

Ford earnings drop on weak China sales

25 October 2018



Ford F-150 pickup truck remains a top seller in North America, but the automakers global results were disappointing

Ford reported a drop in third-quarter profits Wednesday as weak sales in China and higher commodity costs countered the benefit of strong truck sales in North America.

The Detroit auto giant's earnings fell 37 percent to \$991 million compared to a year earlier. But that translated into 29 cents per share, which was a penny above analyst expectations.

Revenues rose 3.3 percent to \$37.6 billion.

Ford's North America business was the bright spot in the latest quarter, with truck and sport utility vehicles sales rising 2.8 percent from the prior year, amid strong demand for the best-selling F-series truck and other large vehicles.

But Ford's overseas divisions remained pressured, with Asia Pacific suffering an operating loss of \$208 million following a steep drop in Chinese car sales. Europe also had an [operating loss](#).

Higher commodity [costs](#) also weighed on results once again, due in part to US trade tariffs on

aluminum and steel that have raised the cost of those metals.

Ford Chief Executive Jim Hackett has warned that metals tariffs caused a \$1 billion hit to company earnings.

Earlier this month, the automaker announced plans to cut its global workforce in connection with a reorganization the company has said could result in result one-time charges of \$11 billion over the next three to five years.

Ford shares jumped 5.5 percent to \$8.64 in after-hours trading.

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