THOMSON REUTERS STREETEVENTS

EDITED TRANSCRIPT

F - April 2017 Ford Motor Co Corporate Sales Call

EVENT DATE/TIME: MAY 02, 2017 / 2:00PM GMT

THOMSON REUTERS

CORPORATE PARTICIPANTS

Bryan Bezold *Ford Motor Company - Senior Americas Economist*

Erich Merkle *Ford Motor Company - U.S Sales Analyst*

Mark R. LaNeve *Ford Motor Company - VP of US Marketing, Sales and Service*

CONFERENCE CALL PARTICIPANTS

Colin Langan *UBS Investment Bank, Research Division - Director in the General Industrials Group and Analyst*

Dan Levy *Barclays PLC, Research Division - Research Analyst*

John Murphy *BofA Merrill Lynch, Research Division - MD and Lead United States Auto Analyst*

Joseph Spak *RBC Capital Markets, LLC, Research Division - Analyst*

Keith Naughton

Rebecca Lindland

Todd Lassa

Tom Krisher

PRESENTATION

Operator

Good morning. My name is Kayla, and I will be your conference operator today. At this time, I would like to welcome everyone to the Ford Monthly Sales Conference Call. (Operator Instructions) Mr. Erich Merkle, U.S. Sales Analyst, you may begin, sir.

Erich Merkle - *Ford Motor Company - U.S Sales Analyst*

Thank you, Kayla. Good morning, everyone, and welcome to Ford's April 2017 U.S. Sales Call. Today, we're joined by Mark LaNeve, Ford Vice President, U.S. Marketing, Sales and Service; and Bryan Bezold, Ford's Senior Americas economist. First up, let's take a look at the industry, so I'm going to hand things off to Mark here. Mark?

Mark R. LaNeve - *Ford Motor Company - VP of US Marketing, Sales and Service*

Good morning, everyone, and thank you, Erich. Looking at this morning's incoming data, we anticipate the overall industry was down about 5% compared to April of last year. From what we can see at this point in the data, it appears the industry, including medium and heavy trucks, totaled about 1.45 million vehicles for the month. This would translate into a total SAAR -- total vehicle SAAR in the low 17 million-unit range.

Our retail projection for April is approximately 1.15 million vehicles, which is estimated to also be down 5% relative to a year ago. Incentive spending did moderate a bit last month with a sequential decline for March of $320. On a year-over-year basis, incentive spend was up $300, representing about 10% of overall industry vehicle price. This compares to 11% for the first quarter of the year, so down slightly.

We're maintaining our industry guidance for the year of 17.7 million vehicles. To put things into perspective, it's important to note that we've seen a plateauing industry basically, last year and this year, and when you have that kind of an industry, you're going to have variations, both up and down, month-to-month.

It's important to remember that last year in 2016, May declined 6%, August had a decline of 4% and October declined 6%, three relatively strong seasonal months that all had declines in the same range that we're seeing in April, yet the industry still ended up at a record 17.85 million units.

Total U.S. sales for Ford were off 7%, with 214,695 vehicles sold. In retail, we were off 10.5% with a vast majority of loss coming from cars as consumers continue to move into SUVs and trucks. Looking at overall pricing for April, we had a very positive $1,900 increase in average transaction price across our portfolio, which far outpaced the overall industry's $210 increase. Overall, incentive spending was down $458 sequentially for March and flat year-over-year, bucking the industry trend that I just said, the industry was up $300. On incentives as a percent of selling price was our lowest going back to 2015, reflecting our strong transactional pricing.

April's fleet volumes totaled 73,933 vehicles, essentially flat. Year-over-year fleet performance is much improved compared to March, as comparisons that we've talked about for some time become easier, as March was our most difficult fleet comparison of the year.

Let's take a closer look at some of the individual vehicle performance, beginning with F-Series. F-Series sales totaled 70,657 pickups last month, selling over the 70,000 mark which is a key milestone for us. It's very rare to top the 70,000-truck sales mark coming off what traditionally is one of our strongest truck months of the year with March, when we run our Truck Month promotions in the month of March. So to do 70,000 on top of that is a real good number. Through April, F-Series is off to its best start since its record sales year in 2004.

We continue to see high series Super Duty pickups and diesel powertrains in really strong demand, exceeding our expectations. Last month, Lariat, King Ranch and Platinum trim levels represented 60% of our all-new Super Duty retail sales. This helped to set a record for -- a new record for Super Duty transaction pricing for April at $58,200 per truck, an $8,400 increase over a year ago.

With the addition of Raptor now in better supply and the 2017 F-150 now representing 88% of our April retail sales mix. In other words, 2017 models were 88%. Average transaction price for F-150 increased $1,600 to $41,900 per truck. So we couldn't be more pleased with the continued outstanding performance of our F-Series lineup. We continue to outpace our competitors in the segment in both sales and average transaction pricing.

Looking at cars, overall sales declined 21% for the month. This is partially due to people moving out of cars and into SUVs and trucks, as well as the fact that we took some pricing on our cars in April, really on a model change-related and mix effective basis. Incentive spend on our passenger cars was down $260 compared to a year ago and $800 sequentially for March in a very competitive price-sensitive market, the passenger car market right now. This reflects the timing of our model year changeover for both Focus and Fusion and really continued discipline in our lease programs as we continue to manage very carefully our residual values. That's very important for our customers, and we want to keep a real strong eye on lease returns moving forward.

Ford SUVs produced record April sales and are off to the best start ever. Escape sales totaled 25,637; it's a really strong number for us, a 7% increase with almost 30% take rate for high-end Titanium trimmed Escapes. We also had great performance from Edge, up 6% for the month and Expedition, which turned in a 13% gain in advance of the new model coming later this year.

Lincoln continued its strong retail performance in April. Lincoln retail sales were up 3%, last month. Much of the increase came on the passenger car side of the business as Lincoln retail passenger car sales were up 43%. And that retail growth came from MKZ, which was up 30% for April as well as the all-new Continental, which continues to be off to a sensational start and is in extremely high demand and low supply in our dealer network. April marks Lincoln's 15th consecutive month of retail sales gains.

So with that, I'll turn it over to Bryan for an update on the economic front.

Bryan Bezold - *Ford Motor Company - Senior Americas Economist*

Thank you, Mark, and good morning, everyone. Economic conditions in the U.S. have progressed in line with the guidance for 2.2% GDP growth that we affirmed in our earnings release last week. Last Friday's release of first quarter GDP showed growth of just 0.7%, but as we noted last month, in recent years, first quarter GDP growth has shown a tendency to be weaker than the balance of the year.

Publicly available tracking estimates of 2Q GDP, suggests a substantial rebound is coming in the second quarter, which is consistent with our full year outlook. Other data suggests that the economy is continuing to expand. Specifically, the April reading of the University of Michigan's Consumer Sentiment Index rose 0.1 points to 97.0 as consumers' slightly higher perception of future economic conditions offset a slightly lower assessment of current economic conditions. Although April's reading was down slightly from January's 13-year high at 98.5, it is still high by recent standards. The share of respondents reporting that it was a good time to buy a car rose 2 points to 73%.

After adjusting for inflation, March disposable personal income rose by 0.5% from February and personal consumption spending rose by 0.3%. The improvement of income and spending is supported by the expanding job market. In March, payroll employment rose by 98,000 jobs from February, and average hourly earnings rose 2.7% from prior year to $26.14. The unemployment rate fell to 4.5%, the lowest level since May of 2007. New claims for unemployment insurance rose during the week of April 22, but the 4-week moving average of 242,000 remains low.

Inflation moderated in March, with the headline CPI index going to 2.4%, down from 2.7% in February. The gasoline component of the index slowed from a 31% year-over-year increase in February, to a 20% increase in March. Despite that 20% year-over-year increase, gas prices are not high in absolute terms. The most recent weekly AAA estimate of nationwide gas prices was $2.39, which is not a level that should depress miles driven or consumer's willingness to buy vehicle.

Core inflation, which excludes food and energy prices, also moderated, slowing from 2.2% in February to 2.0% in March. Despite some mixed data, the housing sector appears to be improving at a gradual pace. March sales of new homes rose by 5.8% from February and were up by 15.6% from prior year. Sales of existing homes rose by 4.4% from February and were up by 5.9% from a year ago.

New housing starts declined 6.8% from February but were still up 9.2% from a year ago. Permits for new housing construction rose 3.6% from February and were up 17% from last year. The April Manufacturing Purchasing Managers Index fell 2.4 points from March to 54.8 as the new orders component of the index fell 7 points to 57.5. Despite the decline, both the overall index and the new orders component remained above 50, the index level consistent with manufacturing sector growth. 16 of the 18 industry groups in the survey reported expansion, with only the apparel and leather products categories reporting a decline.

The improvement in manufacturer's sentiment shown by the PMI is consistent with the ongoing gradual improvement in new orders for nondefense capital goods, excluding aircraft, a measure of businesses' underlying demand for capital goods. Those orders rose for the sixth straight month in March, by 0.2% from February, and were up 3.0% from last March.

Given that weak business investment has been a drag on economic growth over the last 2 years, the prospect of increasing business investment bodes well for growth in the balance of 2017 and over the medium-term. Industrial production also improved in March, rising by 0.5% from February and by 1.5% from a year ago as mining, utility and nondurable goods production increased.

So a look at a broader array of economic data suggests economic growth for the full year will likely be higher than the first quarter seasonally-adjusted rate of 0.7% and in line with our prior guidance of 2.2%. As Mark noted, we see April vehicle sales in the low 17 million-unit range. Our full year guidance is unchanged at 17.7 million units, including medium and heavy trucks. And with that, I will turn things back over to Erich.

Erich Merkle - *Ford Motor Company - U.S Sales Analyst*

Thank you, Bryan. Taking a look at some additional industry segment trends for the month. We saw that continued growth in small SUVs, the segment represented just more than 21% of the industry in April. And what's interesting about this is it's really going against the grain of normal seasonality as small SUVs were up a full point compared to March.

April -- the April data also represents a 2.5% increase versus a year ago for the small SUV segment. And as everyone knows from previous calls, we have been highlighting the mid-size SUV segment, as it too is now growing. Mid-size SUVs in April represented almost 15% of the industry. This is up approximately 1.5% compared to a year ago.

On the car side, if you look at mid-size cars, they represented about 10.5% of the industry. This is up about 0.5 point compared to March, mainly due to spring car seasonality. However, the segment continues to be under immense pressure, falling about 1.5% compared to a year ago.

Small cars represented about 17% of the industry for the month of April, which is off to -- which was off about 1 point versus year-ago levels. When we look at full-size pickup trucks, they represented just not quite about 12.5% of the industry in April is what we expect. This is off slightly from a year ago, while overall incentive spend for the segment, overall, for full-size pickups, pulled back a bit, $330 on a year-over-year basis and $690 sequentially.

So with that, Kayla, we would like to open the phone lines up for questions, if we could start with the analysts, please.

QUESTIONS AND ANSWERS

Operator

(Operator Instructions) Our first question comes from the line of Joe Spak from RBC Capital Markets.

Joseph Spak - *RBC Capital Markets, LLC, Research Division - Analyst*

I was wondering if you could provide a little bit more texture or commentary as to sort of what you think specifically happened in the month that caused the demand to come in a little bit weaker. I recognize your comment that obviously, it's lumpy from month-to-month, and I know you pointed to the examples last year, but what specifically did you see in the month that you think may have caused this?

Mark R. LaNeve - *Ford Motor Company - VP of US Marketing, Sales and Service*

Thanks, Joe. Specifically, I think if you look at the overall incentive data for the month, the industry was relatively constrained. We were very constrained and disciplined, so I think nobody was trying to force the industry other than some spot incentives that you see here and you hear in some of our competitors' specific products. It's always tough to call April based on the calendar issues. For example, you have the 2 weeks in the middle of the month where you had spring break, Easter and then 2 days later was Tax Day. And so the pattern that we see -- the pattern that we saw overall was the month kind of tracked below last year from an industry perspective throughout the month, but there was nothing usually abnormal.

Joseph Spak - *RBC Capital Markets, LLC, Research Division - Analyst*

And then I know you guys have talked about pulling back on leasing to sort of help manage that risk. And I think historically, in the past when you've done that, another tool you have is more of -- more on the rate side. But because rates are still where they are, are you -- it seems like you might be limited there. So is that overall impacting the flexibility you have in trying to make the deal attractive for the consumer?

Mark R. LaNeve - *Ford Motor Company - VP of US Marketing, Sales and Service*

Well, I mean, higher lease pricing -- higher pricing to support leasing because of residual value, industry issues, obviously, to some extent, limits some of the flexibility that you have. We have typically, over the last several years, 4 or 5 years, run well below overall industry average on lease penetration. It's anywhere between 5, 6, 7 points below the industry. We're managing it with a lot of discipline. We ran in the low 22% range versus an industry 28%, 29% in the first quarter, and we think we're even lower than that in April, although we haven't pulled through all the data yet. But there's certain amount of business out there that's going to lease, no matter what, so you got to be disciplined in terms of some of the key markets, northeast, Detroit market in particular, how you want to go to market and if you really want to drive up lease penetration, which we're determined to be disciplined about it, because that's best for our customers and our own financials to really keep an eye on forward residual values and lease returns moving forward over the next several years.

Joseph Spak - *RBC Capital Markets, LLC, Research Division - Analyst*

Yes, I guess, the question was, because rates are still relatively low, are you limited to what you can do in terms of subventing more on the loan side and not replacing some of the actions you were doing on the lease side, because you want to lower that exposure?

Mark R. LaNeve - *Ford Motor Company - VP of US Marketing, Sales and Service*

If I understand the question correctly, Joe, they are -- interest rates are relatively still low, so APR is still a very good option for a lot of our customers and, through forward credit, we continue to run, very aggressively, in offering really good APR programs for our customers.

Operator

Our next question comes from the line of John Murphy from Bank of America Merrill Lynch.

John Murphy - *BofA Merrill Lynch, Research Division - MD and Lead United States Auto Analyst*

Mark, just a first question on ATPs. You were talking about the industry being up $210. If we think about that, that's closer to a scant 50 basis point increase year-over-year in pricing. Yet you also talked about how much mix was richening away from small and mid-cars towards SUVs. I'm just curious, if you think about like-for-like pricing in the industry seems like it is going down potentially pretty dramatically. Mix is definitely helping and it's a bit of an offset. So I'm just curious what you're seeing sort of segment by segment as far as pricing to maybe sort of tease out the noise of mix.

Mark R. LaNeve - *Ford Motor Company - VP of US Marketing, Sales and Service*

Thanks for the question, John. I mean, ATP pricing, as we report it, is a combination of 3 things. I mean, it's top line pricing, which you're able to take, which I think is what you're referring to. It's dealer discounting. Does dealer have to discount heavily or not discount heavily, because that gets into the ATP, and then it's mix. And a strong component of our very positive ATP performance is mix. So obviously, with the rich mix we're selling of F-Series and then within F-Series, really rich series mix and options loads on the vehicle. But we have taken top line pricing as well and our dealers, in terms of a return on sale, did very well compared to the other -- they're right in the mix or toward the upper quartile of the other competitive volume brand. So it's a combination of the 3, but to your point, most heavily weighted right now, in our case, to a very rich mix of vehicles and series mix.

John Murphy - *BofA Merrill Lynch, Research Division - MD and Lead United States Auto Analyst*

Okay. And then just a second question. I mean, when you look at your inventory, it's running fairly lean relative to the industry, relatively lean versus history, particularly on sort of your crossover and SUVs. I mean, do you guys need more vehicles? I mean, could you sell more if you got them? And is that partially hampering some of your sales performance here in the past couple of months and even in April?

Mark R. LaNeve - *Ford Motor Company - VP of US Marketing, Sales and Service*

We continually rebalance our production to meet what we're anticipating to be forward demand, which largely we project from trailing demand -- or trailing sales results. But we're very comfortable where we are. We're down from a year ago slightly. We've become leaner on cars, a little heavier on SUVs and trucks. There's certain series mix that get hot in a given month or two that we might be a little bit short of. But we're very comfortable with our inventory position and feel like we've managed that in a very disciplined way as well.

John Murphy - *BofA Merrill Lynch, Research Division - MD and Lead United States Auto Analyst*

Okay. And then just lastly on leasing, it seems like you're holding the line there. I mean, was April, you think, probably in the 20% range, plus or minus, give or take, for Ford?

Mark R. LaNeve - *Ford Motor Company - VP of US Marketing, Sales and Service*

Very low 20%. We haven't pulled it all through, but we're probably down slightly from Q1, so we'll probably be in the very low 21-ish for the month or even lower.

Operator

Our next question comes from the line of Colin Langan from UBS.

Colin Langan - *UBS Investment Bank, Research Division - Director in the General Industrials Group and Analyst*

Just first question, any color on the pace of the sales during the month? Was there any sort of weakness toward the end or anything like that?

Mark R. LaNeve - *Ford Motor Company - VP of US Marketing, Sales and Service*

Colin, as I mentioned previously, we obviously know our sales precisely and get somewhat of a read on the competition through various reports, and the industry ran slightly behind what we were projecting all month long. We didn't see it as particularly weak at the close or anything. It was consistently somewhat below expectations the entire month long.

Colin Langan - *UBS Investment Bank, Research Division - Director in the General Industrials Group and Analyst*

Got it. And I guess really a question more for Bryan. We've seen -- you kind of go through all the economic indicators. A lot seems actually quite positive. You mentioned University of Michigan, conditions for buying a vehicle. I mean, what do you think is the key factor that's keeping autos sales from coming down a bit?

Bryan Bezold - *Ford Motor Company - Senior Americas Economist*

Well I think it's exactly what Mark said earlier in his remarks is that, for about a year, we've been saying we expect to be -- we expect to see auto sales plateau with month-to-month volatility. I think that strength for the consumer particularly come from the continuing expansion of the labor market and the continued growth in hourly earnings.

Colin Langan - *UBS Investment Bank, Research Division - Director in the General Industrials Group and Analyst*

Got it. And then, when we think about pricing, you've had some really great numbers starting the year. When should we expect those to normalize, because I imagine the Super Duty has been a big help. Should we expect those to come down in the second half? Or should we still expect net positive pricing for the rest of the year?

Mark R. LaNeve - *Ford Motor Company - VP of US Marketing, Sales and Service*

Great question, Colin. We expect them to normalize somewhat moving forward, but they -- I'm saying that, they continue to surprise us on the upside month in, month out, just the propensity for our customers to choose upper series of packages and it's beyond F-Series. We see it in our

SUV lineup. To some extent, we see it even still in passenger cars with titanium sport Fusions and what-have-you. So you'll get some tempering in the F-Series, but that could be offset by increased mix on the new Expedition and Navigator, for example. There will be, we believe, very strong entries into that lucrative full-size traditional utility market. So -- and we have a fairly significant mid-cycle enhancement on our Explorer, which transacts at a fairly high price with a lot of rich series mix. So we think we've got some offsets to what should be a gradual tempering of F-Series, although it does continue to surprise us, positively.

Operator

Our next question comes from the line of Brian Johnson from Barclays.

Dan Levy - *Barclays PLC, Research Division - Research Analyst*

This is Dan Levy on for Brian. I wanted to ask, on your retail sales, I know they've been a bit soft the past few months. I think this month you were down, I believe, something around 10%. Yes, I believe it was down around 10%. And we've been down both on a headline basis and adjusted for selling days. And it's also lagged industry retail sales, at least in February, March, we haven't seen the April data yet. But could you just contextualize the retail softness on your end that you've seen in recent months or are you just coming off tough comps? Or is it just pulling back further on leasing? Is there some transitory factor? Just some context on the retail underperformance on your end.

Mark R. LaNeve - *Ford Motor Company - VP of US Marketing, Sales and Service*

Thank you, Dan. It's a good question. Some of it's retail comps, but I would characterize it more, two big factors. On overall incentive spending, we've been very consistent. If you track back through the various reports or news by the industry, our incentive spending in really the last 6 months has been really consistent. We don't wildly gyrate from month-to-month. We think it's better for our dealers, especially better for our customers and easier for our dealers to develop the kind of relationships with our customers that they want. We haven't been aggressive in the lease markets, which compared to the competition, which has certainly probably affected our volume to some extent. And then two fast-growing parts of the market, mini-utilities and mid-size pickups, we're not participating in. Now we will be, as we will be launching the EcoSport, which is a fabulous entry later on this year and we've already made announcements about Ranger. So participating with them would certainly help our year-over-year growth compared to the competition that has entries in those categories. But it'd be mainly those two factors I just mentioned.

Dan Levy - *Barclays PLC, Research Division - Research Analyst*

Got it. And then just a related question and I think you may have answered it there. It sounds like what you're saying is the retail weakness is maybe just a function of holding the line a bit more on some of these factors: leasing, pricing. In small and mid-car, I think it's interesting, because the PIN data shows that you continue to have really solid ATPs in small, mid-cars. And I think like 1Q, you were up something like 4%, 5% and April mid-month it showed you even better. And that's obviously been well ahead of the industry weakness we've seen in those segments. Could you just talk to what's going on in those segments for you? Is it richer mix? Or is it just, to the extent to which you're talking to before, that you're just holding the line a bit more and you're getting the benefit, at least on the pricing side, if it means maybe at the expense of volumes?

Mark R. LaNeve - *Ford Motor Company - VP of US Marketing, Sales and Service*

Thank you, Dan. On passenger cars, we did have strong ATP performance in April. And I would characterize it as much of the same consumer behavior that I mentioned that we're seeing on trucks and SUVs in terms of option load, choosing some of the high tech features that we make available in our upper-level trim packages. We do see in cars, as well passenger cars are characteristic of the brand. And then the discipline that we talked about in incentives spending, and especially in the lease markets, which obviously hasn't affected overall transactional pricing. So that was a very -- what's otherwise numbers that are down significantly from a pure retail basis, the transaction pricing and our customer satisfaction with those products is very positive.

Dan Levy - *Barclays PLC, Research Division - Research Analyst*

Got it. And then, if you could just very quickly -- last one, F-Series, if you could just give us some sense on the ATP. Sorry if I missed that, if you mentioned it earlier. F-Series ATPs and a breakdown within Super Duty versus F-150, at least directionally if anything else.

Mark R. LaNeve - *Ford Motor Company - VP of US Marketing, Sales and Service*

Super Duty is unbelievable. We transacted at $58,200 in April. That's an eye-popping $8,400 increase from a year ago. And then F-150 was transacted at $41,900 in April. That's up $1,600 versus a year ago. Continued -- Super Duty's just off to a absolutely sensational start. By every review that we get from our customers who really need this truck to have a capability to do -- and these trucks are used for work. The feedback from our customer base, either directly or via the dealers, it just continues to be off-the-charts good. And then F-150 just continues to deliver. It's a better part of over two years now, we continue to gain transaction pricing. And then with the addition of vehicles like the Raptor that we're now producing. I'd like to say they're better supply, we're producing more, but they don't sit in the showroom more than a day. They transacted at a very healthy level and that helps lift overall F-150 as well.

Erich Merkle - *Ford Motor Company - U.S Sales Analyst*

Kayla, we're going to open things up for the media right now.

Operator

That concludes the analyst portion of the call. We will now move into the media portion. (Operator Instructions) Our first question comes from the line of Tom Krisher from Associated Press.

Tom Krisher

Hi Erich and Mark. I was wondering if you think the -- from a Ford perspective and from an industry's perspective is, if the days of really pretty sweet lease deals are over now because of the falling residual values. Is it -- are we in a different time now where you're going to have to move more toward APR?

Mark R. LaNeve - *Ford Motor Company - VP of US Marketing, Sales and Service*

Tom, that'd be a real speculative type of question. I could tell you that, looking at this for years and years, used car pricing moves in cycles just like the overall vehicle market does. And there's some arguments that when residuals go up, that's the best time to lease because they'll be down -- I mean, when residuals are down, it's the best time to lease because they'll be up 3 years from now because we tend to correct. But we're always going to have lease customers. It's historically been about 20% of the market, in all the ups and downs of the industry. I really don't anticipate that changing moving forward. And so I think, probably it's going to be about 1/4 of the business, it's been that way for years.

Tom Krisher

Okay. We were around 30 -- in the 30s, low 30s there for a while on an industry average, I believe. So you don't see that falling at all?

Mark R. LaNeve - *Ford Motor Company - VP of US Marketing, Sales and Service*

I mean, all I can control is our approach, and we feel it's in the best interest of our customers and our overall portfolio to be disciplined. So we're not looking to take it down dramatically, but we're certainly not looking to grow it at this time. And in fact, have tempered it over the last 4 to 5 months.

Tom Krisher

One quick one I'll sneak in here. Are you seeing more movement from new to used because of all the really nice CPO and used cars coming back off lease?

Mark R. LaNeve - *Ford Motor Company - VP of US Marketing, Sales and Service*

Haven't really seen that, no, Tom. Our CPO business is strong, but it's been strong for years. We've got a great program and there's a certain part of the consumer base that really prefers to lean into used cars and particularly CPO offerings, but we haven't seen -- haven't picked up on any kind of dramatic shift month-to-month or even over the rolling 12-month period.

Operator

Our next question comes from the line of Rebecca Lindland from Kelley Blue Book.

Rebecca Lindland

So I have a couple of questions on and I know Mark, you've addressed this a little bit, but on the makeup of the F Duty -- the Super Duty sales like, who are those people? Is there some loyalty coming? Are there conquest? And also, how much is it -- I mean, because those are some really impressive big numbers and congratulations. So how much is it leasing, retail, commercial people? Can you just talk a little bit about that, and then I have a question on the Continental as well.

Mark R. LaNeve - *Ford Motor Company - VP of US Marketing, Sales and Service*

Good Morning Rebecca, and thank you for the question. In terms of Super Duty, it's zero leasing, at least on our -- I shouldn't say zero, but I mean it's below 1% leasing on our books. The particular buyers may be running through an outside lease company or something so it's all retail business. We've got a very loyal owner following that are -- they're obviously coming back into the new truck. We are conquesting with the new truck. We do well across -- the retail segment has delivered, individually from our dealers and the commercial segments, so obviously some of the commercial parts of the market would be industry dependent. If oil is running strong, that helps. Construction Infrastructure that's being talked a lot about politically right now. Those are all tailwinds for increased Super Duty business. But that's -- it's basically strong across-the-board. I don't have in front of me, I can't pull up the finite detail between loyalty and conquest at this time. But we've been doing -- we've had very good loyalty numbers and have seen a fairly high degree of conquest so far, with the new truck.

Rebecca Lindland

Okay, great. And are you seeing it geographically as well? Are there certain regions that are better than others right now?

Mark R. LaNeve - *Ford Motor Company - VP of US Marketing, Sales and Service*

There are certain regions that are much heavier historically, in terms of percent of our overall business. Texas is a great example, but in terms of our overall increases, it's pretty uniform. We've seen sensational increases in the Northeast and in California. Texas is running real hot with the product, and we could take you offline and get into some more detail with that, but it's been very uniform in terms of performance of F-Series, both pricing and volume.

Erich Merkle - *Ford Motor Company - U.S Sales Analyst*

And if we look year-to-date too, Rebecca, we're up -- Super Duty is up in every region of the country so...

Rebecca Lindland

Great, Erich, okay, awesome. Thank you. And then on the Lincoln Continental, I had a question on the supply, because I thought you had mentioned that it's a bit constrained. Is that accurate? And are you planning on turning the spigot a little bit more?

Mark R. LaNeve - *Ford Motor Company - VP of US Marketing, Sales and Service*

It's been really short. We'll try to build additional units to meet demand as we continue to see how the product's accepted, which has been really strong so far. But overall, we got a really strong plan. We want to be disciplined. It's a luxury vehicle. It's transacting at a very healthy price point compared to its competition, which is great for the Lincoln brand and the overall renaissance of the brand. So we want to make sure that we keep it a little bit short, but continue to supply, because it's great to have those vehicles on the road as part of the overall renaissance of our very important Lincoln brand.

Rebecca Lindland

Sure. And I've seen a lot of ads during the NBA playoffs, and I just wondered, are you getting good reception from those?

Mark R. LaNeve - *Ford Motor Company - VP of US Marketing, Sales and Service*

Yes, we are, as we have with the current campaign that obviously features Matthew McConaughey, from the very beginning. They've been -- they've tested off the charts and just great feedback from our dealers and customers on that campaign.

Rebecca Lindland

Is it wrong if I tell you that I prefer the NBA ones that don't have him? They're featuring the chauffeur service, which I think is a great idea.

Mark R. LaNeve - *Ford Motor Company - VP of US Marketing, Sales and Service*

Yes, Lincoln's piloted, some very unique consumer experience with pickup and delivery and chauffeur and we're getting sensational reaction from our customers. A lot of it is industry-first. So...

Rebecca Lindland

Yes, I told -- I absolutely love it. I think it's a great idea, and that's why those commercials, in particular, that kind of feature that so -- we can talk more offline. I won't take more time.

Mark R. LaNeve - *Ford Motor Company - VP of US Marketing, Sales and Service*

Thank you

Operator

Our next question comes from the line of Todd Lassa from Automobile Magazine.

Todd Lassa

And I apologize if you -- if I missed this, Mark, but could you explain the mix between Super Duty and F-150 or give the number, the mix for Super Duty versus F-150 on the F-Series and where that's changed from a year ago or whether that's the same basically?

Mark R. LaNeve - *Ford Motor Company - VP of US Marketing, Sales and Service*

We don't typically -- we don't split out F-Series, Todd. I can tell you that we had a really incredible Super Duty month and we had a very strong F-Series month, but we don't typically provide the splits.

Todd Lassa

Can you say whether -- obviously, Super Duty probably is up a bit over the last year because it's a newer model. But can you say whether it's taking a larger portion of the mix proportionately than in past model changes?

Mark R. LaNeve - *Ford Motor Company - VP of US Marketing, Sales and Service*

Yes, total F-Series, Todd, as I mentioned, you might have missed, it was over 70,000 units, which is a great number for us, for April. And I could tell you that the range of -- that we typically run of Super Duty to F-150, we've been in that range since we launched the new truck. That doesn't vary a whole a lot; it'll go up and down based on mix and commercial orders that are subject to timing. But we've run pretty much in that consistent range (inaudible)

Todd Lassa

No big changes?

Mark R. LaNeve - *Ford Motor Company - VP of US Marketing, Sales and Service*

No.

Erich Merkle - *Ford Motor Company - U.S Sales Analyst*

Kayla, we're going to take one more call and then we're going to give this call a wrap.

Operator

Our final question comes from the line of Keith Naughton from Bloomberg.

Keith Naughton

So this month, 6 -- 5 of the 6 biggest automakers have come in below expectations, Mark. You were talking earlier how throughout the month, sales were trending below expectations. I'm just wondering if, perhaps, we're not getting the soft landing we anticipated and we're seeing something sharper form in terms of the decline.

Mark R. LaNeve - *Ford Motor Company - VP of US Marketing, Sales and Service*

Keith, as I mentioned, we have to let the year play out. We're still operating over 17 million units, which is a very healthy number. Last year, I believe, October was down 6% and this month may come in, if that, maybe even a little bit better and then we had a great fourth quarter as an industry. So it's still all the underlying fundamentals, interest rates, fuel prices, car park, consumer confidence are all still -- all those indicators that drive our business are still very positive. In a plateauing industry, you're going to have some months that up and some are down. And we've got one here that was down, and we'll see how -- some of the big seasonal months are still out in front of us and we'll see how it plays out. But I'm not discouraged by the number. Would I like to see it up? Yes, but in this kind of industry, there is going to be these kind of months. April's always a tough one to call, and we'll move on to May and see what happens. We've got great plans in place and terrific inventory position. Our dealers are loaded for bear and ready to go.

Keith Naughton

So do you view it then as just an aberration?

Mark R. LaNeve - *Ford Motor Company - VP of US Marketing, Sales and Service*

I view it as within some kind of normal range in a plateauing industry.

Erich Merkle - *Ford Motor Company - U.S Sales Analyst*

Kayla, thank you very much for working with us today. And thank you, everyone, for joining the call. We look forward to talking to you again next month when we release May sales. So have a good month, everyone. Thank you very much.

Mark R. LaNeve - *Ford Motor Company - VP of US Marketing, Sales and Service*

Thank you.

Operator

This is the end of today's call. You may now disconnect.