

OVERVIEW

On January 1, 2023, we implemented a new operating model and reporting structure. With this change, we will analyze the results of our business through the following reportable segments: Ford Blue, Ford Model e, and Ford Pro (combined, replacing the Automotive segment); Ford Next (previously Mobility); and Ford Credit. As a result of the change, beginning with our Quarterly Report on Form 10-Q for the quarter ending March 31, 2023, we will report our results in these five reportable segments. Company adjusted EBIT will include the financial results of these five reportable segments and Corporate Other, and net income will comprise the financial results of the five reportable segments and Corporate Other, as well as Interest on Debt, Special Items, and Taxes.

Below is a description of our reportable segments and other activities as of December 31, 2022.

AUTOMOTIVE SEGMENT

The Automotive segment primarily includes the sale of Ford and Lincoln vehicles, service parts, and accessories worldwide, together with the associated costs to develop, manufacture, distribute, and service the vehicles, parts, and accessories. This segment includes revenues and costs related to our electrification vehicle programs and enterprise connectivity. The segment includes the following regional business units: North America, South America, Europe, China (including Taiwan), and the International Markets Group.

General

Our vehicle brands are Ford and Lincoln. In 2022, we sold approximately 4,231,000 vehicles at wholesale throughout the world. See "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations" ("Item 7") for a discussion of our calculation of wholesale unit volumes.

Substantially all of our vehicles, parts, and accessories are sold through distributors and dealers (collectively, "dealerships"), the substantial majority of which are independently owned. At December 31, the approximate number of dealerships worldwide distributing our vehicle brands was as follows:

Brand	2021	2022
Ford	8,900	8,596
Ford-Lincoln (combined)	654	607
Lincoln	401	408
Total	9,955	9,611

We do not depend on any single customer or a few customers to the extent that the loss of such customers would have a material adverse effect on our business.

In addition to the products we sell to our dealerships for retail sale, we also sell vehicles to our dealerships for sale to fleet customers, including commercial fleet customers, daily rental car companies, and governments. We also sell parts and accessories, primarily to our dealerships (which, in turn, sell these products to retail customers) and to authorized parts distributors (which, in turn, primarily sell these products to retailers). We also offer extended service contracts.

The worldwide automotive industry is affected significantly by general economic and political conditions over which we have little control. Vehicles are durable goods, and consumers and businesses have latitude in determining whether and when to replace an existing vehicle. The decision whether to purchase a vehicle may be affected significantly by slowing economic growth, geopolitical events, and other factors (including the cost of purchasing and operating cars, trucks, and utility vehicles and the availability and cost of financing and fuel). As a result, the number of cars, trucks, and utility vehicles sold may vary substantially from year to year. Further, the automotive industry is a highly competitive business that has a wide and growing variety of product and service offerings from a growing number of manufacturers.