

# Ford Motor Co

F  
NYSE

A Strongly Outperform  
Data as of 07/21/2017

## SCHWAB EQUITY RATING

A Strongly Outperform  
Percentile Ranking: 3 Data as of 07/21/2017

Last weeks rating: A Strongly Outperform  
Percentile Ranking: 3 Data as of 07/14/2017

A	1-5	Strongly Outperform	BUY
B	6-30	Outperform	BUY
C	31-70	Marketperform	HOLD
D	71-95	Underperform	SELL
F	96-100	Strongly Underperform	SELL

For details about using Schwab Equity Ratings, please see the Schwab Center for Financial Research report "Managing a Portfolio Using Schwab Equity Ratings" in the Stocks article library under Market Insight.

See page 4 for further documentation on Schwab Equity Ratings, Important Disclosures, and Regulation Analyst Certification.

## RATIONALE BEHIND OUR A RATING ON F

For details about inputs to Schwab Equity Rating, see "Schwab Equity Ratings Foundations" in the "Stocks" article library under Market Insight.

▲ IMPROVED VS. PREVIOUS WEEK  
▼ DECLINED VS. PREVIOUS WEEK

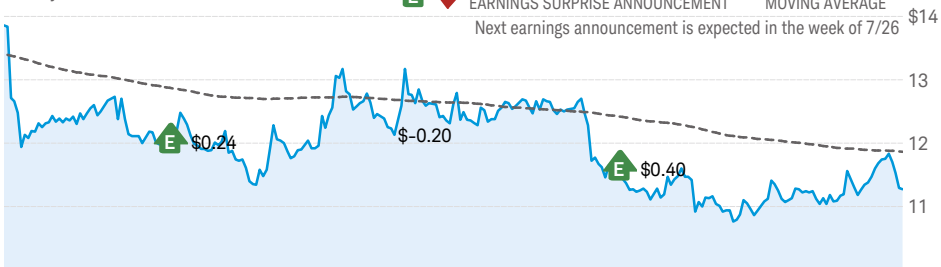
A FUNDAMENTAL GRADE	THIS WEEK	LAST WEEK	IMPORTANCE
Cash Flow Strength	Positive	Positive	Medium
Capital Intensity	Neutral	Neutral	Medium
Efficient Management of Working Capital	Positive	Positive	Low
Business Geographic Diversification	Positive	Positive	Low
B VALUATION GRADE			
Price Driven Valuation	Positive	Positive	High
Valuation Sentiment	Neutral	Neutral	Medium
C MOMENTUM GRADE			
Recent Price Performance vs. the Market	Neutral	Neutral	Medium
Recent Brokerage Analyst Sentiment Change	Negative	Negative	Low
Earnings Trend Surprise	Positive	Positive	Low

## PRICE & VOLUME HISTORY

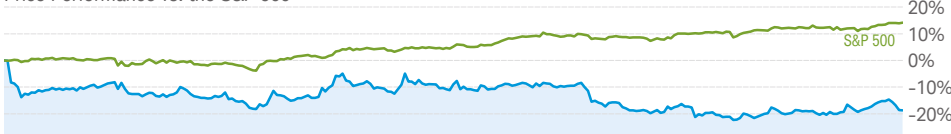
Data source: Reuters

F Daily Close Prices

▲ ▼ QUARTERLY POSITIVE/NEGATIVE EARNINGS SURPRISE ANNOUNCEMENT  
 --- 200-DAY MOVING AVERAGE  
 Next earnings announcement is expected in the week of 7/26



Price Performance vs. the S&amp;P 500



## BUSINESS SUMMARY

Source: Reuters

Ford Motor Company is a global automotive and mobility company. The Company's business includes designing, manufacturing, marketing, and servicing a full line of Ford cars, trucks, and sport utility vehicles (SUVs), as well as Lincoln luxury vehicles...

For more details, see page 2.

## OVERVIEW

Source: Reuters

Price as of 7/25/17 \$11.27  
 Market Capitalization 44.9 Billion  
 Asset Class Large Cap  
 Beta 1.15

## SECTOR/INDUSTRY

Source: S&amp;P Capital IQ

Sector Consumer Discretionary  
 Industry Automobiles  
 Sub-Industry Automobile Manufacturers

Schwab Sector Viewpoint Marketperform

## METRICS

Source: Reuters

### VALUE METRICS

	F	S&P 500
P/E last 4Q	12.1	23.4
P/E forecast EPS	7.4	--
P/Free Cash Flow last 4Q	4.4	22.1
P/Sales last 4Q	.29	2.09
Price/Book	1.5	7.7
Dividend Yield(%)	5.3	1.9

### GROWTH METRICS (%)

1 year sales growth	-.1	4.4
3 year sales growth	1.1	9.1
1 year EPS growth	-60.6	12.2
3 year EPS growth	-26.8	21.7
1-year forecast EPS growth	-13.7	19.3
Long term growth rate 3-5 years	11.4	--
1 year dividend growth	.0	4.0
3 year dividend growth	14.5	17.0

### MOMENTUM METRICS (%)

4 week stock price change	1.7	2.4
26 week stock price change	-10.6	8.6

### FINANCIAL METRICS (%)

Gross margin	9.9	42.6
Net margin	2.4	8.9
Return on assets	1.6	3.9
Return on equity	12.4	13.5
Return on invested capital	2.5	11.2
Long-term debt/capital	.83	.45

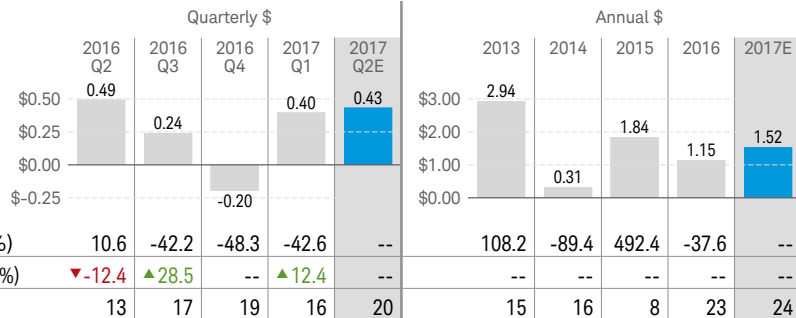
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## EARNINGS PER SHARE

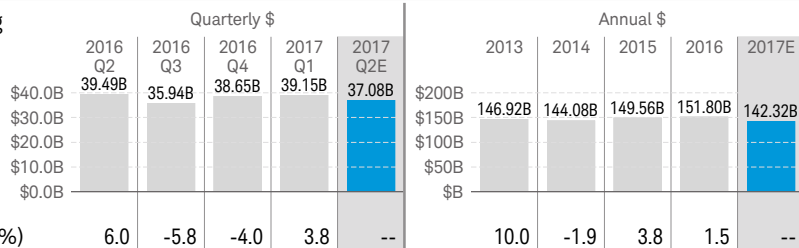
Earnings data source: Reuters

Fiscal Year ending  
in December


Next earnings announcement is expected in the week of 7/26

## REVENUE

Revenue data source: Reuters

Fiscal Year ending  
in December


## ANNUAL EARNINGS FORECAST

Source: Reuters

	MEAN FORECAST	CONSENSUS CHANGE IN LAST 30 DAYS	FORECAST RANGE	NUMBER OF FORECASTS
12/31/2017	\$1.52	\$-0.02	\$1.30-\$1.70	24
12/31/2018	\$1.59	\$-0.01	\$0.95-\$1.95	23
Next 5 Yr. Growth Rate	-11.4%	0.5%	-15.7%--7.1%	2

## DIVIDENDS

Dividends data source: Reuters



Dividends are paid on a Quarterly basis.

## SCHWAB SECTOR STOCK LIST

Price as of: 7/25/2017

TICKER	COMPANY	PRICE	SCHWAB EQUITY RATING	GICS INDUSTRY
CPS	Cooper-Standard Holdings Inc	\$101.99	A	Auto Components
LRN	K12 Inc	18.08	A	Diversified Consumer Services
TMHC	Taylor Morrison Home Corp	23.52	A	Household Durables
TRNC	tronc Inc	12.79	A	Media
VC	Visteon Corp	109.59	A	Auto Components

## OTHER OPINIONS

CFRA	RATING SINCE 10/27/2016
Recommendation	★★★★★
Morningstar Rating	RATING SINCE 03/21/2017 ★★★★★
Credit Suisse Rating	RATING SINCE 11/02/2016 RATING NOT AVAILABLE
Argus 12 Month Rating	RATING SINCE 02/06/2014 SELL HOLD BUY
Ned Davis Rating	RATING SINCE 12/05/2016 SELL NEUTRAL BUY
Market Edge Second Opinion®	RATING NOT AVAILABLE
Reuters's Average Rating	RATING SINCE 06/20/2017 NO OPINION SELL UNDER-PERFORM HOLD OUT-PERFORM BUY

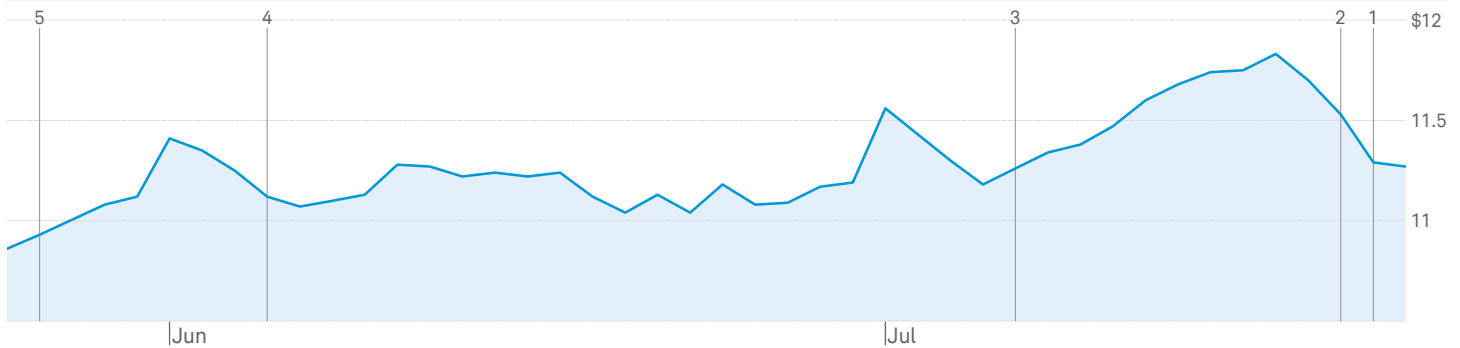
## BUSINESS DESCRIPTION

Source: Reuters

Ford Motor Company is a global automotive and mobility company. The Company's business includes designing, manufacturing, marketing, and servicing a full line of Ford cars, trucks, and sport utility vehicles (SUVs), as well as Lincoln luxury vehicles. The Company operates in four segments: Automotive, Financial Services, Ford Smart Mobility LLC, and Central Treasury Operations. The Automotive segment primarily includes the sale of Ford and Lincoln brand vehicles, service parts, and accessories across the world. The Financial Services segment primarily includes its vehicle-related financing and leasing activities at Ford Motor Credit Company LLC. Ford Smart Mobility LLC is a subsidiary formed to design, build, grow, and invest in emerging mobility services. The Central Treasury Operations segment is primarily engaged in decision making for investments, risk management activities, and providing financing for the Automotive segment.

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## NEWS HEADLINES



**1 07/24/17** Ford has appointed Amko Leenarts as its design director for the European division. In his new role, Leenarts will run a team of more than 275 employees out of studios in Germany and the UK at the company. Leenarts has replaced Joel Piaskowski. Prior to this appointment, Leenarts worked for the company as its global director, interior design Ford/Lincoln.

**2 07/21/17** Ford Motor Company has announced the appointment of Bertrand Lessard as managing director, Ford Philippines, effective Aug. 1. He will report directly to Mark Kaufman, president, Ford ASEAN. Mr. Lessard will replace Lance Mosley, who is repatriating to the US after six years in the Asia Pacific region. In his new role, Mr. Lessard will be responsible for continuing to drive Ford's momentum in the Philippines, which included the company's all-time best quarterly sales performance reported earlier this month. Mr. Lessard was appointed interim managing director at Ford France in March 2016 and helped Ford maintain its firm position as the number two imported brand in the market, as well as oversaw the launch of the Mustang, which has become the country's best-selling sports car. Prior to this, Mr. Lessard served as general sales director, Ford France, where he oversaw an initiative to improve relations with the nationwide dealer network through enhanced process efficiencies and communications.

**3 07/07/17** Mark Ovenden, Ford Sollers CEO and President, has been appointed Ford Motor Company Vice President of Marketing, Sales and Servicing for the Asia-Pacific Region.

**4 06/06/17** Ford has appointed Marcy Klevorn as its executive vice president and president of Mobility. Prior to this appointment, Klevorn worked for Ford Motor Co as its vice president: information technology/chief information officer. He has also worked with Premier Automotive Group Inc, Ford of Europe GmbH and Ford Credit de Mexico.

**5 05/26/17** Ford Motor Company announced executive appointments, completing its senior leadership team under new President and CEO Jim Hackett. Appointments support revamped organizational structure, including Global Markets, Global Operations and Mobility. Raj Nair to lead Ford North America; Steven Armstrong will lead Ford of Europe, Middle East & Africa; Peter Fleet to lead Ford Asia Pacific. Dave Schoch retiring after 40-year career at Ford. Hau Thai-Tang to lead Global Product Development and Purchasing. Sherif Marakby rejoins Ford as vice president, autonomous vehicles and electrification. Ken Washington named vice president, Research and Advanced Engineering, and chief technology officer. Neil Schloss is appointed vice president and chief financial officer, Mobility. Kenneth R. Kent is named vice president and treasurer. Bradley Gayton is appointed group vice president, chief administrative officer and general counsel. Jeff Lemmer is elected chief operating officer, Information Technology June 1. In this role, Lemmer, 51, is responsible for automotive-related application development and running the day-to-day operations, including networks, data centers and employee collaboration tools. He also is elected a corporate officer. Lemmer previously was Director, IT Operations. Bradley Gayton is appointed group vice president, chief administrative officer and general counsel, effective June 1. He will continue to report to Jim Hackett. Gayton leads the company's litigation, tax, corporate and intellectual property efforts, including the General Auditor's Office. In this expanded role, he is responsible for Ford Land and Corporate Services, which includes the company's security, and global travel and events operations. He previously served as group vice president and general counsel. Ken Washington is appointed vice president, Research and Advanced Engineering, and chief technology officer, effective June 1, reporting to Jim Hackett. Washington, 56, previously served as vice president of Research and Advanced Engineering, leading Ford's worldwide research organizations, and overseeing the development and implementation of the company's technology strategy. He will add chief technical officer responsibilities in this expanded role. Kenneth R. Kent is appointed vice president and treasurer, succeeding Neil Schloss. With his new appointment, effective Aug. 1, he also is elected a corporate officer. Responsible for the company's overall treasury operations, Kent, 54, reports to Bob Shanks, executive vice president and chief financial officer. He previously served as controller, The Americas.

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Price History for F

Schwab Equity Rating History for F



## SCHWAB EQUITY RATINGS MEANING AND DISTRIBUTION

Schwab Equity Ratings are assigned to approximately 3000 U.S.-traded stocks. The Schwab Equity Ratings model universe is generally composed of the combined set of stocks in the Russell Investments' ("Russell") 3000 Index and the Standard & Poor's ("S&P") 500 Index. Additional universe coverage may be incorporated from time to time. The explanation and table below are included to assist you in using Schwab Equity Ratings as one component of your own research to evaluate stocks and investment opportunities.

Schwab rates stocks using a scale of A/B/C/D/F. Schwab's outlook is that "A" rated stocks, on average, will strongly outperform and "F" rated stocks, on average, will strongly underperform the equities market over the next 12 months. Schwab Equity Ratings are based upon a disciplined, systematic approach that evaluates each stock on the basis of a wide variety of investment criteria from three broad categories: Fundamentals, Valuation, and Momentum. This approach attempts to gauge investor expectations since stock prices tend to move in the same direction as changes in investor expectations. Stocks with low and potentially improving investor expectations tend to receive the best Schwab Equity Ratings ("A" or "B" ratings), while stocks with high and potentially falling investor expectations tend to receive the worst Schwab Equity Ratings ("D" or "F" ratings). From time to time, Schwab may update the Schwab Equity Ratings methodology.

### Schwab Equity Ratings Distribution

Schwab Equity Rating	Percentile Ranking Distribution	Distribution of Rating Within Sector	12 Month Return Outlook	General Buy/Hold/Sell Guidance*
A	1 - 5	Top 5%	Strongly Outperform	Buy
B	6 - 30	Next 25%	Outperform	Buy
C	31 - 70	Next 40%	Marketperform	Hold
D	71 - 95	Next 25%	Underperform	Sell
F	96 - 100	Bottom 5%	Strongly Underperform	Sell

\*The general buy/hold/sell guidance is relative to other rated equities only. Before considering whether to take any action, an investor should consider whether equities generally are performing well in comparison to other asset classes and whether other equities in the same sector or category with the same or better rating may be more appropriate.

### Investment Rating Explanation

**A (Strongly Outperform):** If an investor is looking to add a stock to his or her portfolio, "A" rated stocks may be the best candidates for consideration.

**B (Outperform):** An investor looking to add a stock to his or her portfolio might also consider a "B" rated stock, though preference should be given to "A" rated stocks.

**C (Marketperform):** An investor would not usually consider a "C" rated stock for purchase. An investor holding a "C" rated stock in his or her portfolio should consider continuing to hold the stock, and might monitor the stock's ongoing performance and compare the potential benefits of owning a stock with higher ratings.

**D (Underperform):** An investor holding a "D" rated stock should consider whether it is appropriate to continue to hold that stock in his or her portfolio. An investor would not usually consider a "D" rated stock for purchase.

**F (Strongly Underperform):** An investor holding an "F" rated stock should consider whether it is appropriate to eliminate that stock from his or her portfolio. An investor would not usually consider an "F" rated stock for purchase.

**Percentile Rankings Explanation:** Each of the approximately 3,000 stocks rated in the Schwab Equity Ratings U.S. universe is given a score that is derived from the research factors used in the Schwab Equity Ratings model. Once the stock's composite score, which includes all research factor scores, is calculated, the universe of rated stocks is divided into two groups: large-capitalization ("large-cap") stocks – generally the combined set of stocks in the Russell 1000 Index and the S&P 500 Index – and small-cap stocks – generally those stocks in the Russell 2000 Index. The large- and small-cap groups are further divided into eleven economic sectors within each capitalization group. The assignment of a final Schwab Equity Rating depends on how well a given stock's composite score ranks against the composite scores of other stocks in the same capitalization group and sector. The result is a stock's within-capitalization-group and within-sector, or cap-neutral and sector-neutral, percentile ranking. The lowest percentile rankings represent the best scores and correspond to the best letter grades. For example, in a sector of 400 rated stocks, the top 4 stocks would receive a percentile ranking of 1 and the bottom 4 stocks would receive a percentile ranking of 100. Stocks ranked in percentile groups 1-5 are rated "A" and those in percentile groups 6-30 are rated "B."

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## IMPORTANT DISCLOSURES FOR F

### Model Risks

Schwab Equity Ratings uses quantitative analyses in its modeling method. Any limitations or inaccuracies in its analyses or models could affect model performance and the results investors may achieve. Models that appear to explain prior market data can fail to predict future market events. While the data used in the models has been taken from sources Schwab believes to be reliable, its accuracy, completeness or interpretation cannot be guaranteed. Schwab Equity Ratings may not capture subjective, qualitative influences on return and risk such as changes in management, business and political trends, or legal and regulatory developments. Thus, it is important to conduct additional research prior to making a trading decision.

### Descriptions for Non-Rated Stocks

Category	Definition	Description
NR	Not Rated	Schwab has decided not to publish a rating on this stock due to unusual or extraordinary business circumstances related to this company. Although Schwab generally does not monitor C, D, and F rated stocks for unusual or extraordinary business circumstances, from time to time, a rating of NR may appear on a particular stock.
NA	Not Available	A Schwab Equity Rating is not available on this stock due to insufficient information about this stock.
NC	Not Covered	This stock is not currently in the Schwab Equity Ratings universe or is prohibited from coverage for regulatory or other reasons.

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Price History for CPS



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Price History for LRN



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Price History for TMHC

Schwab Equity Rating History for TMHC



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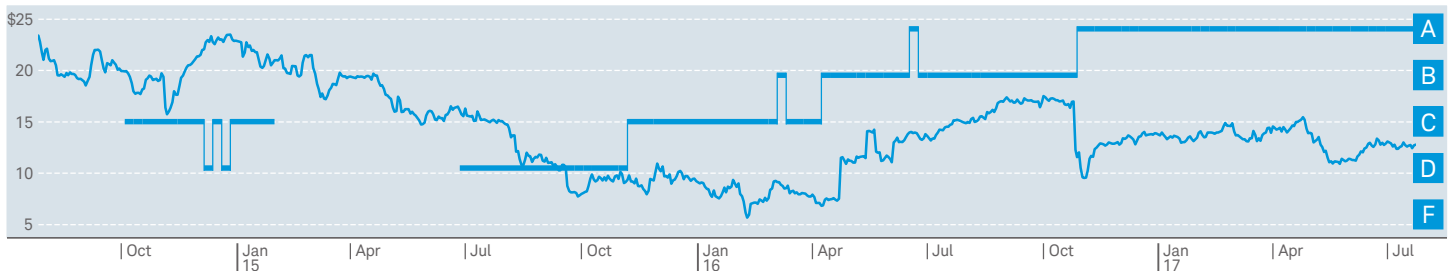
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Price History for TRNC

Schwab Equity Rating History for TRNC



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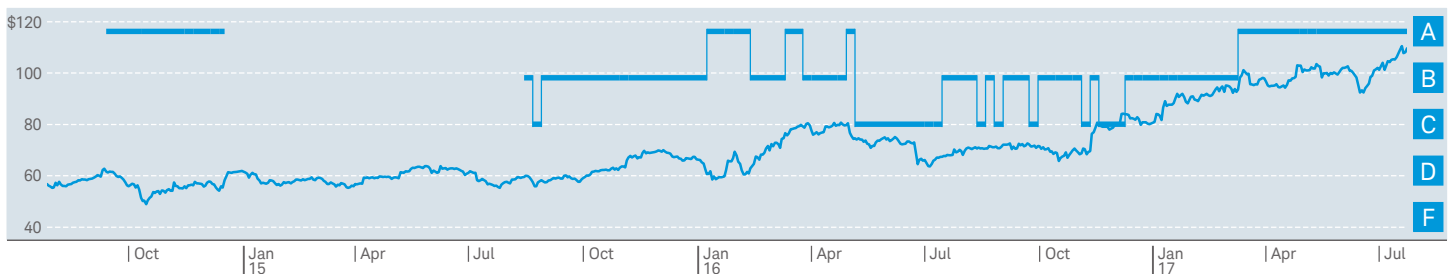
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Price History for VC

Schwab Equity Rating History for VC



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# Ford Motor Co

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<sup>1</sup>Markit on Demand used S&P Capital IQ's data in making its calculations.