

Ford's F-Series Riches Provide Leverage for Turnaround Bid

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Sales of F-Series pickups surged 14% for the truck line's best third quarter in a dozen years. Ford said annual earnings will be at the high end of the range it forecast earlier this year.

Ford Motor Co. just boosted earnings the old-fashioned way — through strong sales of lucrative pickups and cost cuts...

...Demand for Ford's bread-and-butter models helped lift net income to about \$1.6 billion, up from \$957 million a year ago, when the company was spending to launch an aluminum-bodied version of its biggest pickups. Adjusted profit this year will be in the range of \$1.75 to \$1.85 per share, the company said, boosting the low end of its forecast...

...Ford shares rose 2% to \$12.28 as of 7:15 a.m. in New York, before the start of regular trading. The stock had dropped 2.4% through Wednesday's close since Hackett's Oct. 3 manifesto.

The sagging share price stands in stark contrast to General Motors Co., whose stock closed at a record Tuesday after reporting earnings. Investors are embracing GM's plan for electric and autonomous cars while appreciating the tidy profits sport utility vehicles like the Equinox are hauling in.

"Ford is definitely behind in electric vehicles and flexible mobility," said David Kudla, CEO of Mainstay Capital Management LLC, whose funds own both GM and Ford shares. "Not only is GM articulating a strategy in all of these areas, they are putting the pieces in place. With Ford, we're still waiting to see the pieces."

The second-largest U.S. automaker is trying to change the perception that it lags behind GM. Joe Hinrichs, Ford's president of global operations, said the company is confident in its technology and strategy relative to competitors. "We need to do a better job of telling that story," he said in an interview this week in Detroit.

In the meantime, Hackett is focusing on cutting costs, promising to pare \$10 billion in material spending and \$4 billion on engineering outlays over the next five years...

Also weighing on the stock is Hackett's decision to pull back on a promise made by his predecessor, Mark Fields, that Ford's profits will rebound in 2018. Hackett said this month he'll provide guidance on 2018 earnings in January, leading to speculation they will decline as the automaker spends on new technology...