

BMW GROUP

INVESTOR PRESENTATION



September 2019



Rolls-Royce
Motor Cars Limited

STRATEGY NUMBER ONE NEXT.

We are Number ONE.

We inspire people on the move: We shape tomorrow's individual premium mobility.



ACES ARE A CORE ELEMENT OF STRATEGY NUMBER ONE > NEXT.

A

AUTONOMOUS

C

CONNECTED



Clear Customer Focus.

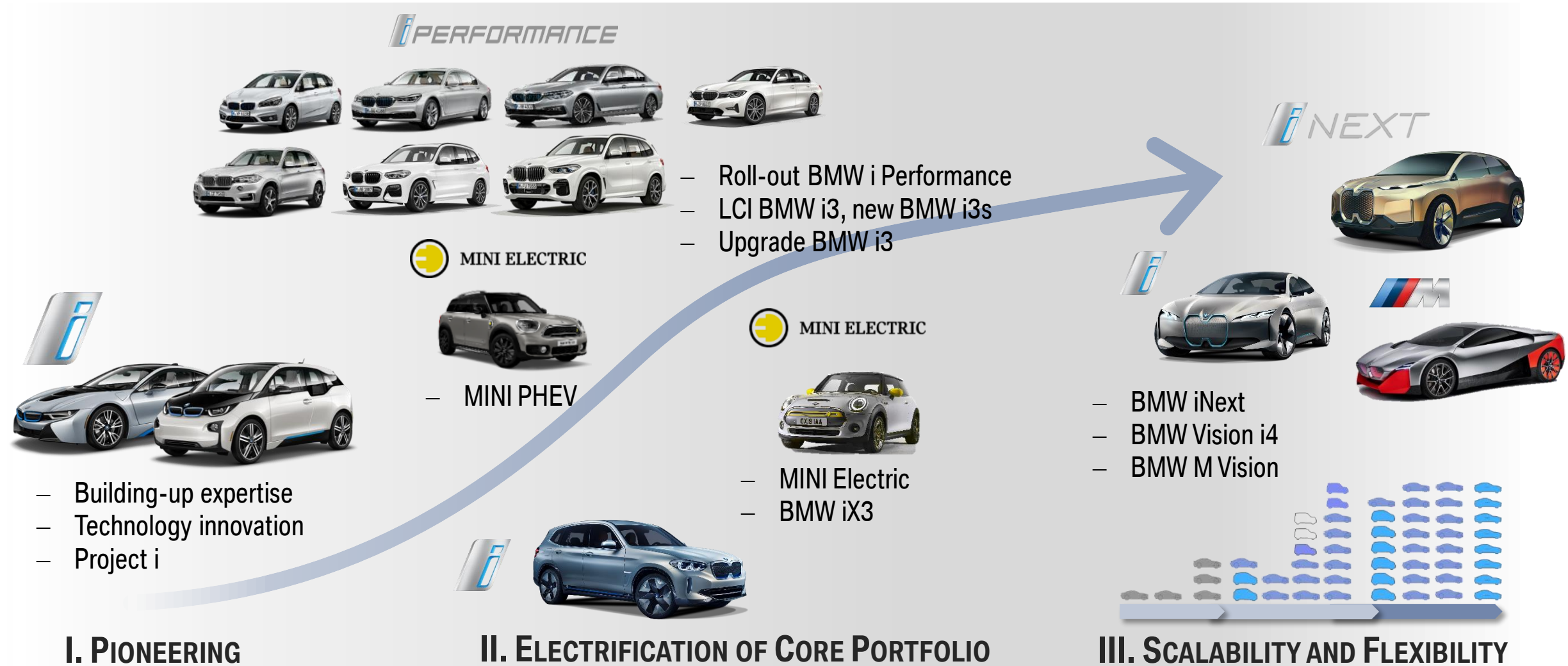
E

ELECTRIFIED

S

SHARED / SERVICES

BMW GROUP'S ELECTRIFICATION PATHWAY.



OUR FUTURE IS ELECTRIC. AMBITIOUS TARGETS FOR SALES OF ELECTRIFIED VEHICLES.

ELECTRIFIED VEHICLES



500,000
BY THE END
OF 2019 ON
THE ROAD

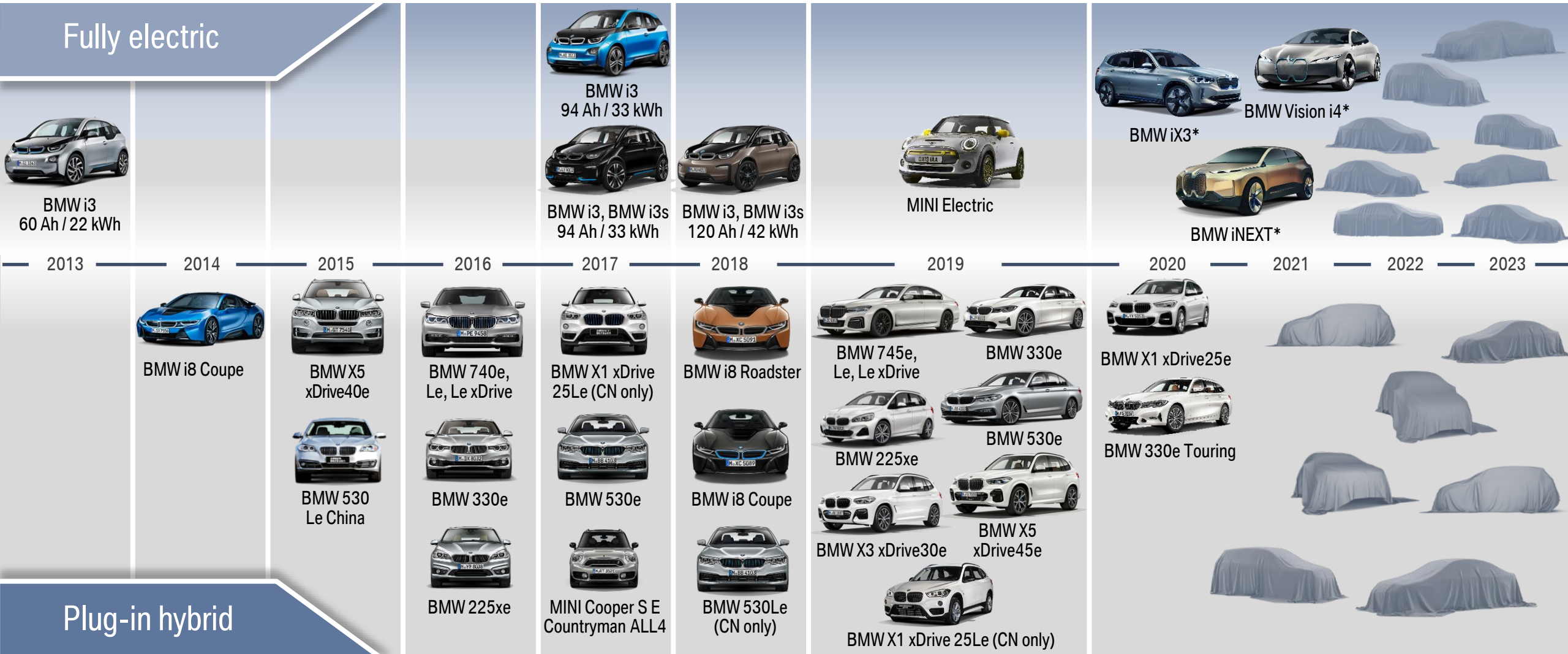
**DOUBLE 2019 ELECTRIFIED
VEHICLE SALES
By 2021**

**30% ELECTRIFIED
VEHICLE SALES
GROWTH RATE P.A.
Until 2025**



**YTD-07/2019
69,670 ELECTRIFIED
VEHICLES SOLD**

OUR CLEAR ROADMAP: AT LEAST 25 ELECTRIFIED MODELS BY 2023, INCLUDING AT LEAST 13 FULLY ELECTRIC CARS.



THE ALL-ELECTRIC MINI COOPER SE. MINI COUNTRYMAN PLUG-IN HYBRID.



THE BMW CONCEPT iX3. ELECTRIC MOBILITY ARRIVES AT THE CORE OF BMW.



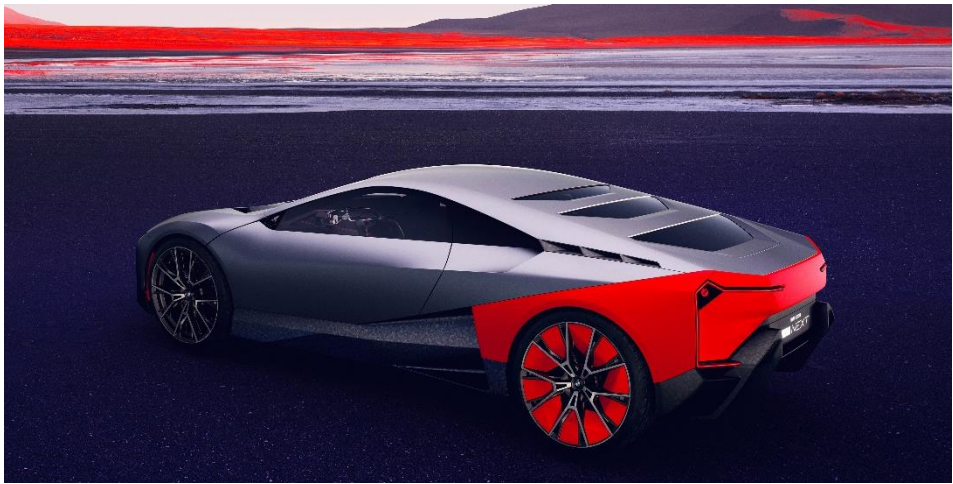
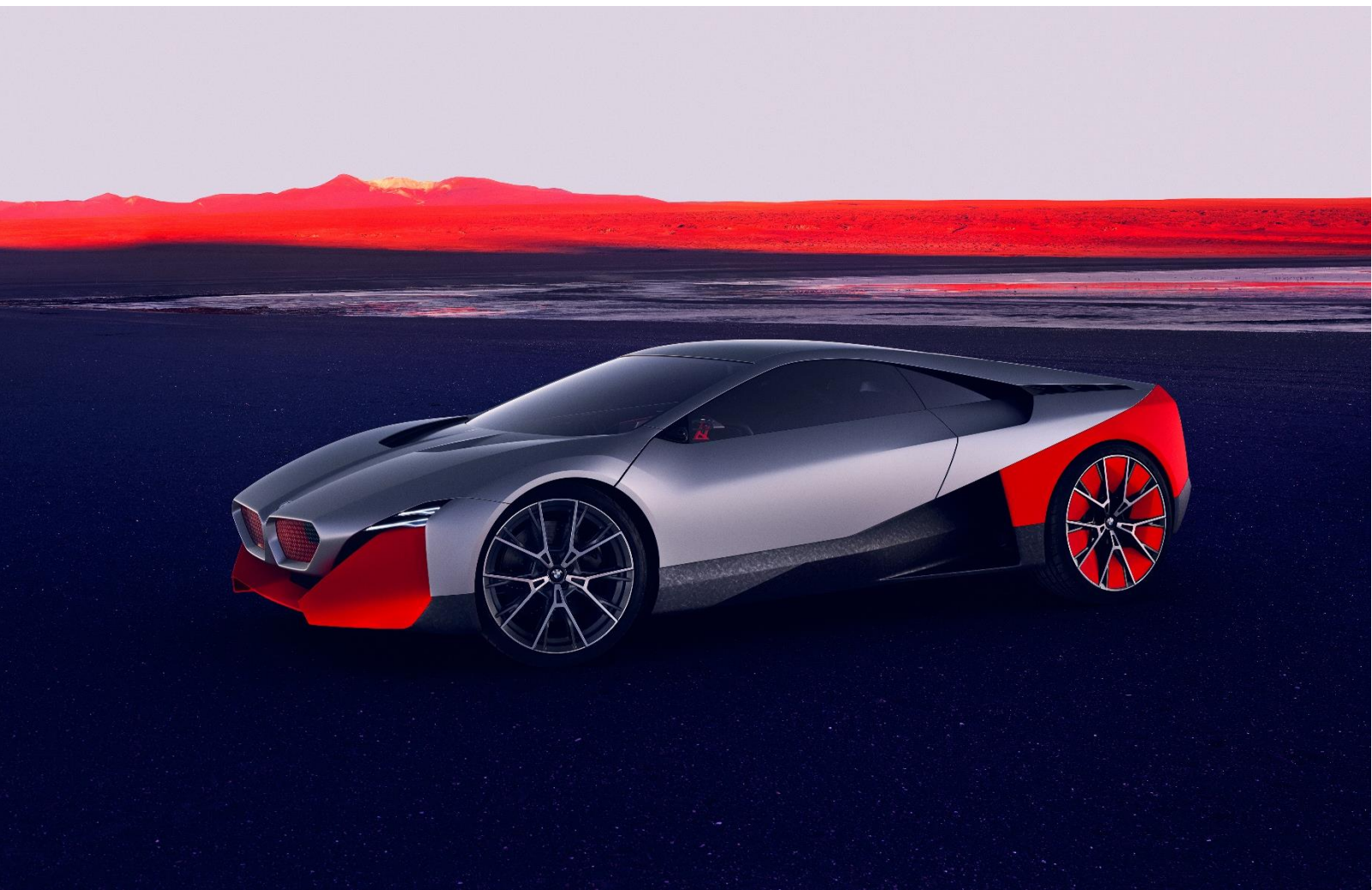
THE BMW i VISION DYNAMICS WILL BE BUILT AS i4 IN MUNICH. A NEW FORM OF ELECTRIFYING DRIVING PLEASURE.



THE BMW VISION iNEXT. FUTURE FOCUSED. iNEXT— THE BUILDING BLOCKS FOR THE FUTURE.



THE BMW M VISION. A STATEMENT FOR THE DRIVER.



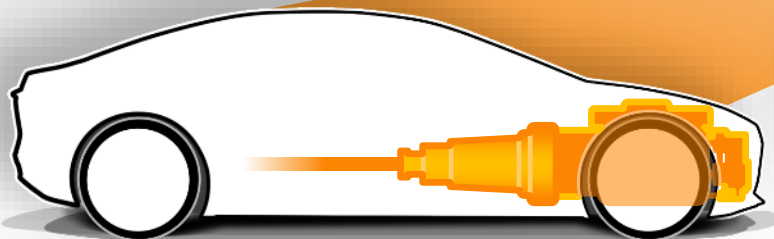
BMW i. FROM “BORN ELECTRIC” TO “ONE PLATFORM SERVES ALL”. FLEXIBLE VEHICLE ARCHITECTURE TO ENSURE QUICK RESPONSE TO DEMAND.

2013

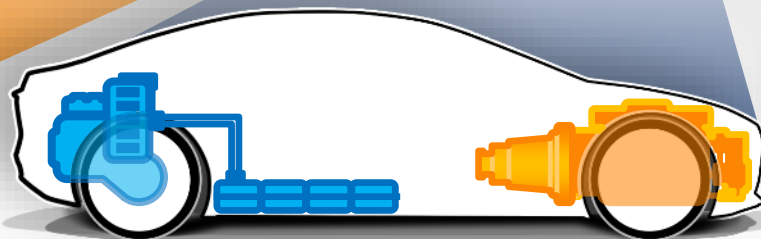
“Born electric”



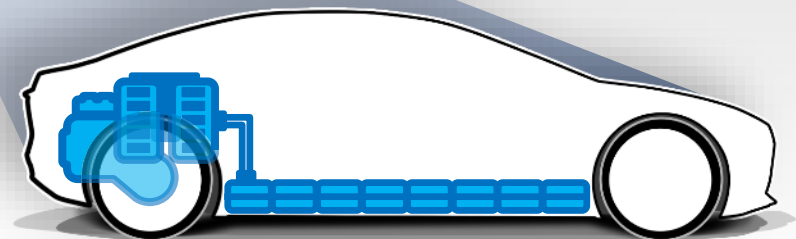
FROM
2021 ON



➤ Combustion engine



➤ Plug-In-Hybrid



➤ Pure electric

WHAT WILL DRIVE THE ACCEPTANCE AND THE PROFITABILITY OF E-MOBILITY GOING FORWARD...

+ ACCEPTANCE OF EVs

Regulation favors E-Mobility with purchasing or tax incentives or non cash benefits like parking, commuter lanes,..

Optimization of the Charging Infrastructure

ChargeNow IONITY

Smart and Efficient, Increase of charging points



Cost Reduction due to technological advancement, supplier consolidation and manufacturing efficiency



Driving Range Extension with new storage topologies and motor configurations. An improved drive range would lead to higher usability and easier adoption.



Time Outlook

+ PROFITABILITY OF EVs

Utilization of the pricing potential of BEV/PHEVs



Increase in volume/sales due to BMW i iPerformance Rollout with 25 electrified models by 2023

Improvement in Production Efficiency due to flexible architecture and less complexity



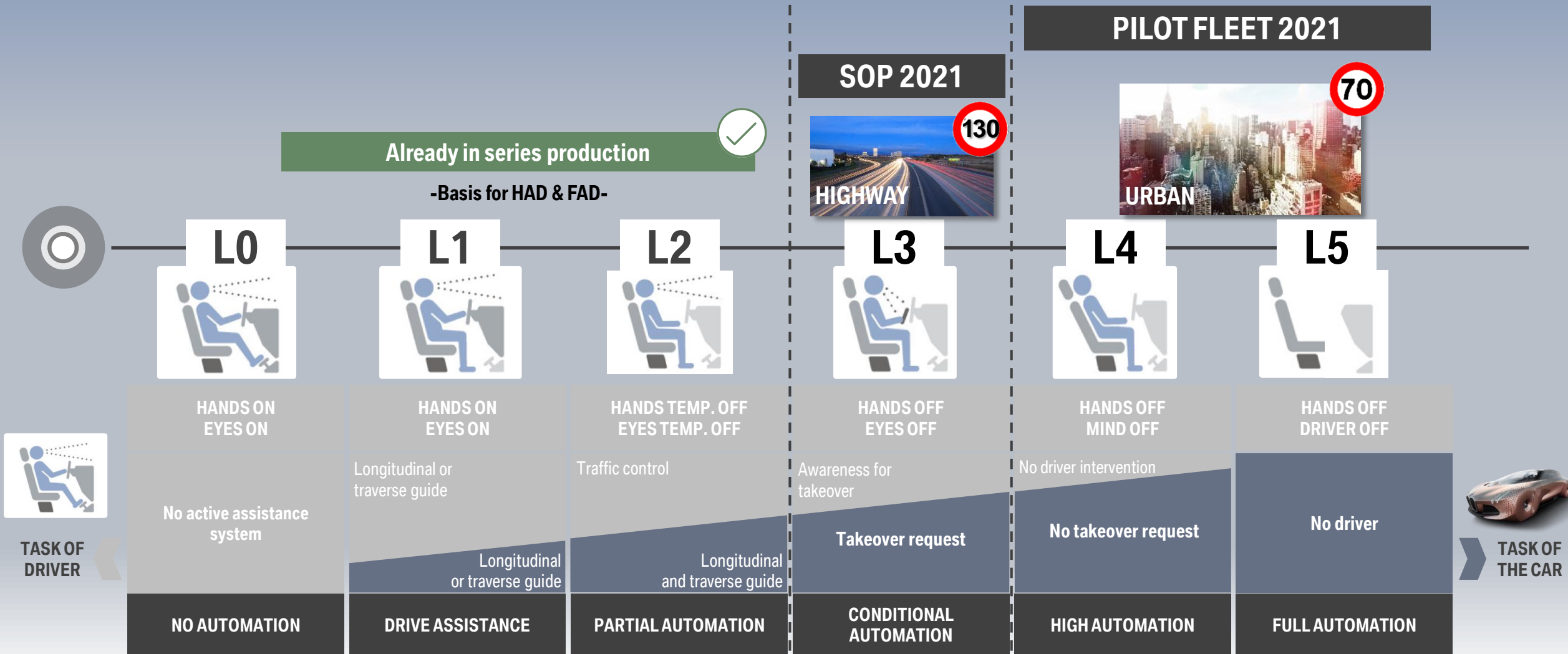
Decrease in Battery Costs due to new innovations and scalability



Material Costs Reduction due to higher supply and higher volume

Time Outlook

THE DEVELOPMENT OF TODAY'S ASSISTED FUNCTIONS TO FULL AUTOMATION EQUALS A TECHNOLOGICAL QUANTUM LEAP.



Levels according to SAE (Society of Automotive Engineers) J3016

THE NEW BMW 5 SERIES DRIVER ASSISTANCE SYSTEMS PROVIDE COMFORT AND SAFETY AT THE HIGHEST LEVEL.

Top View Remote
Lane keeping assistant with active side collision protection
Active cruise control with Stop&Go function
Rear collision prevention

Crossroad Assist

3D View
Top View
Parking assistant

Active Park Distance Control
BMW Selective Beam
Remote Control Parking

Steering and lane control assistant

Speed limit and No Pass information
Panorama View
Speed Limit Device

Crossing traffic warning rear / front

Night Vision

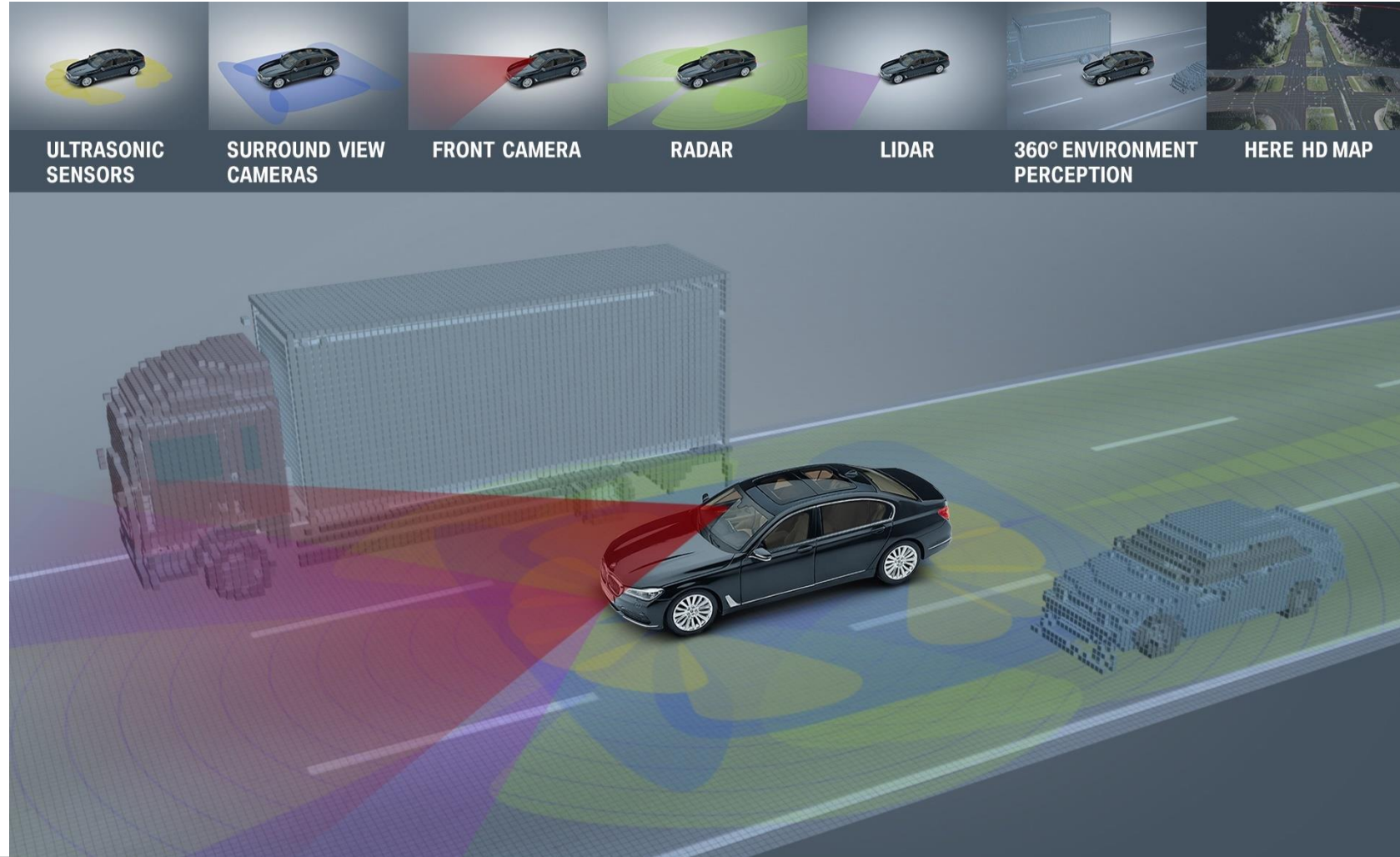
Lateral parking aid

Distance information
Lane departure warning

Wrong Way Assist
Lane change warning
Speed Limit Assist
Approach control warning with braking function



AUTOMATED DRIVING AT THE BMW GROUP.



AUTONOMOUS DRIVING REQUIRES TO COOPERATE WITH LEADING COMPANIES WITHIN THE TECH INDUSTRY.

COOPERATION



- Sensors: camera, radar, LIDAR
- Object fusion
- Road model
- Driving strategy/planning

AUTONOMOUS DRIVING



OEMs

HD-MAP



- Centimeter precision
- Real-time capable
- Highly available and reliable

OEM COOPERATION



INFRASTRUCTURE 5G

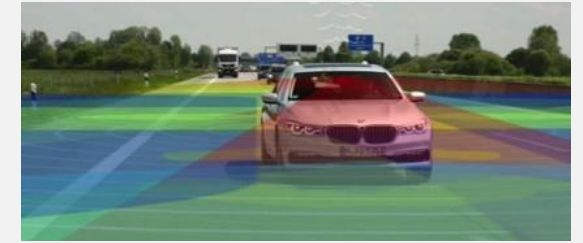


- Ultra low latency
- Ultra high reliability
- Ultra high data rates

5G AUTOMOTIVE ASSOCIATION



TEST FIELDS



- Worldwide regulation
- Unified homologation
- Safe and secure development

AUTHORITIES AND ASSOCIATIONS



AUTONOMOUS DRIVING. BMW GROUP'S TRANSFORMATION INTO A TECH COMPANY.

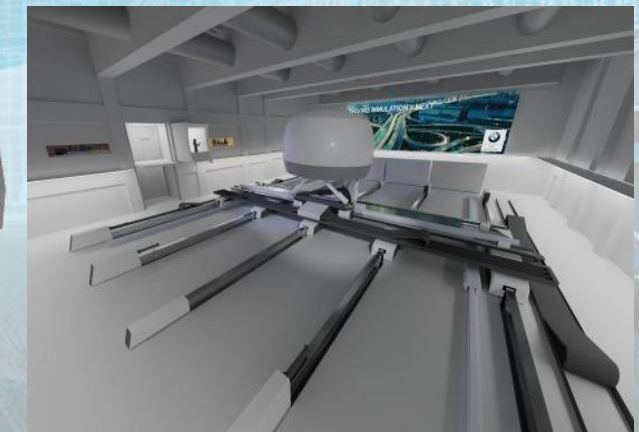
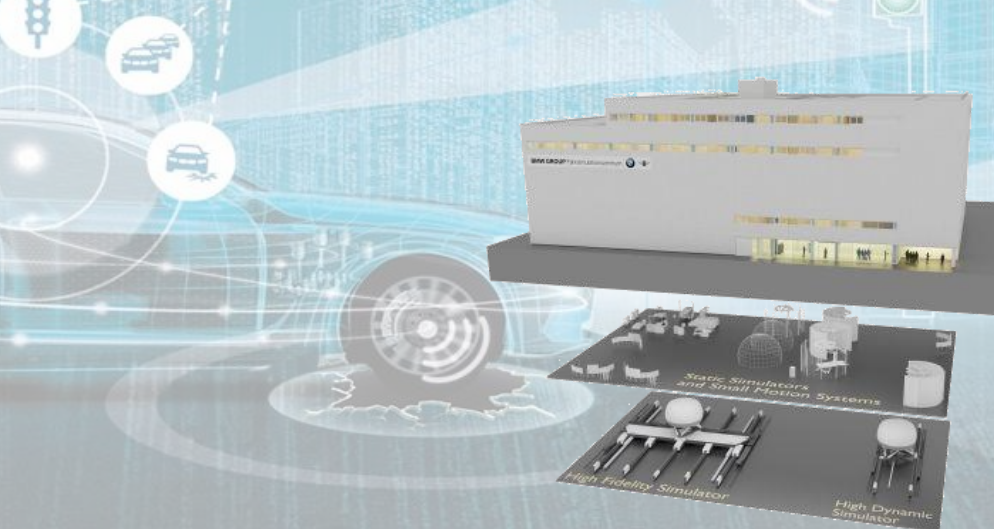
NEW AUTONOMOUS DRIVING CAMPUS

- Next steps towards fully-automated driving, from software development to road testing.
- Agile teams, short distances and short decision-making processes.
- Room for 1,800 employees.



NEW DRIVING SIMULATION CENTER

- World's most advanced facility of its kind for the simulation of real-world driving situations.
- Construction completion in 2020.



BMW GROUP AND DAIMLER AG ARE JOINING FORCES – OUR CURRENT OFFERINGS SUPPLEMENT EACH OTHER PERFECTLY TO ENSURE PERSONAL FREEDOM FOR OUR CUSTOMERS.

MOBILITY SERVICES
BY BMW GROUP AND DAIMLER AG
UNDER ONE UMBRELLA

DAIMLER

BMW
GROUP



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YOUR NOW JOINT VENTURE. THE "MOBILITY POWERHOUSE" WITH A SIGNIFICANT END CUSTOMER BASE AND COVERAGE WORLDWIDE.

BMW
GROUP

DAIMLER

SHARENOW

FREENOW

REACHNOW

PARKNOW

CHARGENOW

DriveNow

mytaxi
hive
clever

ReachNow
moovel

Park.line
ParkNow RingGo
ParkMobile

ChargeNow
DIGITAL CHARGING SOLUTIONS



BEAT

moovel

ParkNow RingGo
ParkMobile

ChargeNow
DIGITAL CHARGING SOLUTIONS

Customers**
in millions

>4

30.4

7.5

33.4*

0.02

Overall
H1 2019

>75

Interactions
in millions

18.2

122.0

16.4

111.9*

0.12

268.6

Cities**

31

130

22

>1,200*

n/a

>1,200

GMV RR***
in billions €

3.4*

* For the U.S. entity of PARKNOW, the June 2019 figures are estimated.

** Partially, customer data is aggregated and thus, data summation is w/o the consideration of possible redundancies.

*** Monthly gross merchandise value run rate is based on the previous month's figure.

A STRONG PRODUCT MOMENTUM AND THE MIX IMPROVEMENT WILL FOSTER GROWTH AND PROFITABILITY.



BMW i8 Roadster



BMW 8 Series



BMW Z4



Rolls Royce Cullinan



BMW 3 Series



...



MINI Cooper SE



BMW X2



BMW X5



BMW X6



BMW X7



...

VERY ATTRACTIVE AND FRESH LINE UP OF THE X FAMILY SUPPORTS GROWTH AND PRODUCT MIX.



BMW X1



BMW X2



BMW X3



BMW X4



BMW X5



BMW X6



BMW X7

THE BMW Z4. FREEDOM ON FOUR WHEELS.



THE NEW BMW 3 SERIES SEDAN. SPORTY DRIVING PLEASURE, NEW DESIGN LANGUAGE, AND TRAILBLAZING DRIVER ASSISTANCE TECHNOLOGY.



THE BMW X7. FUSION OF DRIVING PLEASURE AND LUXURY.



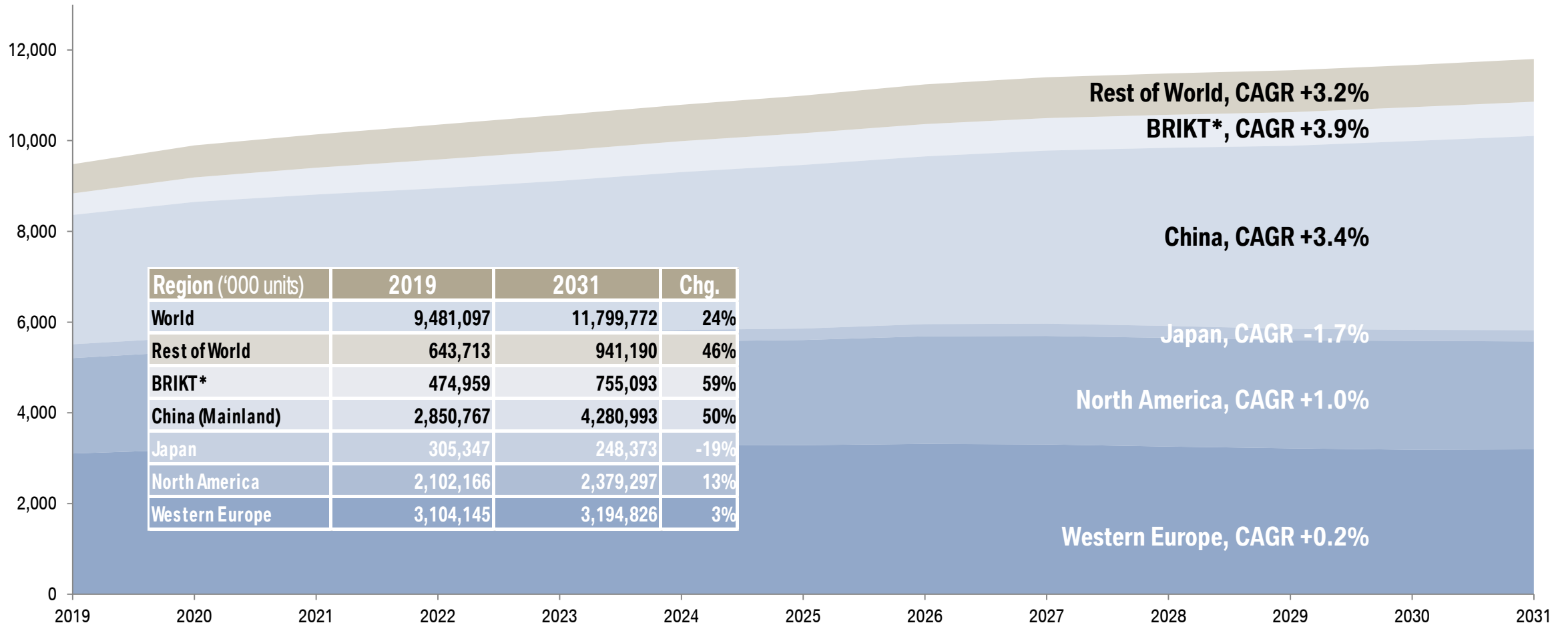
BMW 8 SERIES COUPÉ , CONVERTIBLE AND GRAN COUPÉ. THE PINNACLE OF SPORTS PERFORMANCE AND EXCLUSIVITY.



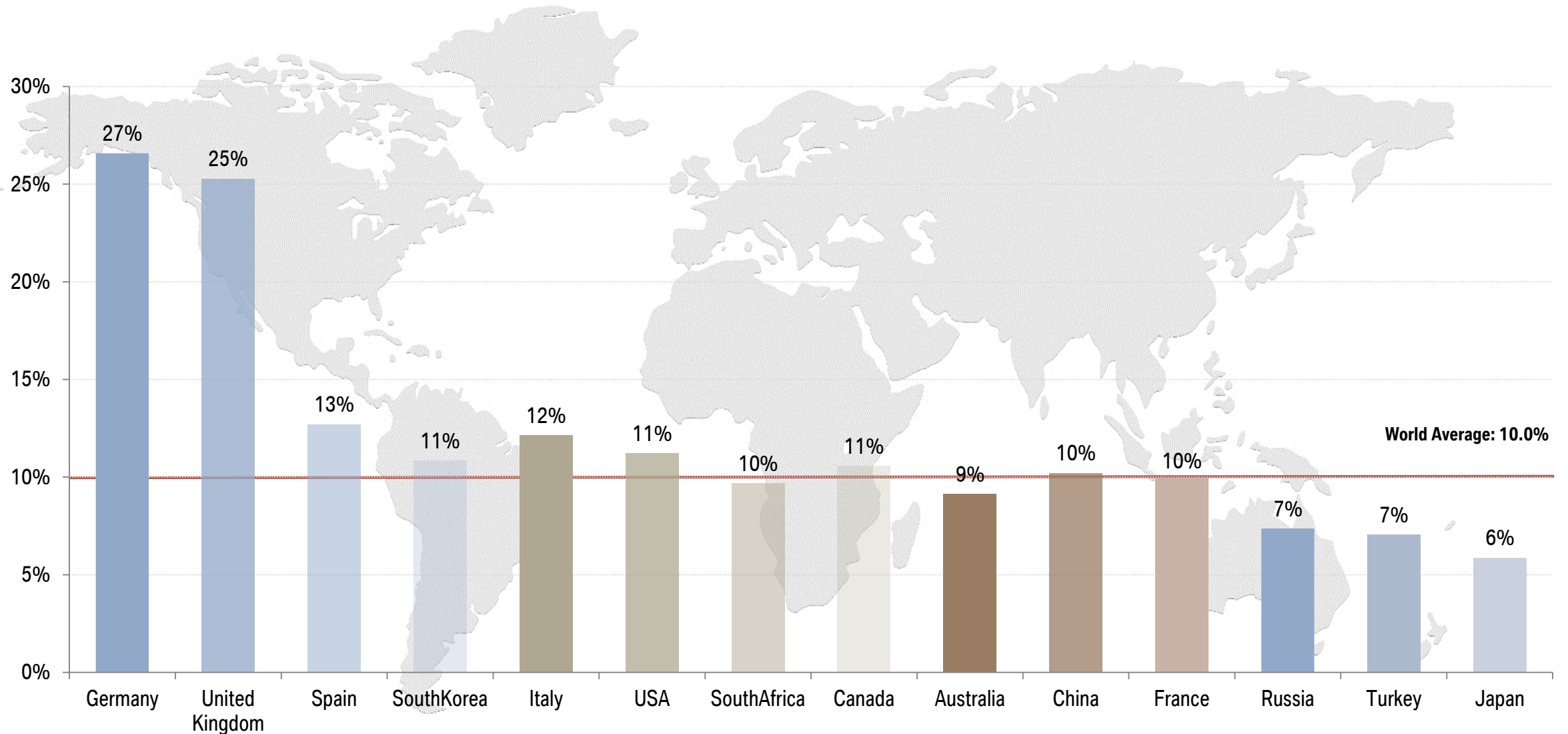
THE NEW ROLLS-ROYCE CULLINAN – EFFORTLESS EVERYWHERE. LUXURY, PERFORMANCE AND USABILITY NOT SEEN BEFORE IN THE SUV MARKET.



GLOBAL ANNUAL PREMIUM SEGMENT SALES ARE EXPECTED TO GROW AT A CAGR OF 1.8% TO 11.8 MN UNITS BY 2031.



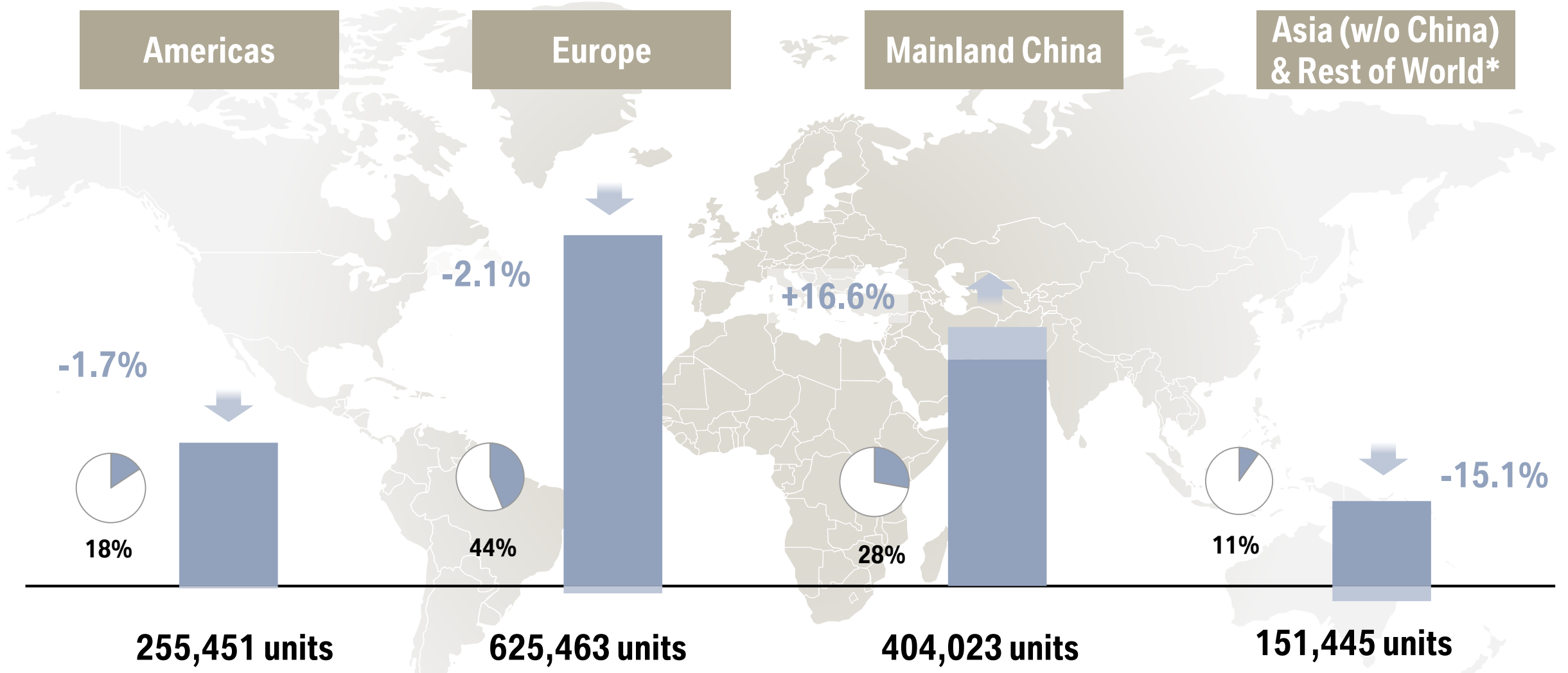
PREMIUM SEGMENT SHARE OF TOTAL MARKET 2019.



BMW GROUP SALES AT LAST YEAR'S HIGH LEVEL THROUGH JULY 2019.

BMW GROUP	1,436,382	+0.9%
	1,233,075	+1.6%
	200,379	-3.5%
Rolls-Royce Motor Cars Limited	2,928	+42.3%
BMW Motorrad	109,280	+7.3%

BMW GROUP AUTOMOTIVE: BALANCED SALES DISTRIBUTION AND YTD-07/2019 AT LAST YEAR'S HIGH LEVEL WITH A TOTAL OF 1,436,382 VEHICLES (+0.9%).



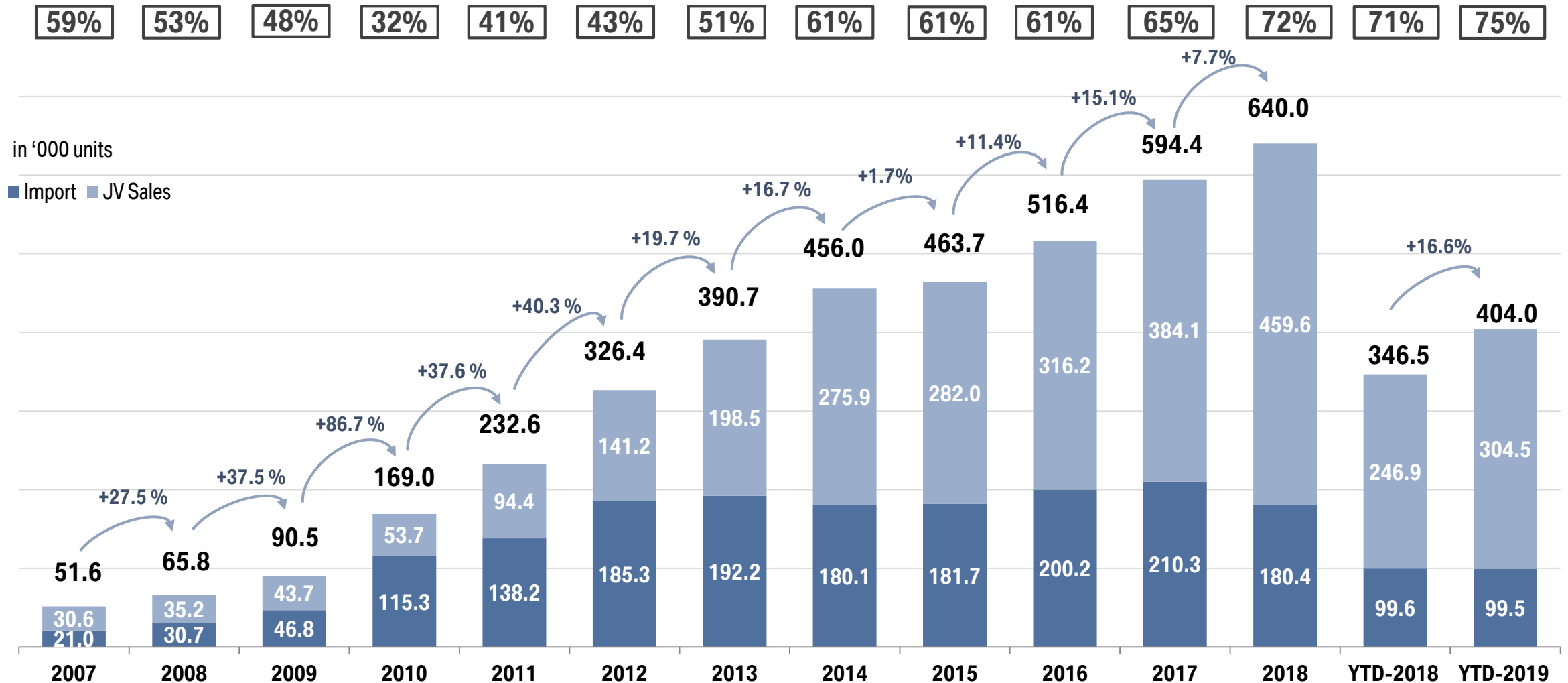
BMW GROUP AUTOMOTIVE MAJOR MARKETS. DELIVERIES TO CUSTOMERS YTD-07/2019.

Deliveries of automobiles		YTD-07/2019	YTD-07/2018	Change in %
Europe		625,463	638,664	-2.1
thereof	Germany	192,392	179,795	+7.0
	Great Britain	132,304	135,494	-2.4
Americas		255,451	259,954	-1.7
thereof	USA	199,865	202,300	-1.2
Asia		521,639	487,968	+6.9
Thereof	China Mainland	404,023	346,493	+16.6
	thereof BBA retail sales	304,536	246,925	+23.3
Rest of the World		33,829	36,982	-8.5
Total		1,436,382	1,423,568	+0.9



BMW AND MINI RETAIL SALES DEVELOPMENT IN MAINLAND CHINA YTD-07/2019.

Share of JV Sales (through BMW Brilliance Automotive)



GROWTH IN CHINA DESPITE MARKET NORMALIZATION. GROWTH OF DEALER NETWORK AND FURTHER LOCALIZATION.

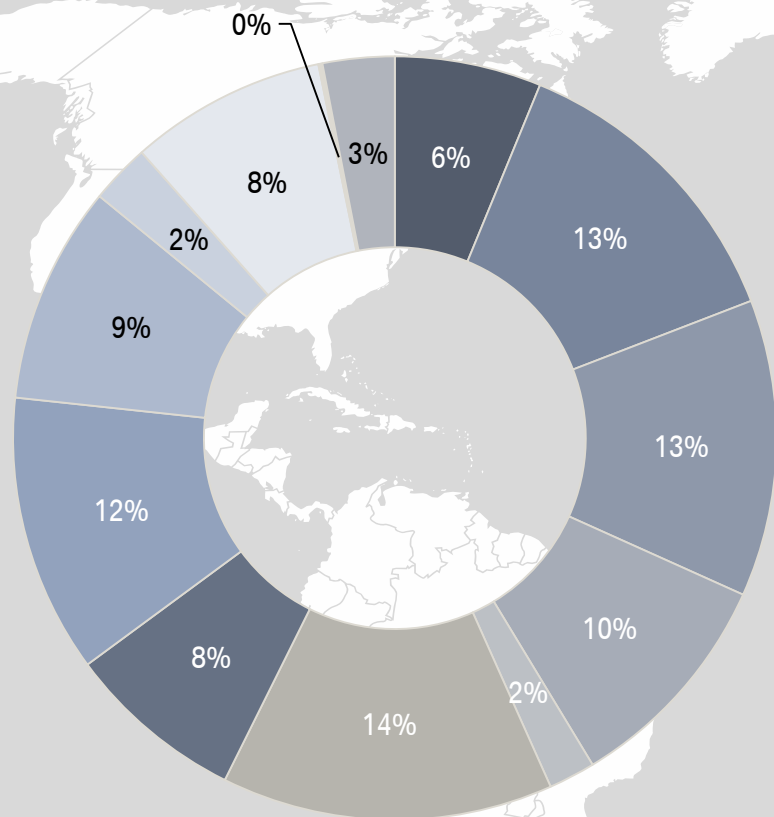
BMW and MINI outlets in China (as of 31 December 2018)

Outlet	BMW	MINI
North	112	27
East	118	30
Southeast	100	19
West	149	32
South	146	26
Total	625	134

6 MODELS IN LOCAL PRODUCTION & MORE TO COME



AUTOMOBILE PRODUCTION BY PLANT IN 2018.



■ Munich, Germany	BMW 3, 4 series	157,799
■ Dingolfing, Germany	BMW 3, 4, 5, 6, 7, 8 series	328,862
■ Regensburg, Germany	BMW 1, 2, 3, 4 series, X1, X2	319,592
■ Leipzig, Germany	BMW 1, 2 series, i3, i8	244,248
■ Rosslyn, South Africa	BMW 3 series, X3***	50,224
■ Spartanburg, USA	BMW X3, X4, X5, X6, X7	356,749
■ Dadong, China*	BMW 5 series, X3	191,888
■ Tiexi, China*	BMW 1, 2, 3 series, X1	299,939
■ Oxford, UK	MINI Hatch, MINI Clubman	234,501
■ Graz, Austria (Magna Steyr)**	BMW 5 series	64,431
■ Born, Netherlands (VDL Nedcar)**	MINI Hatch, MINI Cabrio, MINI, Countryman, BMW X1	211,660
■ Goodwood, UK	Rolls-Royce	4,353
■ Assembly plants		77,288
Sum		2,541,534

* Joint venture BMW Brilliance Automotive Ltd., Shenyang

** Contract production

*** X3 production as of 04/2018

BMW MOTORRAD. WIDER RANGE THAN EVER BEFORE.

ADVENTURE



TOUR



SPORT



ROADSTER



HERITAGE



URBAN
MOBILITY

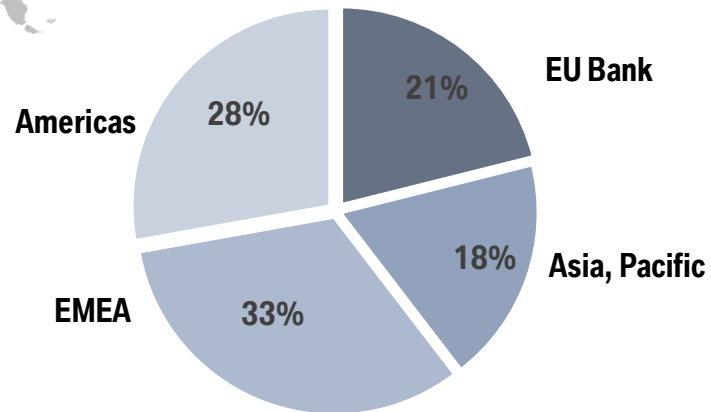


BMW MOTORRAD VISION DC ROADSTER. THE ELECTRICAL AWAKENING OF THE BOXER ENGINE.



BMW GROUP FINANCIAL SERVICES AT A GLANCE.

Global Presence as of 12/2018



Business Lines as of 12/2018



Retail Finance

€ 96.1 bn



Dealer Finance

€ 20.4 bn



Fleet Business

€ 13.0 bn



ALPHERA
Financial Services

Multi Make Financing

€ 6.6 bn



Insurance

3.9 mn contracts

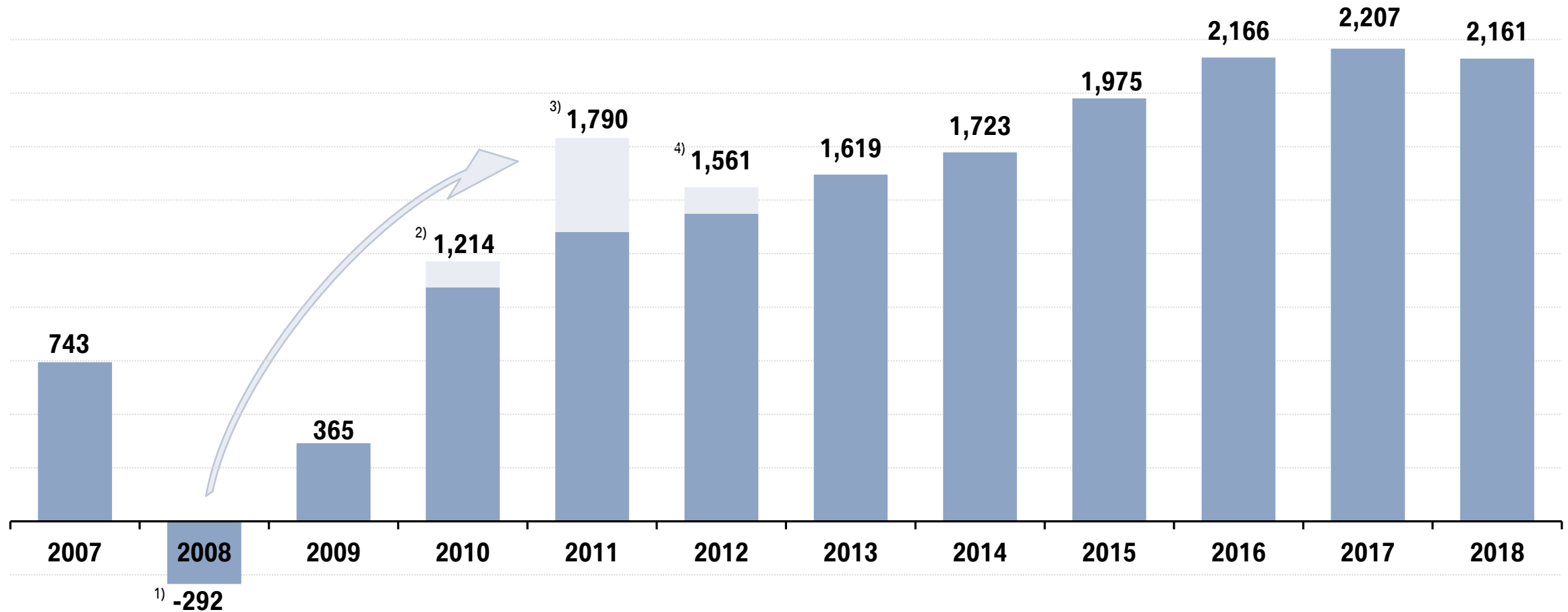


Banking

€ 10.5 bn

SIGNIFICANT CONTRIBUTION OF FINANCIAL SERVICES TO BMW GROUP PROFIT.

Earnings before Tax (EBT) Financial Services [in mn €]



1) FY-08 EBT includes a negative effect of EUR 1,057 million from additional credit and residual value risk provisions.

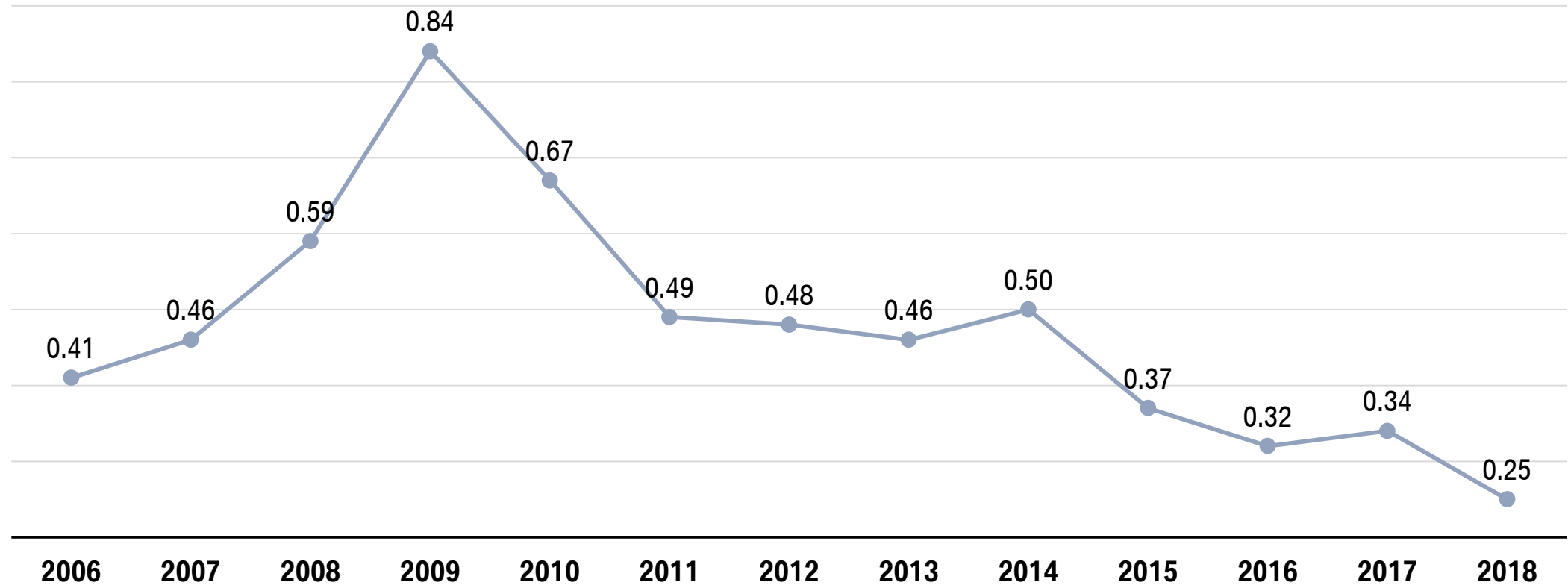
2) FY-10 EBT includes a positive effect of EUR 122 million from better than expected off-lease business.

3) FY-11 EBT includes a positive effect of EUR 439 million from adjustment of residual value and credit risk provisions and a better than expected off-lease business.

4) FY-12 EBT includes a positive effect of EUR 124 million from better than expected off-lease business.

BMW GROUP FINANCIAL SERVICES. SOLID DEVELOPMENT OF CREDIT LOSS RATIO.

Credit loss ratio*
[in %]



BMW GROUP FINANCIAL YEAR 2018.

KEY FINANCIALS UNDERLINE BMW GROUP'S STRONG OPERATING PERFORMANCE.

BMW Group	FY-2018 reported	FY-2017 adjusted*	FY-2017 reported	Change in %
Earnings before tax – Group (in m€)	9,815	10,675	10,655	-8.1
EBT margin (in %) – Group	10.1	10.9	10.8	-0.8 pp
Payout Ratio (in %) – Group	32.0	30.3	30.3	+1.7 pp
Automotive Segment				
Automotive sales (units)	2,490,664	2,463,526	2,463,526	+1.1
Earnings before interest and tax (EBIT) (in m€)	6,182	7,888	7,863	-21.6
EBIT margin (in %)	7.2	9.2	8.9	-2.0 pp
Net financial assets (m€)*	19,488	19,787	19,787	-1.5
Motorcycles Segment				
Sales (units)	165,566	164,153	164,153	+0.01
Earnings before interest and tax (EBIT) (in m€)	175	207	207	-15.5
EBIT margin (in %)	8.1	9.1	9.1	-1.0 pp
Financial Services				
Earnings before tax (EBT) (in m€)	2,161	2,207	2,207	-2.1
Return on Equity (in %)	14.8	18.1	18.1	-3.3 pp
Penetration rate (in %)	50.0	46.8	46.8	+3.2 pp
Credit loss ratio (in %)	0.25	0.34	0.34	-0.09 pp



BMW GROUP Q2-2019. IN A HISTORICALLY TOUGH ENVIRONMENT THE BMW GROUP REACHED ITS TARGETS.

BMW Group	Q2-2019 reported	Q2-2018 adjusted*	Q2-2018 reported	Change in %
Earnings before tax – Group (in m€)	2,053	2,866	2,873	-28,4
EBT margin (in %) – Group	8.0	11.5	11.5	-3.5 pp
Automotive Segment				
Automotive sales (units)	647,504	637,878	637,878	+1.5
Earnings before interest and tax (EBIT) (in m€)	1,469	1,919	1,919	-23.4
EBIT margin (in %)	6.5	8.6	8.6	-2.1 pp
Motorcycles Segment				
Sales (units)	54,582	51,117	51,117	+6.8
Earnings before interest and tax (EBIT) (in m€)	102	98	98	+4.1
EBIT margin (in %)	14.0	14.9	14.9	-0.9 pp
Financial Services				
Earnings before tax (EBT) (in m€)	573	603	605	-5.0



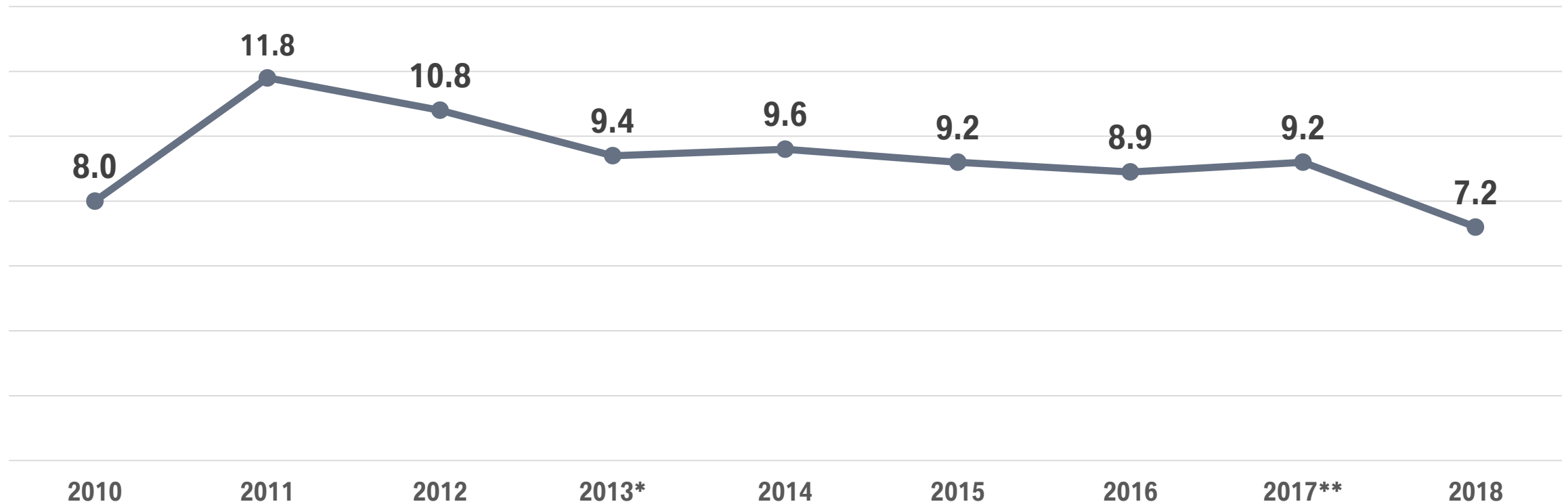
BMW GROUP H1-2019. A PROVISION RECOGNITION*, HIGH VOLATILITY AND COMPETITIVE MARKETS AS WELL AS INVESTMENTS IN FUTURE IMPACTED H1-2019 RESULT.

BMW Group	H1-2019 reported	H1-2018 adjusted**	H1-2018 reported	Change in %
Earnings before tax – Group (in m€)	2,815	6,005	6,038	-53.1
EBT margin (in %) – Group	5.8	12.6	12.7	-6.8 pp
Automotive Segment				
Automotive sales (units)	1,252,837	1,242,507	1,242,507	+0.8
Earnings before interest and tax (EBIT) (in m€)	1,159	3,800	3,800	-69.5
EBIT margin (in %)	2.8	9.2	9.2	-6.4 pp
Motorcycles Segment				
Sales (units)	93,188	86,975	86,975	+7.1
Earnings before interest and tax (EBIT) (in m€)	191	175	175	+9.1
EBIT margin (in %)	14.5	14.8	14.8	-0.3 pp
Financial Services				
Earnings before tax (EBT) (in m€)	1,200	1,156	1,166	+3.8



AUTOMOTIVE SEGMENT EBIT MARGIN. CORE BUSINESS REMAINS ON TRACK FOR SUCCESS.

EBIT margin [in %]

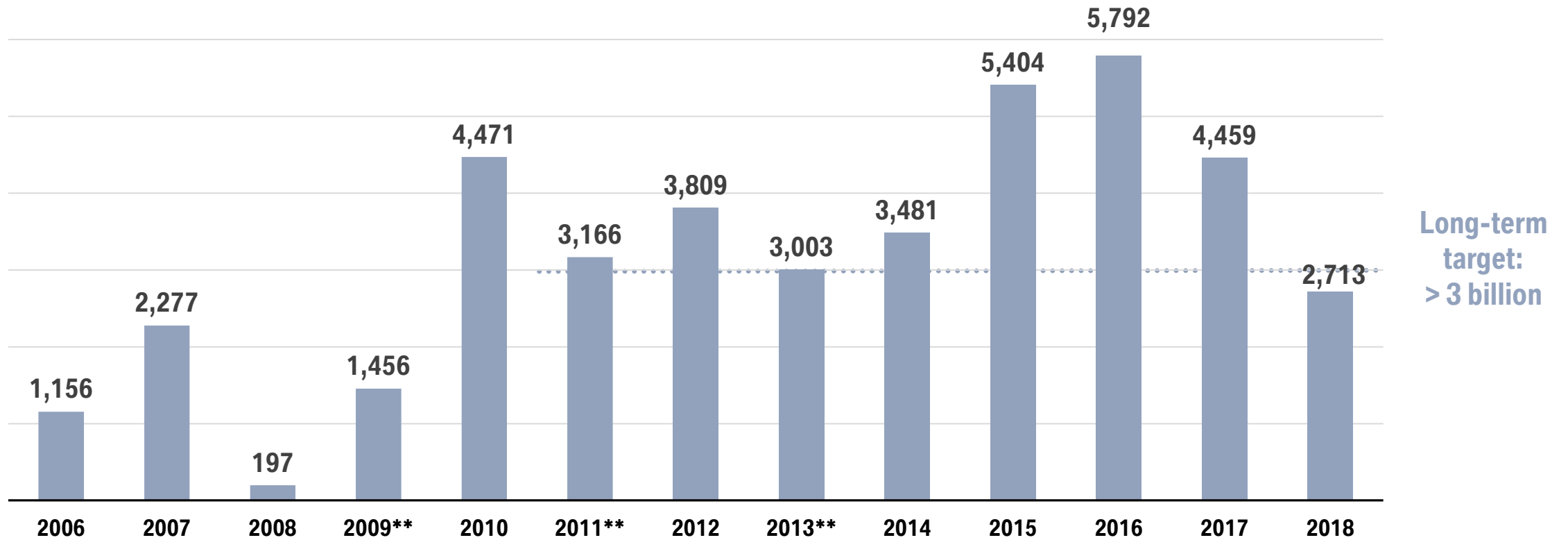


* 2013 figures have been adjusted in accordance with IAS 8

** adjusted value for 2017 in accordance with IFRS 15

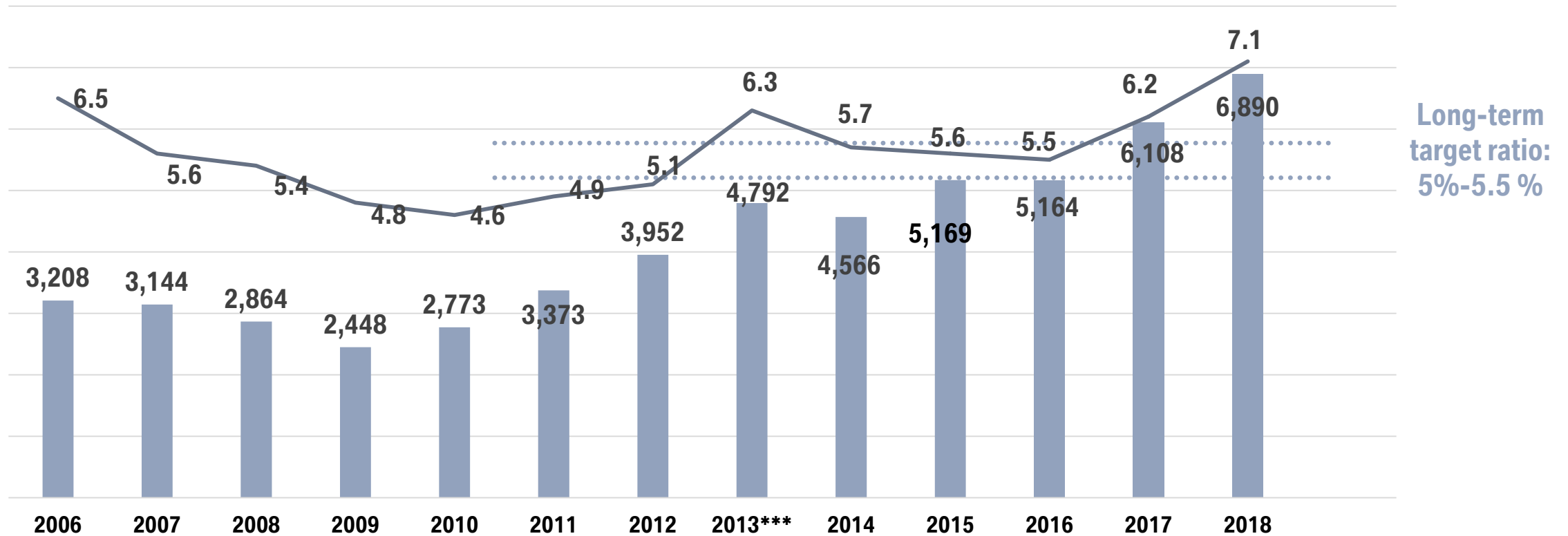
FREE CASH FLOW IN AUTOMOTIVE SEGMENT REMAINS STRONG, DESPITE SIGNIFICANTLY HIGHER INVESTMENTS.

Free Cash Flow (Automotive)* [in m€]



THE BMW GROUP IS COMMITTED TO PLAYING A KEY ROLE IN TOMORROW'S MOBILITY AND IS INVESTING SUBSTANTIAL AMOUNTS IN NEW TECHNOLOGIES.

R&D Expenditure* [in m€, HGB]
R&D Ratio** [in %, HGB]



HGB: German Commercial Code

* R&D Expenditure: Research and development expenses plus capitalized research and development cost minus amortization of capitalized development costs.

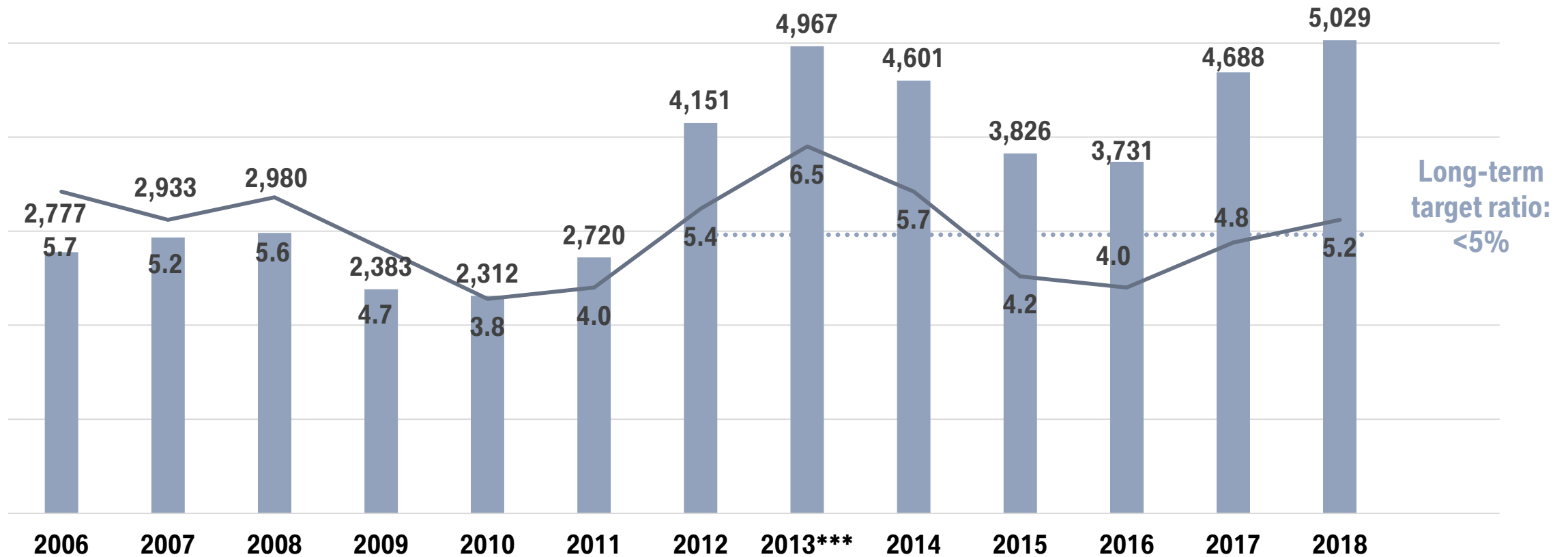
** R&D Ratio: R&D expenditure divided by Group revenues.

*** 2013 figures have been adjusted in accordance with IAS 8.

TIGHT MANAGEMENT OF CAPITAL EXPENDITURE TO ACHIEVE TARGET RATIO.

BMW Group Capital Expenditure*
[in m€]

Capex Ratio**
[in %]



* Capital Expenditure: additions to property, plant and equipment and other intangible assets (definition has been changed in 2016).

** Capital expenditure ratio: Capital expenditure divided by Group revenues.

*** 2013 figures have been adjusted in accordance with IAS 8.

PERFORMANCE > NEXT. IMPORTANT DECISIONS ALREADY BEING IMPLEMENTED.

CUSTOMER AND SALES



Improvement in sales performance and optimization of customer interface based on data analytics.

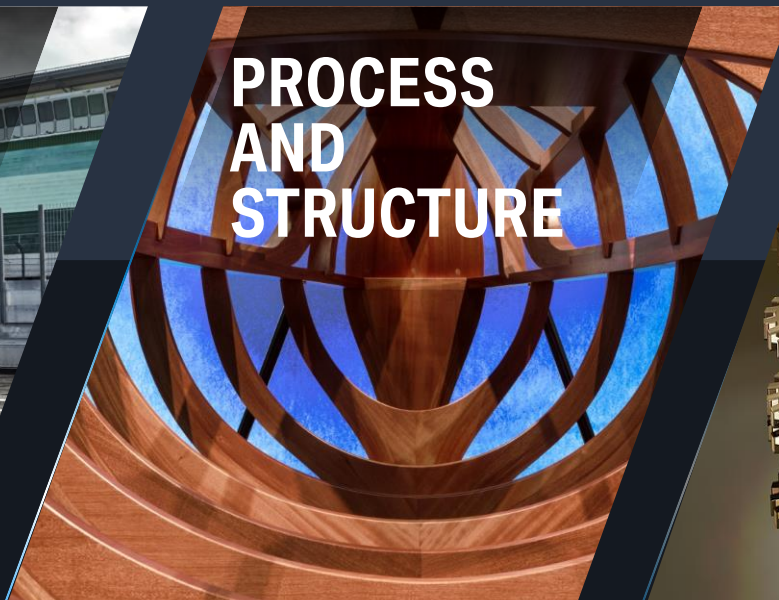
VEHICLE



Complexity and product variety reduction while maintaining customer benefit.

Accelerate the R&D process.

PROCESS AND STRUCTURE



Optimization of indirect purchasing and material cost reduction.

Cross-functional optimization of structures and processes.

COOPERATIONS



Project-based cooperations for opening up new opportunities.

Joining forces with Daimler AG with the mobility services Joint Ventures and on automated driving.

OUTLOOK 2019. SETTING HIGH STANDARDS IN CHALLENGING ENVIRONMENT.

AUTOMOTIVE



Slight increase in **deliveries**.

EBIT-margin between 4.5 and 6.5% *.

MOTORCYCLES



Solid increase in **deliveries**.

EBIT-margin between 8 and 10%.

FINANCIAL SERVICES



Return on Equity on par with previous year's level.

BMW GROUP



Significant decrease in **Group earnings before tax**.

Size of workforce at year-end on par with previous year's level.

*Without the effect of the provision for the ongoing antitrust proceedings amounting to approx. € 1.4 billion, the target range for the EBIT margin of 6-8% has not changed.

BMW GROUP'S FINANCE STRATEGY COVERS THE ENTIRE AUTOMOTIVE VALUE CHAIN.

BMW GROUP CORPORATE FINANCE STRATEGY REFLECTS THE INDUSTRIAL NATURE OF THE BUSINESS AND IS FOCUSED ON THE ENTIRE AUTOMOTIVE VALUE CHAIN.

Automotive value chain



Research & Development



Production



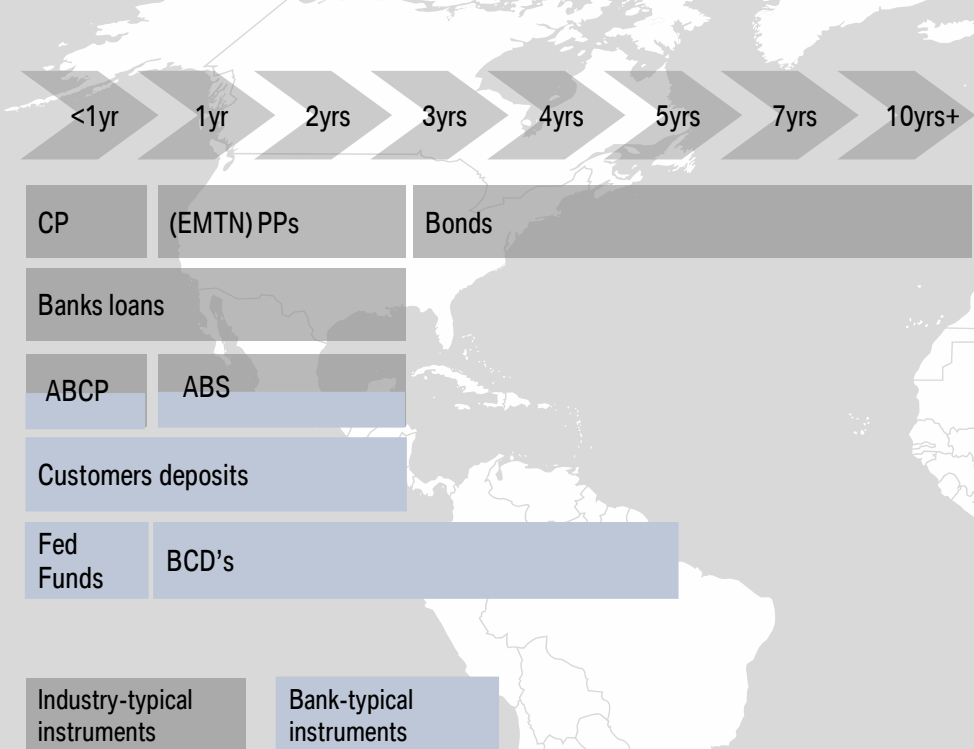
Sales & Marketing



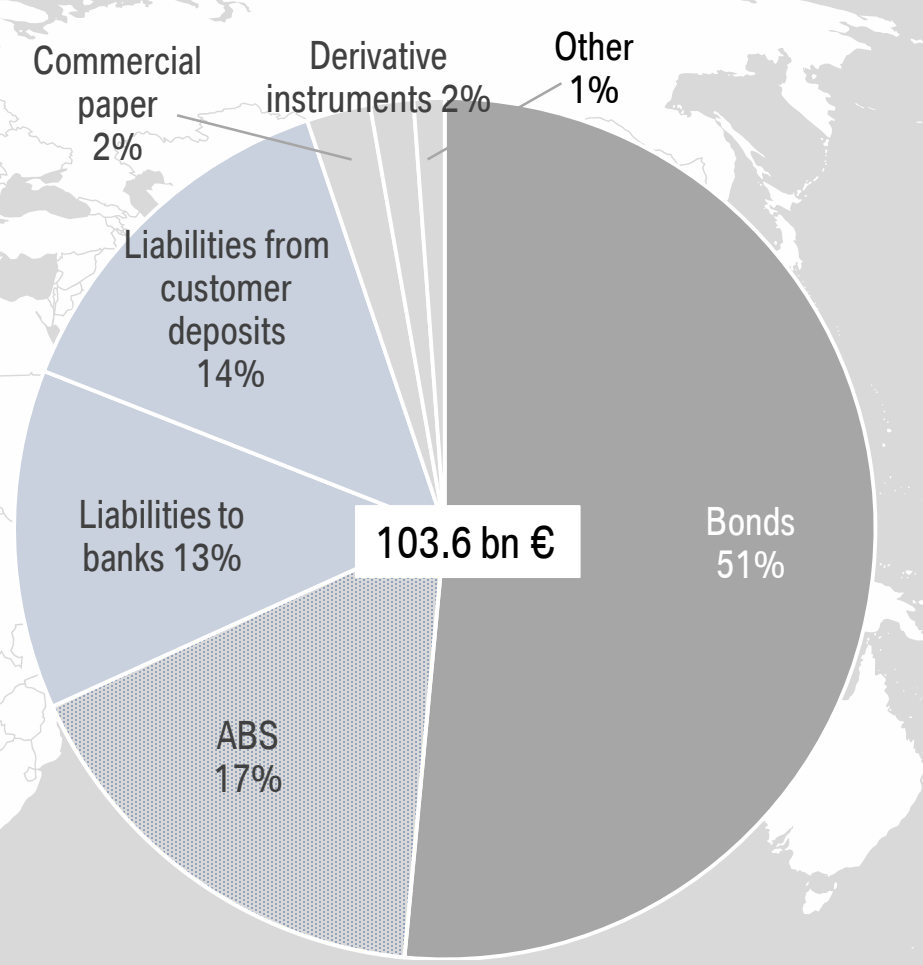
Financial Services

DIVERSIFIED FUNDING MIX WITH A COMBINATION OF INDUSTRY AND BANK TYPICAL FINANCING INSTRUMENTS.

Funding Instruments



Financial Debt as of FY 2018



BMW Group continues to target a well diversified debt structure

BMW GROUP INVESTOR RELATIONS. CONTACTS.



Torsten Schüssler
Head of Investor Relations

+49-89-382-25387
torsten.schuessler@bmw.de



Mariam Kremer
Debt & Equity IR

+49-89-382-96136
mariam.kremer@bmw.de



Patrick Neumayer
Debt & Equity IR

+49-89-382-24272
patrick.neumayer@bmwna.com



Tanja Seiler
Equity & SRI IR

+49-89-382-75161
tanja.seiler@bmw.de



Andreas Stöffler
Equity IR & Annual
General Meeting (AGM)

+49-89-382-17944
andreas.stoeffler@bmw.de



Mirjam Wipfler
Equity IR

+49-89-382-76974
mirjam.wipfler@bmw.de



<http://www.bmwgroup.com/ir>

IR Contact
BMW Group Investor Relations
Petuelring 130
80788 Munich

ir@bmwgroup.com



BMW GROUP INVESTOR RELATIONS. FINANCIAL CALENDAR 2019/2020.

06.11.2019	Quarterly Statement to 30 September 2019
18.03.2020	Annual Accounts Press Conference
19.03.2020	Analyst and Investor Conference
06.05.2020	Quarterly Statement to 31 March 2020
14.05.2020	Annual General Meeting
05.08.2020	Quarterly Report to 30 June 2020



BMW GROUP INVESTOR RELATIONS. ON THE ROAD H2-2019.

04./05.09.2019	CFO Roadshow US West Coast	Los Angeles, San Francisco
10./11.09.2019	dbAccess IAA Cars Conference 2019	Frankfurt
10.11.2019	BMW Group Analyst and Investor Evening Event at the IAA	Frankfurt
23./25.09.2019	Goldman Sachs / Berenberg German Conference 2019	Munich
25.09.2019	Baader Conference	Munich



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