

# Ford says outlook for its 2nd quarter is improving

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In this April 27, 2021 file photo, an American flag flies over a Ford auto dealership, in Waukeet, Iowa. Ford's outlook for the second quarter is improving, as the automaker is seeing strong customer reservations for four of its new vehicles. Ford Motor Co. now anticipates, Thursday, June 17, its quarterly adjusted earnings before interest and taxes to top its expectations and be significantly better than the year-ago period. Credit: AP Photo/Charlie Neibergall, File

Ford's second-quarter outlook is improving, with large numbers of customers making reservations for four of its new vehicles.

Ford Motor Co. now anticipates its quarterly adjusted earnings before interest and taxes for the April through June quarter to top its expectations and be significantly better than the year-ago period.

Although there's still uncertainty around semiconductor supply, Ford is seeing improvement in its automotive business due to lower-than-expected costs and favorable market factors. It's also being helped by increased [vehicle](#) auction values.

CEO Jim Farley told investors at Deutsche Bank's Global Auto Industry Conference on Thursday that the company is benefiting from lower costs overseas and in North America due to restructuring. It's also seeing "pretty breathtaking" prices for its vehicles with tight inventories, and higher revenue from its credit arm, he said.

But he said Ford is still being hit harder than competitors by the global shortage of computer chips because it was more reliant on Renesas, a Japanese chip maker that had [a fire at one of its factories](#) in March. Even though the Renesas plant is restarting some production, he doesn't see Ford returning to normal vehicle availability until sometime next year due in part to high demand.

"I would say in the second half of the year, things are going to get better for us," Farley said. "We are learning that this is a scramble to get the (computer) modules in the vehicles in the second half, even."

Also, unlike competitors, Ford will not remove features such as fuel-saving stop-start technology in order to keep building vehicles with fewer chips, Farley said.

Ford had previously said it [could lose up to 50%](#) of its second-quarter production due to the chip shortage, but it gave no specifics about whether that actually happened.

On Thursday, Ford announced it had acquired a California electric vehicle charging software company called Electriphi. Farley said charging management would be among the services Ford will offer fleet customers. With wireless diagnostics and algorithms that predict vehicle problems, Farley expects the company's parts and service business to double.

Farley said it's clear the administration of President Joe Biden is committed to switching the industry to [electric vehicles](#) and away from internal combustion power. He said he would like government incentives to entice customers to switch, and called on Biden to emphasize vehicles made in North America, especially the U.S.

Ford said reservations have climbed to 190,000 for the revived full-size Bronco SUV, with 125,000 of those already converted to orders. The vehicle is now in production. There's also 100,000 reservations for the battery-electric F-150 Lightning pickup; 36,000 for the new Maverick compact pickup and 20,000 for the all-electric E-Transit commercial van.

Ford is taking \$100 refundable deposits for Bronco and Lightning reservations. No deposits are required to reserve the Maverick and the E-Transit.

Ford is expected to announce its second-quarter results and provide an outlook for the second half of the year on July 28.

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