

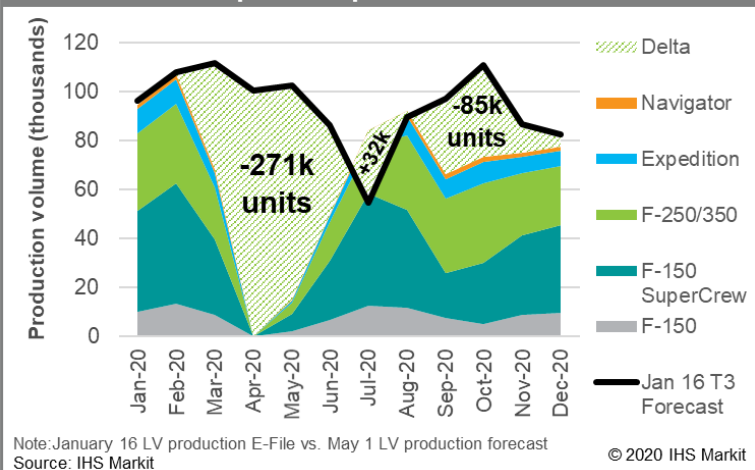
Automotive Recovery Assessment Report | COVID-19

Ford T3 platform profile

The Ford F-Series faces a revised production launch schedule for the new P702 program. Inventory of the P552 program will likely grow in the coming months as the production recovery begins and Ford concludes P552 orders on 29 May.

Production of the Ford T3 platform was halted in March 2020 as a response to the coronavirus disease 2019 (COVID-19) pandemic. Plant closures persisted through April, resulting in a 35% decline, or a 143,190-unit decrease, in platform volume on a year-on-year (y/y) basis for the first four months of 2020. Inventory days on hand (DOH) mounted in April as sales fell, despite

2020 forecast impact: T3 platform vehicles



Nameplate analysis

	F-150	F-150 SuperCrew	F-250/350	Expedition	Navigator
North American Production Impact					
CY2020 Forecast	-29%	-33%	-24%	-20%	-26%
Adjustments since January	-38.2k	-175.6k	-85.8k	-17.9k	-5.9k
April Production Actuals, May Forecast (no production in April)					
Y-o-Y% Mar. 2019 - Mar. 2020	-40%	-41%	-37%	-35%	-31%
Y-o-Y% May 2019 - May 2020	-85%	-85%	-85%	-86%	-85%
Selling Days Required to Reach 2019 Industry Average Days-on-Hand					
Based on Current Estimated Sales Rates*		46		104	26
2019 Avg. Truck Segment DoH^Δ: 73					
April Inventory					
Days on Hand*		119		177	99
Y-o-Y% Apr 2019-Apr 2020		+24%		+217%	+33%
M-o-M% Mar 2020-Apr 2020		+7%		+51%	+23%
Note: LV Production Forecast April (May 1 release)					
Note: *MotorIntelligence (April). Days-on-Hand = Estimated Stock / daily average sell rate					
Note: ^Δ Based on average 2019 industry Truck DoH = [(Σ Jan-Dec Truck DoH) / 12 months]					
Source: IHS Markit					

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48.5 days of lost output.



















T3-based production was previously expected to reach **1.13 million units** in calendar year (CY) 2020 (January outlook). The current IHS Markit Light Vehicle Production Forecast reflects **803,230 units**, a reduction of **377,350 units**, down **29%** from January 2020 expectations.

Production of the P552 F-150 program is set to resume on 18 May and will continue beyond its originally anticipated end date of June. A production ramp up with reduced shifts will allow for inventory balancing in a new sales environment. The P552 extension will delay the launch of the new P702 F-150 program into late third

or fourth quarters of 2020. IHS Markit forecasts Ford to produce roughly the same volume of the P552 program under the 1 May forecast as was forecast in January. IHS Markit expects some production loss in 2020 to come at the expense of P702 output.

Inventory DOH for the T3 platform in 2019 averaged 76 days, close to the 2019 truck-segment average of 73 days. Ford F-Series inventory DOH rose modestly from March to April (+7%). However, future levels may rise if sales rates do not keep pace with production recovery. The Ford Expedition has amassed a significant backlog of units to sell, and may struggle to regain the pre-COVID-19 sales rates in the near term. The impending launch of the GM T1XX-based sport utility vehicles (SUVs) will add pressure in a declining sales market. Based on the depressed April sales rates, the Expedition would require 104 selling days without new inventory to reach the 2019 truck-segment average DOH, while the F-Series would require only 46.

Ford T3 assembly plant profiles

Dearborn Truck, Michigan 2020 % T3 Production: 29%		Kansas City #2, Missouri 2020 % T3 Production: 26%		Kentucky Truck, Kentucky 2020 % T3 Production: 45%	
	T3 nameplates F-150 F-150 SuperCrew		T3 nameplates F-150 F-150 SuperCrew		T3 nameplates F-250/350 Expedition Navigator
	Downtime dates (forecast) [†] 19 Mar → 18 May		Downtime dates (forecast) [†] 19 Mar → 18 May		Downtime dates (forecast) [†] 19 Mar → 18 May
	Downtime working days (forecast) [†] 48.5		Downtime working days (forecast) [†] 48.5		Downtime working days (forecast) [†] 48.5
	Lost production (forecast) [†] 63,000		Lost production (forecast) [†] 58,000		Lost production (forecast) [†] 82,000
	Shift structure 3C-6D-10H		Shift structure 3C-6D-10H		Shift structure 3C-6D-10H
	Straight time capacity (annual)* 350,000		Straight time capacity (annual)* 350,000		Straight time capacity (annual)* 420,000

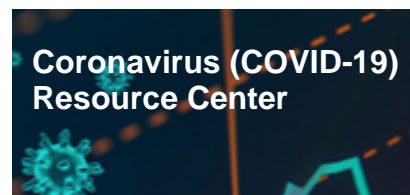
Note: †IHS Markit North America LV Production Downtime Tracker, 14 May 2020. Adjustment from MARCH forecast,

*IHS Markit Vehicle Plant Capacity forecast for 2020 plant level Straight Time Capacity

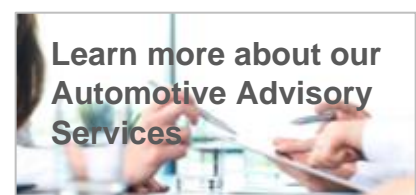
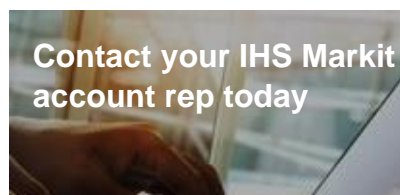
Source: IHS Markit

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