executive Officer

Exhibit 31.2

CERTIFICATION

I, John T. Lawler, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the period ended **June 30, 2024** **September 30, 2024** of Ford Motor Company;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: **July 24, 2024** **October 28, 2024**

/s/ John T. Lawler
John T. Lawler
Vice Chair and Chief Financial Officer

Exhibit 32.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER

I, James D. Farley, Jr., President and Chief Executive Officer of Ford Motor Company (the "Company"), hereby certify pursuant to Rule 13a-14(b) or 15d-14(b) of the Securities Exchange Act of 1934, as amended, and Section 1350 of Chapter 63 of Title 18 of the United States Code that to my knowledge:

1. The Company's Quarterly Report on Form 10-Q for the period ended **June 30, 2024** **September 30, 2024**, to which this statement is furnished as an exhibit (the "Report"), fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
2. The information contained in this Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: **July 24, 2024** **October 28, 2024**

/s/ James D. Farley, Jr.
James D. Farley, Jr.
President and Chief Executive Officer

Exhibit 32.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER

I, John T. Lawler, Vice Chair and Chief Financial Officer of Ford Motor Company (the "Company"), hereby certify pursuant to Rule 13a-14(b) or Rule 15d-14(b) of the Securities Exchange Act of 1934, as amended, and Section 1350 of Chapter 63 of Title 18 of the United States Code that to my knowledge:

1. The Company's Quarterly Report on Form 10-Q for the period ended **June 30, 2024** **September 30, 2024**, to which this statement is furnished as an exhibit (the "Report"), fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
2. The information contained in this Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: **July 24, 2024** **October 28, 2024**

/s/ John T. Lawler

John T. Lawler

Vice Chair and Chief Financial Officer

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