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## Ford makes \$2B in second quarter, up 3.7%

BY IAN THIBODEAU (excerpt)

Ford Motor Co. on Wednesday reported a second-quarter profit of \$2 billion, up 3.7 percent from the same period a year ago.

The company attributed the profit increases to revenue boosts that came from the automotive segment in North America, Europe and the Asia Pacific region, a favorable adjustment in the tax rate, and the best pre-tax profit since 2011 from the company's financial arm, Ford Credit.

"This quarter shows the underlying health of our company with strong products like F-Series and commercial vehicles around the world," said President and CEO Jim Hackett in a statement, "but we have opportunity to deliver even more."

Wednesday's earnings report was the first under Hackett's tenure, who replaced Mark Fields in late May.

The company made \$2.5 billion before taxes, down \$500 million from last year, according to financial results reported Wednesday.

But Ford posted earnings per share of 51 cents, beating Wall Street forecasts for 43 cents per share, and total company revenue was \$39.9 billion, up .5 percent from a year ago.

Ford's automotive segment grew by \$100 million, with revenue of \$37.1 billion. Ford's market share decreased for the second quarter. ...

...David Kudla, CEO and chief investment strategist with Mainstay Capital Management, said in a note ahead of Ford's earnings that strong SUV, truck and crossover sales are helping Ford boost its average transaction prices, but an expected overall sales slowdown will hamper the company's share price. ...

... "Investors will be eager to hear Ford's new vision after the recent shake-up at the top," Kudla wrote. ...

... But Hackett bringing about further change at Ford would fit with comments Executive Chairman Bill Ford Jr. made when Hackett was appointed.

Bill Ford said then he wants Hackett, the tech-talking "change agent," to "re-energize" the company by moving faster than his predecessor, Fields, in realigning the business to maximize growth amid expansion into new markets such as self-driving vehicles, electrification and mobility — sectors in which profits eluded Fields.

Ford is offering buyouts to 1,400 white-collar employees, and plans to move production of the next-generation Focus to China by 2019.

The automaker is also investing billions of dollars in autonomous technology, electric cars and other new vehicles planned through the remainder of the decade and into the early 2020s. Investments include a five-year, \$1 billion investment in artificial intelligence company Argo AI to develop the brains for Ford's self-driving cars. Ford continues to invest in its autonomous vehicle development, which aims to have a fully driverless vehicle on the road by 2021. ...

... Halfway through the year, Ford has made \$3.63 billion, down from \$4.42 at the midway point a year ago. The company has grown halfway through the year, though, posting a revenue of \$73.6 billion, up from \$72.2 last year. ...