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Ford not expected to match last year's quarterly earnings

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Ford Motor Co.'s first quarter profits aren't likely to match its financial results from a year ago as the automaker grapples with the costs of a record number of new vehicle launches.

Analysts expect Ford to post earnings per share of 31 cents when it reports first quarter financials Friday morning. That's 10 cents lower than the per-share results from the first quarter of 2013. But Ford has topped analyst expectations in each of the last four quarters.

"The unknown with Ford revolves around the impact this capital spending and product launch expense will have on profit margins through 2014," said David Kudla, CEO and chief investment strategist at Mainstay Capital Management. "We think margins are going to be under pressure for the balance of this year."

The Dearborn automaker warned last year that pre-tax profits in 2014 will likely fall between \$7 billion and \$8 billion. Pre-tax profits in 2013 totaled \$8.6 billion.

The most critical of its vehicle launches is the next-generation F-150, an aluminum-bodied truck set to debut in late 2014.

Tooling and materials will be more expensive for the next iteration of the best-selling vehicle in the U.S.

Ford's F-Series lineup is the company's biggest profit driver and because of the launch later this year, will keep North American profits down.

Ford's profits in Europe, however, should improve. Ford lost \$1.6 billion last year and \$1.75

billion the year before, but sales have started to rebound; sales of Blue Oval-branded cars were up 11 percent in the first quarter.

There's a similar story in the company's Asia-Pacific region, specifically China, where sales in January through March escalated 45 percent. Ford expects to sell 1 million vehicles in China this year and could surpass Hyundai Motor Co. and Nissan Motor Co. to become the third-highest selling automaker in the world's largest auto market.

Full-year profits in Asia-Pacific will be similar to 2013's total — \$415 million in the black — because of production constraints, a more competitive pricing environment and costs associated with six new regional plants that are still under construction.

In South America, Ford will take a \$350 million hit because of a change in how it calculates the exchange rate between the U.S. dollar and Venezuelan bolivar. Ford had planned for a "major devaluation" of the bolivar.

Ford will for the first time report financial results for its newly created Middle East and Africa region.

The automaker in the first quarter upped its dividend 25 percent to 12.5 cents a share.

Ford's stock has risen about 5 percent so far this year and closed at \$16.32 a share Thursday.