

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D. C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of
the Securities Exchange Act of 1934

Date of Report: February 4, 2020
(Date of earliest event reported)

FORD MOTOR COMPANY
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of incorporation)

1-3950
(Commission File Number)

38-0549190
(IRS Employer Identification No.)

One American Road
Dearborn, Michigan
(Address of principal executive offices)

48126
(Zip Code)

Registrant's telephone number, including area code 313-322-3000

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value \$.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

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

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. ☐

Item 2.02. Results of Operations and Financial Condition.

Ford Motor Company ("Ford" or "Company") hereby incorporates by reference its news release dated February 4, 2020, which is furnished as Exhibit 99 hereto.

Beginning at 5:00 p.m. on February 4, 2020, Ford President and Chief Executive Officer Jim Hackett, Chief Financial Officer Tim Stone, and members of Ford's senior management team will host a conference call to discuss Ford's fourth quarter and full year 2019 financial results. Investors may access the presentation by dialing 1-877-870-8664 (or 1-970-297-2423 from outside the United States). The passcode for the call is a verbal response of "Ford Earnings."

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

Investors also may access replays of the presentation beginning after 8:00 p.m. the day of the event through February 10, 2020 by dialing 1-855-859-2056 (or 1-404-537-3406 from outside the United States). The Conference ID for replays is 6845877.

All times referenced above are in Eastern Time.

Item 9.01. Financial Statements and Exhibits.**EXHIBITS***

<u>Designation</u>	<u>Description</u>	<u>Method of Filing</u>
Exhibit 99	News release dated February 4, 2020	Furnished with this Report
Exhibit 104	Cover Page Interactive Data File (formatted in Inline XBRL)	**

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 hereunto duly authorized.

FORD MOTOR COMPANY

(Registrant)

Date: February 4, 2020

By: /s/ Corey M. MacGillivray

Corey M. MacGillivray

Assistant Secretary

* Any reference in the attached exhibit(s) to our corporate website(s) and/or other social media sites or platforms, and the contents thereof, is provided for convenience only; such websites or platforms and the contents thereof are not incorporated by reference into this Report nor deemed filed with the Securities and Exchange Commission.

** Submitted electronically with this Report in accordance with the provisions of Regulation S-T.

Ford's Q4, Full-Year Results in Europe, China Sharply Improve; Strategic Actions in 2019 Position Company for Long-Term Success

- Full-year operating cash flow up, adjusted free cash flow flat
- Automotive EBIT for 2019 declined; benefits of Global Redesign and Fitness initiatives evident in lower Automotive structural costs and other underlying operating improvements
- Product mix and net pricing strong in most regions, led by North America, with a sharper focus on franchise strengths, especially trucks, SUVs and commercial vehicles
- Extensive new-product introductions, featuring electric commercial and passenger vehicles, and investments in smart-vehicle capabilities continuing through and beyond 2020
- For full-year 2020, Ford expects adjusted free cash flow of \$2.4 billion to \$3.4 billion, and adjusted EBIT of \$5.6 billion to \$6.6 billion

DEARBORN, Mich., Feb. 4, 2020 – Ford Motor Company today announced its fourth-quarter and full-year 2019 financial results, closing a year of strategic milestones in the company's ongoing, large-scale transformation.

Company Key Metrics Summary

	FOURTH QUARTER			FULL YEAR		
	2018	2019	H / (L)	2018	2019	H / (L)
Market Share (%)	5.9 %	5.7 %	(0.2) ppts	6.3 %	6.0 %	(0.3) ppts
Wholesale Units (000)	1,474	1,354	(8) %	5,982	5,386	(10) %
GAAP						
Cash Flows From Op. Activities (\$B)	\$ 1.4	\$ 2.9	\$ 1.5	\$ 15.0	\$ 17.6	\$ 2.6
Revenue (\$B)	41.8	39.7	(5) %	160.3	155.9	(3) %
Net Income (\$B)	(0.1)	(1.7)	\$ (1.6)	3.7	0.0	\$ (3.6)
Net Income Margin (%)	(0.3) %	(4.2) %	(3.9) ppts	2.3 %	0.0 %	(2.3) ppts
EPS (Diluted)	\$ (0.03)	\$(0.42)	\$(0.39)	\$ 0.92	\$ 0.01	\$(0.91)
Non-GAAP						
Company Adj. Free Cash Flow (\$B)	\$ 1.5	\$ 0.5	\$ (1.0)	\$ 2.8	\$ 2.8	\$ 0.0
Company Adj. EBIT (\$B)	1.5	0.5	(1.0)	7.0	6.4	(0.6)
Company Adj. EBIT Margin (%)	3.5 %	1.2 %	(2.3) ppts	4.4 %	4.1 %	(0.3) ppts
Adjusted EPS (Diluted)	\$ 0.30	\$0.12	\$(0.18)	\$ 1.30	\$ 1.19	\$(0.11)
Adjusted ROIC (Trailing Four Qtrs)	7.1 %	7.8 %	0.7 ppts	7.1 %	7.8 %	0.7 ppts

Fourth-quarter adjusted free cash flow was \$498 million, down 67 percent. The company reported a Q4 net loss of \$1.7 billion, or negative 42 cents per share, which includes a previously disclosed \$2.2 billion pension and OPEB remeasurement loss. Adjusted earnings before interest and taxes (EBIT) were \$485 million, down 67 percent, with improved results in China and Europe more than offset by a decline in North America. Revenue was \$39.7 billion, down 5 percent.

Ford's Automotive EBIT for the quarter was \$215 million, 81 percent lower. Gains in net pricing and product mix, particularly in North America, were more than offset by lower launch-related volumes; higher costs for new products; unfavorable currency exchange; and UAW contract-related costs.

For full-year 2019, Ford's adjusted free cash flow was \$2.8 billion, flat compared to 2018. Revenue was \$155.9 billion, down 3 percent. Adjusted EBIT was \$6.4 billion and adjusted EPS was \$1.19.

Ford Credit had an exceptional year, posting its best results in nine years, with \$3 billion in earnings before taxes.

"We made great strategic progress this past year with a fundamental redesign of Ford that is setting us up to compete and win in this emerging era of Smart Vehicles for a Smart World – with great products, services and long-term value," said Jim Hackett, Ford president and chief executive officer.

"Financially, the company's 2019 performance was short of our original expectations, mostly because our operational execution – which we usually do very well – wasn't nearly good enough. We recognize, take accountability for and have made changes because of this."

Among 2019 strategic highlights were the November reveal of the Mustang Mach-E, an exciting, zero-emissions battery-electric vehicle that will be digitally connected, enabling constant improvement through real-time over-the-air updates. Additionally, Ford entered strategic agreements and partnerships around the world – with VW, Rivian and Mahindra -- to complement and accelerate its own capabilities in autonomous and electric vehicles and in emerging and emerged markets.

Operationally, Global Redesign actions during 2019 included decisive moves to both reinforce strengths and address underperforming parts of the businesses. As examples:

- **Europe** generated \$21 million in EBIT in Q4 – versus a loss of \$199 million a year ago – and improved to nearly break-even for the full year. The business refocused its resources on three product segments: commercial vehicles, selected passenger vehicles and iconic nameplates, such as Mustang. At the same time, the business became more efficient, announcing plans to close or sell six manufacturing plants and eliminate 12,000 positions across the region.
- Ford's fourth-quarter operating loss in **China** was 61 percent smaller than in the same year-ago period, thanks to lower structural costs. This was the fourth straight quarter of year-over-year improvement in China.
- In **South America**, Ford exited production of heavy trucks and discontinued unprofitable sedan models, closing a plant in São Bernardo. The company's regional workforce today is more than 40 percent smaller than three years ago.

At the same time, Ford carried out key parts of perhaps the most ambitious vehicle renewal in its history. By the end of 2019, 40 percent of Ford's global product portfolio was new since the end of 2017, a rate expected to reach 90 percent by 2022.

Among products introduced in 2019 were new versions of the Ford Explorer, Escape and Super Duty, and Lincoln Aviator and Corsair, in North America; Ford Puma and two-tonne Transit in Europe; and first-ever battery-electric vehicle in China, a version of the Ford Territory. Production of all of these vehicles will fully ramp up during 2020.

In addition to Mustang Mach-E, refreshed or all-new vehicle launches planned for 2020 – in North America, representing 40 percent of Ford's current volumes – include:

- F-150, featuring a first-ever hybrid-electric version
- A small off-road utility vehicle
- The first of 30 market-specific Ford and Lincoln vehicles in China – 10 of which will be electric – over the next three years, and
- Electrified versions of the Lincoln Corsair and Ford Escape/Kuga.

"Enhancing customer experience and improving operating rigor are persistent priorities for us," said Tim Stone, Ford's chief financial officer. "We have abundant opportunities in both areas."

Regional Highlights

Q4

	North America	South America	Europe	MEA	China	Asia Pacific Operations	Total Automotive
Market Share (%)	12.8 %	6.9 %	6.8 %	3.4 %	2.0 %	1.7 %	5.7 %
H / (L) Q418	- ppts	(0.7) ppts	(0.5) ppts	0.5 ppts	(0.3) ppts	(0.3) ppts	(0.2) ppts
Wholesales (000)	681	74	346	27	159	67	1,354
H / (L) Q418	(8) %	(17) %	(4) %	(16) %	(7) %	(18) %	(8) %
Revenue (\$B)	\$ 25.3	\$ 1.0	\$ 7.1	\$ 0.6	\$ 1.0	\$ 1.7	\$ 36.7
H / (L) Q418	(2) %	(22) %	(4) %	(7) %	(38) %	(14) %	(5) %
EBIT (\$M)	\$ 700	\$ (176)	\$ 21	\$ (83)	\$ (207)	\$ (40)	\$ 215
H / (L) Q418	\$ (1,259)	\$ 23	\$ 220	\$ (34)	\$ 327	\$ (193)	\$ (916)
EBIT Margin (%)	2.8 %	(18.4) %	0.3 %	(13.1) %	(21.5) %	(2.3) %	0.6 %
H / (L) Q418	(4.8) ppts	(2.1) ppts	3.0 ppts	(6.1) ppts	12.9 ppts	(9.9) ppts	(2.3) ppts

FULL YEAR

	North America	South America	Europe	MEA	China	Asia Pacific Operations	Total Automotive
Market Share (%)	13.2 %	7.2 %	6.8 %	3.2 %	2.2 %	1.7 %	6.0 %
H / (L) FY18	(0.2) ppts	(1.1) ppts	(0.4) ppts	0.2 ppts	(0.7) ppts	(0.2) ppts	(0.3) ppts
Wholesales (000)	2,765	295	1,418	94	535	279	5,386
H / (L) FY18	(5) %	(19) %	(8) %	(14) %	(27) %	(14) %	(10) %
Revenue (\$B)	\$ 98.1	\$ 3.9	\$ 28.6	\$ 2.4	\$ 3.6	\$ 7.0	\$ 143.6
H / (L) FY18	1 %	(26) %	(8) %	(10) %	(22) %	(10) %	(3) %
EBIT (\$M)	\$ 6,612	\$ (704)	\$ (47)	\$ (141)	\$ (771)	\$ (23)	\$ 4,926
H / (L) FY18	\$ (995)	\$ (26)	\$ 351	\$ (134)	\$ 774	\$ (467)	\$ (496)
EBIT Margin (%)	6.7 %	(18.1) %	(0.2) %	(5.9) %	(21.3) %	(0.3) %	3.4 %
H / (L) FY18	(1.1) ppts	(5.2) ppts	1.1 ppts	(5.6) ppts	12.1 ppts	(6.0) ppts	(0.2) ppts

Outlook

According to Ford, it is too early to estimate implications of the coronavirus outbreak on its business. Excluding any possible effects from the issue, for full-year 2020, the company anticipates:

- Adjusted free cash flow of \$2.4 billion to \$3.4 billion
- Adjusted EBIT of \$5.6 billion to \$6.6 billion, which assumes at least nominal growth in the Automotive business, offset by lower EBT from Ford Credit and modestly higher investment in Mobility
- An adjusted effective tax rate in the mid-to-high teens, producing an adjusted EPS of 94 cents to \$1.20 per share
- Capital expenditures of \$6.8 billion to \$7.3 billion – as much as \$800 million below the level of 2019, reflecting benefits from the company's fitness initiatives
- Funded pension contributions of \$600 million to \$800 million, and
- Regular quarterly dividends of 15 cents per share, subject to board approval each quarter.

In the first quarter, Ford expects adjusted EBIT to be down more than \$1.1 billion from Q1 2019 as a result of the continuation of higher warranty costs seen during the second half of 2019, lower vehicle volumes, lower results from Ford Credit, and higher investment in Mobility. The company expects its Q1 adjusted effective tax rate to be at the high end of its full-year guidance range.

Ford's guidance assumes no material change in the current economic environment, including commodities, foreign exchange and tariffs. Actual results could differ materially from guidance due to risks, uncertainties and other factors, including those detailed in the company's Cautionary Note on Forward Looking Statements.

The company will report first-quarter 2020 financial results on April 28. Ford said it will announce the date of each subsequent earnings release in conjunction with results for current quarter.

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About Ford Motor Company

Ford Motor Company is a global company based in Dearborn, Michigan. The company designs, manufactures, markets and services a full line of Ford cars, trucks, SUVs, electrified vehicles and Lincoln luxury vehicles, provides financial services through Ford Motor Credit Company and is pursuing leadership positions in electrification; mobility solutions, including self-driving services; and connected services. Ford employs approximately 190,000 people worldwide. For more information regarding Ford, its products and Ford Motor Credit Company, please visit www.corporate.ford.com.

Contact(s):	<u>Media:</u>	<u>Equity Investment Community:</u>	<u>Fixed Income Investment Community:</u>	<u>Shareholder Inquiries:</u>
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Cautionary Note on Forward-Looking Statements

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

- Ford’s long-term competitiveness depends on the successful execution of fitness actions;
- Industry sales volume, particularly in the United States, Europe, or China, could decline if there is a financial crisis, recession, or significant geopolitical event;
- Ford’s new and existing products and mobility services are subject to market acceptance;
- Ford’s results are dependent on sales of larger, more profitable vehicles, particularly in the United States;
- Ford may face increased price competition resulting from industry excess capacity, currency fluctuations, or other factors;
- Fluctuations in commodity prices, foreign currency exchange rates, and interest rates can have a significant effect on results;
- With a global footprint, Ford’s results could be adversely affected by economic, geopolitical, protectionist trade policies, or other events, including Brexit;
- Ford’s production, as well as Ford’s suppliers’ production, could be disrupted by labor disputes, natural or man-made disasters, financial distress, production difficulties, or other factors;
- Ford’s ability to maintain a competitive cost structure could be affected by labor or other constraints;
- Pension and other postretirement liabilities could adversely affect Ford’s liquidity and financial condition;
- Economic and demographic experience for pension and other postretirement benefit plans (e.g., discount rates or investment returns) could be worse than Ford has assumed;
- Ford’s vehicles could be affected by defects that result in delays in new model launches, recall campaigns, or increased warranty costs;
- Ford may need to substantially modify its product plans to comply with safety, emissions, fuel economy, and other regulations that may change in the future;
- Ford could experience unusual or significant litigation, governmental investigations, or adverse publicity arising out of alleged defects in products, perceived environmental impacts, or otherwise;
- Ford’s receipt of government incentives could be subject to reduction, termination, or clawback;
- Operational systems, security systems, and vehicles could be affected by cyber incidents;
- Ford and Ford Credit’s access to debt, securitization, or derivative markets around the world at competitive rates or in sufficient amounts could be affected by credit rating downgrades, market volatility, market disruption, regulatory requirements, or other factors;
- Ford Credit could experience higher-than-expected credit losses, lower-than-anticipated residual values, or higher-than-expected return volumes for leased vehicles;
- Ford Credit could face increased competition from banks, financial institutions, or other third parties seeking to increase their share of financing Ford vehicles; and
- Ford Credit could be subject to new or increased credit regulations, consumer or data protection regulations, or other regulations.

We cannot be certain that any expectation, forecast, or assumption made in preparing forward-looking statements will prove accurate, or that any projection will be realized. It is to be expected that there may be differences between projected and actual results. Our forward-looking statements speak only as of the date of their initial issuance, and we do not undertake any obligation to update or revise publicly any forward-looking statement, whether as a result of new information, future events, or otherwise. For additional discussion, see “Item 1A. Risk Factors” in our 2018 Form 10-K Report, as updated by subsequent filings with the United States Securities and Exchange Commission.

Conference Call Details

Ford Motor Company (NYSE:F) and Ford Motor Credit Company will release their 2019 fourth-quarter and full-year financial results at 4:05 p.m. ET on Tuesday, Feb. 4. Following the release, Jim Hackett, Ford president and chief executive officer; Tim Stone, Ford chief financial officer; and members of Ford's senior management team will host a conference call at 5:00 p.m. ET to discuss the results. The presentation and supporting materials will be available at www.shareholder.ford.com. Representatives of the investment community will have the opportunity to ask questions on the call.

Ford Earnings Call: 5:00 p.m. ET, Tuesday, Feb. 4

Toll-Free: 1.877.870.8664

International: 1.970.297.2423

Passcode: Ford Earnings

Web: www.shareholder.ford.com

REPLAY

(Available after 8:00 p.m. ET on Feb. 4 through Feb. 10)

Web: www.shareholder.ford.com

Toll-Free: 1.855.859.2056

International: 1.404.537.3406

Replay Passcode: 6845877

The following applies to the information throughout this release:

- See tables later in this release for the nature and amount of special items, and reconciliations of the non-GAAP financial measures designated as "adjusted" to the most comparable financial measures calculated in accordance with U.S. generally accepted accounting principles ("GAAP").
- Wholesale unit sales and production volumes include Ford brand and Jiangling Motors Corporation ("JMC") brand vehicles produced and sold in China by our unconsolidated affiliates; revenue does not include these sales. See materials supporting the Feb. 4, 2020, conference call at www.shareholder.ford.com for further discussion of wholesale unit volumes.

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

	For the years ended December 31,		
	2017	2018	2019
	(unaudited)		
Cash flows from operating activities			
Net income	\$ 7,757	\$ 3,695	\$ 84
Depreciation and tooling amortization	9,241	9,385	9,689
Other amortization	(669)	(972)	(1,199)
Held-for-sale impairment charges	—	—	804
Provision for credit and insurance losses	598	504	413
Pension and other postretirement employee benefits ("OPEB") expense/(income)	(608)	400	2,625
Equity investment dividends received in excess of (earnings)/losses	240	206	203
Foreign currency adjustments	(403)	529	(54)
Net (gain)/loss on changes in investments in affiliates	(7)	(42)	(29)
Stock compensation	246	191	228
Provision for deferred income taxes	(350)	(197)	(1,370)
Decrease/(Increase) in finance receivables (wholesale and other)	(836)	(2,408)	1,554
Decrease/(Increase) in accounts receivable and other assets	(2,297)	(2,239)	(816)
Decrease/(Increase) in inventory	(970)	(828)	206
Increase/(Decrease) in accounts payable and accrued and other liabilities	6,089	6,781	5,260
Other	65	17	41
Net cash provided by/(used in) operating activities	18,096	15,022	17,639
Cash flows from investing activities			
Capital spending	(7,049)	(7,785)	(7,632)
Acquisitions of finance receivables and operating leases	(59,354)	(62,924)	(55,576)
Collections of finance receivables and operating leases	44,641	50,880	50,182
Purchases of marketable securities and other investments	(27,567)	(17,140)	(17,472)
Sales and maturities of marketable and other investments	29,898	20,527	16,929
Settlements of derivatives	100	358	(114)
Other	(29)	(177)	(38)
Net cash provided by/(used in) investing activities	(19,360)	(16,261)	(13,721)
Cash flows from financing activities			
Cash payments for dividends and dividend equivalents	(2,584)	(2,905)	(2,389)
Purchases of common stock	(131)	(164)	(237)
Net changes in short-term debt	1,229	(2,819)	(1,384)
Proceeds from issuance of long-term debt	45,801	50,130	47,604
Principal payments on long-term debt	(40,770)	(44,172)	(46,497)
Other	(151)	(192)	(226)
Net cash provided by/(used in) financing activities	3,394	(122)	(3,129)
Effect of exchange rate changes on cash, cash equivalents, and restricted cash	489	(370)	45
Net increase/(decrease) in cash, cash equivalents, and restricted cash	\$ 2,619	\$ (1,731)	\$ 834
Cash, cash equivalents, and restricted cash at beginning of period	\$ 16,019	\$ 18,638	\$ 16,907
Net increase/(decrease) in cash, cash equivalents, and restricted cash	2,619	(1,731)	834
Cash, cash equivalents, and restricted cash at end of period	\$ 18,638	\$ 16,907	\$ 17,741

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

	For the years ended December 31,		
	2017	2018	2019
	(unaudited)		
Revenues			
Automotive	\$ 145,653	\$ 148,294	\$ 143,599
Ford Credit	11,113	12,018	12,260
Mobility	10	26	41
Total revenues	156,776	160,338	155,900
Costs and expenses			
Cost of sales	131,321	136,269	134,693
Selling, administrative, and other expenses	11,527	11,403	11,161
Ford Credit interest, operating, and other expenses	9,047	9,463	9,472
Total costs and expenses	151,895	157,135	155,326
Operating income	4,881	3,203	574
Interest expense on Automotive debt	1,133	1,171	963
Interest expense on Other debt	57	57	57
Other income/(loss), net	3,267	2,247	(226)
Equity in net income of affiliated companies	1,201	123	32
Income/(Loss) before income taxes	8,159	4,345	(640)
Provision for/(Benefit from) income taxes	402	650	(724)
Net income	7,757	3,695	84
Less: Income attributable to noncontrolling interests	26	18	37
Net income attributable to Ford Motor Company	\$ 7,731	\$ 3,677	\$ 47
EARNINGS PER SHARE ATTRIBUTABLE TO FORD MOTOR COMPANY COMMON AND CLASS B STOCK			
Basic income	\$ 1.94	\$ 0.93	\$ 0.01
Diluted income	1.93	0.92	0.01
Weighted-average shares used in computation of earnings per share			
Basic shares	3,975	3,974	3,972
Diluted shares	3,998	3,998	4,004

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

	December 31, 2018	December 31, 2019
	(unaudited)	
ASSETS		
Cash and cash equivalents	\$ 16,718	\$ 17,504
Marketable securities	17,233	17,147
Ford Credit finance receivables, net	54,353	53,651
Trade and other receivables, less allowances of \$94 and \$63	11,195	9,237
Inventories	11,220	10,786
Assets held for sale	—	2,383
Other assets	3,930	3,339
Total current assets	114,649	114,047
Ford Credit finance receivables, net	55,544	53,703
Net investment in operating leases	29,119	29,230
Net property	36,178	36,469
Equity in net assets of affiliated companies	2,709	2,519
Deferred income taxes	10,412	11,863
Other assets	7,929	10,706
Total assets	\$ 256,540	\$ 258,537
LIABILITIES		
Payables	\$ 21,520	\$ 20,673
Other liabilities and deferred revenue	20,556	22,987
Automotive debt payable within one year	2,314	1,445
Ford Credit debt payable within one year	51,179	52,371
Other debt payable within one year	—	130
Liabilities held for sale	—	526
Total current liabilities	95,569	98,132
Other liabilities and deferred revenue	23,588	25,324
Automotive long-term debt	11,233	13,233
Ford Credit long-term debt	88,887	87,658
Other long-term debt	600	470
Deferred income taxes	597	490
Total liabilities	220,474	225,307
Redeemable noncontrolling interest	100	—
EQUITY		
Common Stock, par value \$.01 per share (4,011 million shares issued of 6 billion authorized)	40	40
Class B Stock, par value \$.01 per share (71 million shares issued of 530 million authorized)	1	1
Capital in excess of par value of stock	22,006	22,165
Retained earnings	22,668	20,320
Accumulated other comprehensive income/(loss)	(7,366)	(7,728)
Treasury stock	(1,417)	(1,613)
Total equity attributable to Ford Motor Company	35,932	33,185
Equity attributable to noncontrolling interests	34	45
Total equity	35,966	33,230
Total liabilities and equity	\$ 256,540	\$ 258,537

2019 SUPPLEMENTAL INFORMATION

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

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

For the Year Ended December 31, 2019				
	Company excluding Ford Credit	Ford Credit	Eliminations	Consolidated
Cash flows from operating activities				
Net income/(loss)	\$ (2,144)	\$ 2,228	\$ —	\$ 84
Depreciation and tooling amortization	6,023	3,666	—	9,689
Other amortization	48	(1,247)	—	(1,199)
Held-for-sale impairment charges	804	—	—	804
Provision for credit and insurance losses	14	399	—	413
Pension and OPEB expense/(income)	2,625	—	—	2,625
Equity investment dividends received in excess of (earnings)/losses	233	(30)	—	203
Foreign currency adjustments	(18)	(36)	—	(54)
Net (gain)/loss on changes in investments in affiliates	(36)	7	—	(29)
Stock compensation	220	8	—	228
Provision for deferred income taxes	(1,407)	37	—	(1,370)
Decrease/(Increase) in finance receivables (wholesale and other)	—	1,554	—	1,554
Decrease/(Increase) in intersegment receivables/payables	(193)	193	—	—
Decrease/(Increase) in accounts receivable and other assets	(971)	155	—	(816)
Decrease/(Increase) in inventory	206	—	—	206
Increase/(Decrease) in accounts payable and accrued and other liabilities	5,228	32	—	5,260
Other	157	(116)	—	41
Interest supplements and residual value support to Ford Credit	(4,681)	4,681	—	—
Net cash provided by/(used in) operating activities	\$ 6,108	\$ 11,531	\$ —	\$ 17,639
Cash flows from investing activities				
Capital spending	\$ (7,580)	\$ (52)	\$ —	\$ (7,632)
Acquisitions of finance receivables and operating leases	—	(55,576)	—	(55,576)
Collections of finance receivables and operating leases	—	50,182	—	50,182
Purchases of marketable and other investments	(11,589)	(5,883)	—	(17,472)
Sales and maturities of marketable and other investments	12,998	3,931	—	16,929
Settlements of derivatives	107	(221)	—	(114)
Other	(34)	(4)	—	(38)
Investing activity (to)/from other segments	2,980	—	(2,980)	—
Net cash provided by/(used in) investing activities	\$ (3,118)	\$ (7,623)	\$ (2,980)	\$ (13,721)
Cash flows from financing activities				
Cash payments for dividends and dividend equivalents	\$ (2,389)	\$ —	\$ —	\$ (2,389)
Purchases of common stock	(237)	—	—	(237)
Net changes in short-term debt	(186)	(1,198)	—	(1,384)
Proceeds from issuance of long-term debt	3,082	44,522	—	47,604
Principal payments on long-term debt	(1,832)	(44,665)	—	(46,497)
Other	(110)	(116)	—	(226)
Financing activity to/(from) other segments	—	(2,980)	2,980	—
Net cash provided by/(used in) financing activities	\$ (1,672)	\$ (4,437)	\$ 2,980	\$ (3,129)
Effect of exchange rate changes on cash, cash equivalents, and restricted cash	\$ (5)	\$ 50	\$ —	\$ 45

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

For the Year Ended December 31, 2019						
	Company excluding Ford Credit				Ford Credit	Consolidated
	Automotive	Mobility	Other (a)	Subtotal		
Revenues	\$ 143,599	\$ 41	\$ —	\$ 143,640	\$ 12,260	\$ 155,900
Total costs and expenses	140,736	1,379	3,739	145,854	9,472	155,326
Operating income/(loss)	2,863	(1,338)	(3,739)	(2,214)	2,788	574
Interest expense on Automotive debt	—	—	963	963	—	963
Interest expense on Other debt	—	—	57	57	—	57
Other income/(loss), net	2,074	140	(2,619)	(405)	179	(226)
Equity in net income of affiliated companies	(11)	12	—	1	31	32
Income/(loss) before income taxes	4,926	(1,186)	(7,378)	(3,638)	2,998	(640)
Provision for/(Benefit from) income taxes	444	(284)	(1,654)	(1,494)	770	(724)
Net income/(loss)	4,482	(902)	(5,724)	(2,144)	2,228	84
Less: Income attributable to noncontrolling interests	37	—	—	37	—	37
Net income/(loss) attributable to Ford Motor Company	\$ 4,445	\$ (902)	\$ (5,724)	\$ (2,181)	\$ 2,228	\$ 47

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

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

	December 31, 2019			
	Company excluding Ford Credit	Ford Credit	Eliminations	Consolidated
Assets				
Cash and cash equivalents	\$ 8,437	\$ 9,067	\$ —	\$ 17,504
Marketable securities	13,851	3,296	—	17,147
Ford Credit finance receivables, net	—	53,651	—	53,651
Trade and other receivables, less allowances	3,618	5,619	—	9,237
Inventories	10,786	—	—	10,786
Assets held for sale	685	1,698	—	2,383
Other assets	2,014	1,325	—	3,339
Receivable from other segments	125	2,228	(2,353)	—
Total current assets	39,516	76,884	(2,353)	114,047
Ford Credit finance receivables, net	—	53,703	—	53,703
Net investment in operating leases	1,612	27,618	—	29,230
Net property	36,257	212	—	36,469
Equity in net assets of affiliated companies	2,396	123	—	2,519
Deferred income taxes	13,856	171	(2,164)	11,863
Other assets	8,736	1,970	—	10,706
Receivable from other segments	9	16	(25)	—
Total assets	\$ 102,382	\$ 160,697	\$ (4,542)	\$ 258,537
Liabilities				
Payables	\$ 19,681	\$ 992	\$ —	\$ 20,673
Other liabilities and deferred revenue	21,340	1,647	—	22,987
Automotive debt payable within one year	1,445	—	—	1,445
Ford Credit debt payable within one year	—	52,371	—	52,371
Other debt payable within one year	130	—	—	130
Liabilities held for sale	481	45	—	526
Payable to other segments	2,353	—	(2,353)	—
Total current liabilities	45,430	55,055	(2,353)	98,132
Other liabilities and deferred revenue	24,280	1,044	—	25,324
Automotive long-term debt	13,233	—	—	13,233
Ford Credit long-term debt	—	87,658	—	87,658
Other long-term debt	470	—	—	470
Deferred income taxes	61	2,593	(2,164)	490
Payable to other segments	25	—	(25)	—
Total liabilities	\$ 83,499	\$ 146,350	\$ (4,542)	\$ 225,307

Non-GAAP Financial Measures That Supplement GAAP Measures

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

- **Company Adjusted EBIT (Most Comparable GAAP Measure: Net income attributable to Ford)** – Earnings before interest and taxes (EBIT) excludes interest on debt (excl. Ford Credit Debt), taxes and pre-tax special items. This non-GAAP measure is useful to management and investors because it allows users to evaluate our operating results aligned with industry reporting. Pre-tax special items consist of (i) pension and OPEB remeasurement gains and losses, (ii) significant personnel expenses, dealer-related costs, and facility-related charges stemming from efforts to match production capacity and cost structure to market demand and changing model mix, and (iii) other items that we do not necessarily consider to be indicative of earnings from ongoing operating activities. When we provide guidance for adjusted EBIT, we do not provide guidance on a net income basis because the GAAP measure will include potentially significant special items that have not yet occurred and are difficult to predict with reasonable certainty prior to year-end, including pension and OPEB remeasurement gains and losses.
- **Company Adjusted EBIT Margin (Most Comparable GAAP Measure: Company Net Income Margin)** – Company Adjusted EBIT margin is Company Adjusted EBIT divided by Company revenue. This non-GAAP measure is useful to management and investors because it allows users to evaluate our operating results aligned with industry reporting.
- **Adjusted Earnings Per Share (Most Comparable GAAP Measure: Earnings Per Share)** – Measure of Company's diluted net earnings per share adjusted for impact of pre-tax special items (described above), 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 the underlying run rate of our business. When we provide guidance for adjusted earnings per share, we do not provide guidance on an earnings per share basis because the GAAP measure will include potentially significant special items that have not yet occurred and are difficult to predict with reasonable certainty prior to year-end, including pension and OPEB 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.
- **Company Adjusted Free Cash Flow (FCF) (Most Comparable GAAP Measure: Net Cash Provided By / (Used In) Operating Activities)** – Measure of Company's operating cash flow excluding Ford Credit's operating cash flows. The measure contains elements management considers operating activities, including Automotive and Mobility capital spending, Ford Credit distributions to its parent, and settlement of derivatives. The measure excludes cash outflows for funded pension contributions, global redesign (including separations), and other items that are considered operating cash flows under 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 FCF, 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 after cash tax from the last four quarters, divided by the average invested capital over the last four quarters. This calculation 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 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.

Note: Calculated results may not sum due to rounding

Net Income Reconciliation To Adjusted EBIT (\$M)

	Q4		FY	
	2018	2019	2018	2019
Net income / (loss) attributable to Ford (GAAP)	\$ (116)	\$ (1,672)	\$ 3,677	\$ 47
Income / (Loss) attributable to noncontrolling interests	4	-	18	37
Net income / (loss)	\$ (112)	\$ (1,672)	\$ 3,695	\$ 84
Less: (Provision for) / Benefit from income taxes	(95)	764	(650)	724
Income / (Loss) before income taxes	\$ (17)	\$ (2,436)	\$ 4,345	\$ (640)
Less: Special items pre-tax	(1,179)	(2,666)	(1,429)	(5,999)
Income / (Loss) before special items pre-tax	\$ 1,162	\$ 230	\$ 5,774	\$ 5,359
Less: Interest on debt	(295)	(255)	(1,228)	(1,020)
Adjusted EBIT (Non-GAAP)	<u>\$ 1,457</u>	<u>\$ 485</u>	<u>\$ 7,002</u>	<u>\$ 6,379</u>
Memo:				
Revenue (\$B)	\$ 41.8	\$ 39.7	\$ 160.3	\$ 155.9
Net income margin (GAAP) (%)	(0.3)%	(4.2)%	2.3%	0.0%
Adjusted EBIT margin (Non-GAAP) (%)	3.5%	1.2%	4.4%	4.1%

Earnings Per Share Reconciliation To Adjusted Earnings Per Share

	Q4		FY	
	2018	2019	2018	2019
<u>Diluted After-Tax Results (\$M)</u>				
Diluted after-tax results (GAAP)	\$ (116)	\$ (1,672)	\$ 3,677	\$ 47
Less: Impact of pre-tax and tax special items	(1,320)	(2,171)	(1,517)	(4,676)
Less: Noncontrolling interests impact of Russia restructuring	-	-	-	(35)
Adjusted net income - diluted (Non-GAAP)	<u>\$ 1,204</u>	<u>\$ 499</u>	<u>\$ 5,194</u>	<u>\$ 4,758</u>
<u>Basic and Diluted Shares (M)</u>				
Basic shares (average shares outstanding)	3,970	3,960	3,974	3,972
Net dilutive options, unvested restricted stock units and restricted stock	27	39	24	32
Diluted shares	<u>3,997</u>	<u>3,999</u>	<u>3,998</u>	<u>4,004</u>
Earnings per share - diluted (GAAP)	\$ (0.03)	\$ (0.42)	\$ 0.92	\$ 0.01
Less: Net impact of adjustments	(0.33)	(0.54)	(0.38)	(1.18)
Adjusted earnings per share - diluted (Non-GAAP)	<u>\$ 0.30</u>	<u>\$ 0.12</u>	<u>\$ 1.30</u>	<u>\$ 1.19</u>

Effective Tax Rate Reconciliation To Adjusted Effective Tax Rate

	2019		Memo:
	Q4	FY	FY 2018
Pre-Tax Results (\$M)			
Income / (Loss) before income taxes (GAAP)	\$ (2,436)	\$ (640)	\$ 4,345
Less: Impact of special items	(2,666)	(5,999)	(1,429)
Adjusted earnings before taxes (Non-GAAP)	<u>\$ 230</u>	<u>\$ 5,359</u>	<u>\$ 5,774</u>
Taxes (\$M)			
(Provision for) / Benefit from income taxes (GAAP)	\$ 764	\$ 724	\$ (650)
Less: Impact of special items	495	1,323	(88)
Adjusted (provision for) / benefit from income taxes (Non-GAAP)	<u>\$ 269</u>	<u>\$ (599)</u>	<u>\$ (562)</u>
Tax Rate (%)			
Effective tax rate (GAAP)	31.4%	113.1%	15.0%
Adjusted effective tax rate (Non-GAAP)	(117.1)%	11.2%	9.7%

Net Cash Provided By / (Used In) Operating Activities Reconciliation To Company Adjusted Free Cash Flow (\$M)

	Q2 2018	Q3 2018	Q4 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019	FY	
								2018	2019
Net cash provided by / (used in) operating activities (GAAP)	\$ 4,972	\$ 5,179	\$ 1,357	\$ 3,544	\$ 6,463	\$ 4,732	\$ 2,900	\$15,022	\$17,639
Less: <u>Items Not Included in Company Adjusted Free Cash Flows</u>									
Ford Credit operating cash flows	5,907	3,811	(1,232)	1,118	5,267	4,523	623	8,171	11,531
Funded pension contributions	(72)	(123)	(153)	(294)	(106)	(211)	(119)	(437)	(730)
Global Redesign (including separations)	(18)	(45)	(117)	(136)	(222)	(334)	(219)	(196)	(911)
Other, net	(112)	163	(21)	(22)	175	(124)	361	83	390
Add: <u>Items Included in Company Adjusted Free Cash Flows</u>									
Automotive and Mobility capital spending	(1,898)	(1,968)	(2,102)	(1,620)	(1,911)	(1,787)	(2,262)	(7,737)	(7,580)
Ford Credit distributions	450	600	660	675	650	1,100	475	2,723	2,900
Settlement of derivatives	114	109	70	(26)	86	16	31	132	107
Pivotal conversion to a marketable security	263	-	-	-	-	-	-	263	-
Company Adjusted Free Cash Flow (Non-GAAP)	<u>\$ (1,804)</u>	<u>\$ 115</u>	<u>\$ 1,507</u>	<u>\$ 1,907</u>	<u>\$ 174</u>	<u>\$ 207</u>	<u>\$ 498</u>	<u>\$ 2,781</u>	<u>\$ 2,785</u>
Cash Conversion Calculation									
Company Adj. Free Cash Flow (Non-GAAP) (sum of Trailing Four Qtrs)	\$ 2,089	\$ 3,519	\$ 2,781	\$ 1,725	\$ 3,703	\$ 3,795	\$ 2,785		
Adj. EBIT (Non-GAAP) (sum of Trailing Four Qtrs)	\$ 8,190	\$ 7,573	\$ 7,002	\$ 7,263	\$ 7,226	\$ 7,351	\$ 6,379		
Adj. free cash conversion (Non-GAAP) (Trailing Four Qtrs)*	26%	46%	40%	24%	51%	52%	44%		
Net Cash Provided By / (Used In) Operating Activities divided by									
Net Income Attributable to Ford (Trailing Four Qtrs)	241%	266%	409%	488%	763%	1,004%	37,530%		

* Most comparable GAAP Measure: Net Cash Provided By / (Used In) Operating Activities divided by Net Income Attributable to Ford

Adjusted ROIC

	Four Quarters Ended Q4 2018 (\$B)	Four Quarters Ended Q4 2019 (\$B)
<u>Adjusted Net Operating Profit After Cash Tax</u>		
Net income attributable to Ford	\$ 3.7	\$ 0.0
Add: Noncontrolling interest	0.0	0.0
Less: Income tax	(0.7)	0.7
Add: Cash tax	(0.8)	(0.6)
Less: Interest on debt	(1.2)	(1.0)
Less: Total pension/OPEB income/(cost)	(0.4)	(2.6)
Add: Pension/OPEB service costs	(1.2)	(1.0)
Net operating profit after cash tax	\$ 4.0	\$ 1.4
Less: Special items (excl. pension/OPEB) pre-tax	(0.6)	(3.5)
Adj. net operating profit after cash tax	\$ 4.6	\$ 4.8
<u>Invested Capital</u>		
Equity	\$ 36.0	\$ 33.2
Redeemable noncontrolling interest	0.1	-
Debt (excl. Ford Credit)	14.1	15.3
Net pension and OPEB liability	11.9	12.9
Invested capital (end of period)	\$ 62.1	\$ 61.4
Average invested capital	\$ 64.0	\$ 61.7
ROIC*	6.2%	2.2%
Adjusted ROIC (Non-GAAP)**	7.1%	7.8%

* Calculated as the sum of net operating profit after cash tax from the last four quarters, divided by the average invested capital over the last four quarters

** Calculated as the sum of adjusted net operating profit after cash tax from the last four quarters, divided by the average invested capital over the last four quarters

Special Items (\$B)

	Q4		FY	
	2018	2019	2018	2019
<u>Global Redesign</u>				
Europe excl. Russia	\$ (0.2)	\$ (0.2)	\$ (0.3)	\$ (1.2)
India	-	(0.0)	-	(0.8)
South America	(0.0)	(0.1)	(0.1)	(0.6)
Russia	-	(0.0)	-	(0.4)
China	-	(0.1)	-	(0.1)
Separations and Other (not included above)	(0.0)	(0.0)	(0.2)	(0.1)
Subtotal Global Redesign	\$ (0.3)	\$ (0.4)	\$ (0.5)	\$ (3.2)
<u>Other Items</u>				
Focus cancellation	\$ -	\$ -	\$ (0.0)	\$ (0.1)
Other, incl. Transit Connect customs ruling and Chariot	(0.0)	(0.0)	(0.0)	(0.2)
Subtotal Other Items	\$ (0.0)	\$ (0.0)	\$ (0.1)	\$ (0.3)
<u>Pension and OPEB Gain / (Loss)</u>				
Pension and OPEB remeasurement	\$ (0.9)	\$ (2.2)	\$ (0.9)	\$ (2.5)
Pension curtailment	-	(0.0)	0.0	(0.0)
Subtotal Pension and OPEB Gain / (Loss)	\$ (0.9)	\$ (2.3)	\$ (0.8)	\$ (2.5)
Total EBIT Special Items	\$ (1.2)	\$ (2.7)	\$ (1.4)	\$ (6.0)
Cash effect of Global Redesign (incl. separations)	\$ (0.1)	\$ (0.2)	\$ (0.2)	\$ (0.9)

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

	For the Years Ended December 31,		
	2017	2018	2019
		(unaudited)	
Financing revenue			
Operating leases	\$ 5,552	\$ 5,795	\$ 5,899
Retail financing	3,451	3,891	3,958
Dealer financing	1,903	2,207	2,265
Other financing	70	84	96
Total financing revenue	10,976	11,977	12,218
Depreciation on vehicles subject to operating leases	(4,254)	(3,973)	(3,635)
Interest expense	(3,175)	(3,930)	(4,389)
Net financing margin	3,547	4,074	4,194
Other revenue			
Insurance premiums earned	158	167	182
Fee based revenue and other	243	238	223
Total financing margin and other revenue	3,948	4,479	4,599
Expenses			
Operating expenses	1,295	1,429	1,416
Provision for credit losses	469	426	296
Insurance expenses	124	77	103
Total expenses	1,888	1,932	1,815
Other income, net	250	80	214
Income before income taxes	2,310	2,627	2,998
Provision for / (Benefit from) income taxes	(697)	403	770
Net income	\$ 3,007	\$ 2,224	\$ 2,228

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

	December 31, 2018	December 31, 2019
	(unaudited)	
ASSETS		
Cash and cash equivalents	\$ 9,607	\$ 9,067
Marketable securities	1,308	3,296
Finance receivables, net		
Retail installment contracts, dealer financing, and other financing	110,388	106,131
Finance leases	8,426	8,186
Total finance receivables, net	118,814	114,317
Net investment in operating leases	27,449	27,659
Notes and accounts receivable from affiliated companies	905	863
Derivative financial instruments	670	1,128
Held-for-sale assets	—	1,698
Other assets	3,456	3,398
Total assets	\$ 162,209	\$ 161,426
LIABILITIES		
Accounts payable		
Customer deposits, dealer reserves, and other	\$ 1,097	\$ 1,002
Affiliated companies	426	421
Total accounts payable	1,523	1,423
Debt	140,146	140,029
Deferred income taxes	2,595	2,593
Derivative financial instruments	663	356
Held-for-sale liabilities	—	45
Other liabilities and deferred revenue	2,307	2,633
Total liabilities	147,234	147,079
SHAREHOLDER'S INTEREST		
Shareholder's interest	5,227	5,227
Accumulated other comprehensive income / (loss)	(829)	(785)
Retained earnings	10,577	9,905
Total shareholder's interest	14,975	14,347
Total liabilities and shareholder's interest	\$ 162,209	\$ 161,426

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

	For the Years Ended December 31,		
	2017	2018	2019
		(unaudited)	
Cash flows from operating activities			
Net income	\$ 3,007	\$ 2,224	\$ 2,228
Adjustments to reconcile net income to net cash provided by operations			
Provision for credit losses	469	426	296
Depreciation and amortization	5,047	4,841	4,427
Amortization of upfront interest supplements	(1,686)	(2,041)	(2,147)
Net change in finance receivables held-for-sale	—	—	(78)
Net change in wholesale receivables held-for-sale	—	—	(222)
Net change in deferred income taxes	(923)	259	37
Net change in other assets	(606)	(276)	132
Net change in other liabilities	480	115	137
All other operating activities	(123)	155	103
Net cash provided by / (used in) operating activities	5,665	5,703	4,913
Cash flows from investing activities			
Purchases of finance receivables	(43,232)	(44,384)	(38,881)
Principal collections of finance receivables	37,277	42,553	42,011
Purchases of operating lease vehicles	(12,780)	(14,306)	(12,990)
Proceeds from termination of operating lease vehicles	8,538	9,223	9,332
Net change in wholesale receivables and other short-duration receivables	(874)	(2,661)	1,752
Purchases of marketable securities	(5,899)	(3,632)	(5,883)
Proceeds from sales and maturities of marketable securities	6,316	5,171	3,931
Settlements of derivatives	(117)	226	(221)
All other investing activities	(30)	102	(56)
Net cash provided by / (used in) investing activities	(10,801)	(7,708)	(1,005)
Cash flows from financing activities			
Proceeds from issuances of long-term debt	44,994	49,954	44,522
Principal payments on long-term debt	(39,372)	(42,530)	(44,665)
Change in short-term debt, net	1,195	(2,263)	(1,278)
Cash distributions to parent	(406)	(2,723)	(2,900)
All other financing activities	(105)	(151)	(116)
Net cash provided by / (used in) financing activities	6,306	2,287	(4,437)
Effect of exchange rate changes on cash, cash equivalents, and restricted cash	327	(217)	50
Net increase / (decrease) in cash, cash equivalents, and restricted cash	\$ 1,497	\$ 65	\$ (479)
Cash, cash equivalents and restricted cash at beginning of period	\$ 8,185	\$ 9,682	\$ 9,747
Net increase / (decrease) in cash, cash equivalents and restricted cash	1,497	65	(479)
Cash, cash equivalents and restricted cash at end of period	\$ 9,682	\$ 9,747	\$ 9,268
