

Ford confirms 2022 profit outlook despite lingering semiconductor crunch

April 28 2022



Ford CEO Jim Farley spoke earlier this week at the launch of the electric Ford F-150 Lightning pickup in Dearborn, Michigan.

Ford confirmed its 2022 profit outlook Wednesday despite lower quarterly auto sales as strong vehicle pricing offsets the hit from higher operating costs and the ongoing semiconductor chip shortage.

Echoing statements from General Motors, Ford executives described "pent-up" [consumer demand](#) for autos in a market characterized by limited vehicle supply despite rising inflation.

The result has been elevated auto pricing that has so far enabled Detroit carmakers to offset soaring [costs](#) from steel, nickel and freight.

In the [first quarter](#) of 2022, Ford averaged \$57,514 for the F-150 truck, up 16 percent from 2020, according to data from Edmunds.com.

Ford maintained its forecast of between \$11.5 billion and \$12.5 billion in adjusted earnings before interest and taxes, citing the effect of "continued strong pricing."

The company reported a loss of \$3.1 billion following a \$5.4 billion hit from the value of its investment in Rivian, which makes electric trucks. Adjusted earnings before interest and taxes were \$2.3 billion.

Revenues fell five percent to \$34.5 billion.

Ford said semiconductor supplies remained limited in January and February, but manufacturing rates "significantly improved" in March.

Chief Financial Officer John Lawler said Ford has been "aggressive" thus far in lifting prices, with pricing "just about offsetting cost increases."

The company expects more vehicles to hit the market in the second half of 2022, which means the [market](#) will be "in flux," Lawler said.

"As volumes increase, it (pricing) will be dynamic," Lawler said on a conference call with analysts. "If commodities keep going up, we'll be aggressive."

Ford shares rose about 1.0 percent to \$15.00 in after-hours trading.

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Citation: Ford confirms 2022 profit outlook despite lingering semiconductor crunch (2022, April 28) retrieved 3 May 2024 from <https://techxplore.com/news/2022-04-ford-profit-outlook-lingering-semiconductor.html>

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