ANALYST AND INVESTOR CONFERENCE.
21 MARCH 2019
MAXIMILIAN SCHÖBERL
EXECUTIVE VICE PRESIDENT.
CORPORATE COMMUNICATIONS AND GOVERNMENTAL AFFAIRS.
AGENDA.

STRATEGY NUMBER ONE > NEXT
What does the BMW Group do differently?

2018 FINANCIAL STATEMENTS
Outlook for 2019

MODEL OFFENSIVE 2.0
How we inspire our customers
HARALD KRÜGER
CHAIRMAN OF THE BOARD OF MANAGEMENT OF BMW AG.
OUR ROAD TO A TECH COMPANY FOR PREMIUM MOBILITY. WE ARE CREATING A STRONG NEW FOUNDATION.
STRATEGY NUMBER ONE > NEXT.
WE ARE SHAPING OUR FUTURE.
PHASE 1
IMPLEMENTATION OF NUMBER ONE > NEXT
2016 – 2018
PHASE 1
IMPLEMENTATION OF
NUMBER ONE > NEXT
2016 – 2018

PHASE 2
IMPLEMENTATION OF
NUMBER ONE > NEXT
2019 – 2021
OUR ENVIRONMENT REMAINS VOLATILE. THE CHALLENGES FOR THE INDUSTRY CONTINUE.
THE NEW BMW X3: THE CUSTOMER HAS THE CHOICE.
ONE MODEL – THREE DRIVETRAINS.

BMW X3 with highly-efficient combustion engine.
Plug-in hybrid BMW X3 xDRIVE 30e.
Fully-electric BMW iX3.
>500,000 ELECTRIFIED VEHICLES ON THE ROAD BY THE END OF 2019.
OUR BATTERY CELL COMPETENCE CENTRE.

E-MOBILITY:
WE PRODUCE THE ELECTRIC DRIVE TRAIN AND HIGH-VOLTAGE SYSTEM OURSELVES.
KEEPING KNOW-HOW IN OUR OWN HANDS.
TOGETHER WE ARE DEVELOPING NEXT-LEVEL TECHNOLOGY FOR AUTONOMOUS DRIVING.
WE ARE TARGETING GROWTH IN ALL REGIONS AND AIM TO EXPAND OUR MARKET SHARE.

WE HAVE A SPECIFIC STRATEGY FOR EACH REGION.
INVESTMENT IN PLANT SPARTANBURG.

THE BMW X7: COMMITMENT TO OUR SECOND HOME.

MEXICO PLANT: OPENING IN JUNE 2019.
THE BMW GROUP’S BIGGEST SALES REGION.

MOST PLANTS AND HIGHEST NUMBER OF EMPLOYEES.

BREXIT: WE ARE PREPARED FOR ALL SCENARIOS.
GLOBAL.

OUR COMMITMENT IS GEARED TOWARDS THE LONG TERM.

FREE TRADE FOR GROWTH AND PROSPERITY.
Improved sales performance and optimisation of customer interface.

Intelligent product options focused on customer benefits and major cost reductions.

Faster development process. Optimisation of process and organisational structure.
WE WILL ESTABLISH A **NEW SALES STRUCTURE** IN APRIL. ALL AUTOMOTIVE BRANDS WILL COME TOGETHER WITHIN ONE DIVISION.

CUSTOMER-SPECIFIC **BRAND EXPERIENCES** UNDER ONE ROOF.
PHASE 2
IMPLEMENTATION OF NUMBER ONE > NEXT
2019 – 2021

PHASE 3
IMPLEMENTATION OF NUMBER ONE > NEXT
2022 – 2025

PHASE 1
IMPLEMENTATION OF NUMBER ONE > NEXT
2016 – 2018
THE BMW iNEXT WILL BE LAUNCHED IN 2021 – WITH AN ELECTRIC RANGE OF UP TO 600 KM.
THE BMW iNEXT.
LEVEL 3 HIGHLY-AUTOMATED DRIVING.

TEST FLEET ENABLED FOR LEVELS 4 AND 5.
THE BMW GROUP
DATA CENTRE.

ONE OF THE LARGEST IN EUROPE.
STORAGE CAPACITY OF 500 PETABYTES BY 2025.
DR NICOLAS PETER
MEMBER OF THE BOARD OF MANAGEMENT OF BMW AG, FINANCE.
DESPITE MASSIVE HEADWINDS SECOND-BEST RESULT IN COMPANY’S HISTORY.

Trade tensions.

Brexit.

FX/Commodity prices.

WLTP transition.

Regulations.
EBT MARGIN ABOVE TARGET OF 10%.

* Prior year figures adjusted due to first-time application of IFRS 15.
GROUP EBT AFFECTED BY CHALLENGING BUSINESS ENVIRONMENT.

<table>
<thead>
<tr>
<th>Metric</th>
<th>2017*</th>
<th>2018</th>
<th>Change [%]</th>
</tr>
</thead>
<tbody>
<tr>
<td>Automobile deliveries [units]</td>
<td>2,463,526</td>
<td>2,490,664</td>
<td>+1.1</td>
</tr>
<tr>
<td>Revenues Group</td>
<td>98,282</td>
<td>97,480</td>
<td>-0.8</td>
</tr>
<tr>
<td>Earnings before tax Group</td>
<td>10,675</td>
<td>9,815</td>
<td>-8.1</td>
</tr>
<tr>
<td>EBT margin [in %] – Group</td>
<td>10.9</td>
<td>10.1</td>
<td>–</td>
</tr>
<tr>
<td>Net profit Group</td>
<td>8,675</td>
<td>7,207</td>
<td>-16.9</td>
</tr>
</tbody>
</table>

* Prior year figures adjusted due to first-time application of IFRS 15.
### 4th Quarter Results

In line with our expectations.

<table>
<thead>
<tr>
<th></th>
<th>2017*</th>
<th>2018</th>
<th>Change [%]</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Automobile deliveries</strong></td>
<td>652,292</td>
<td>655,854</td>
<td>+ 0.5</td>
</tr>
<tr>
<td>[units]</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Revenues</strong></td>
<td>24,958</td>
<td>25,020</td>
<td>+ 0.2</td>
</tr>
<tr>
<td>Group</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Earnings before tax</strong></td>
<td>1,934</td>
<td>1,932</td>
<td>-0.1</td>
</tr>
<tr>
<td>Group</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>EBT margin</strong></td>
<td>7.7</td>
<td>7.7</td>
<td>–</td>
</tr>
<tr>
<td>Group [in %] – Group</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Net profit</strong></td>
<td>2,338</td>
<td>1,419</td>
<td>-39.3</td>
</tr>
<tr>
<td>Group</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>EBIT margin Automotive Segment [in %]</strong></td>
<td>8.7</td>
<td>6.3</td>
<td>–</td>
</tr>
</tbody>
</table>

* Prior year figures adjusted due to first-time application of IFRS 15.
Capital expenditure*

* Excl. capitalised development costs.
** Prior year figures adjusted due to first-time application of IFRS 15.

OUR SIGHTS REMAIN FIRMLY FIXED ON THE FUTURE.
R&D-RATIO CLIMBS TO 7.1%.

R&D ratio (HGB) BMW Group

R&D expenditure (HGB) in m€

<table>
<thead>
<tr>
<th>Year</th>
<th>2016</th>
<th>2017*</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>5,164</td>
<td>6,108</td>
<td>6,890</td>
</tr>
</tbody>
</table>

* Prior year figures adjusted due to first-time application of IFRS 15.
Dividend per common share in €

- 2017: 4.00
- 2018: 3.50

Total dividend payout in m€

- 2017: 2,630
- 2018: 2,303

Payout-ratio

- 2017: 30.3%
- 2018: 32.0%

SECOND-HIGHEST DIVIDEND PROPOSED.
### EBIT-Margin of 7.2% in Automotive Segment.

<table>
<thead>
<tr>
<th></th>
<th>2017*</th>
<th>2018</th>
<th>Change [%]</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deliveries [units]</td>
<td>2,463,526</td>
<td>2,490,664</td>
<td>+ 1.1</td>
</tr>
<tr>
<td>Revenues</td>
<td>85,742</td>
<td>85,846</td>
<td>+ 0.1</td>
</tr>
<tr>
<td>Earnings before interest and tax [EBIT]</td>
<td>7,888</td>
<td>6,182</td>
<td>-21.6</td>
</tr>
<tr>
<td>EBIT margin [in %]</td>
<td>9.2</td>
<td>7.2</td>
<td>–</td>
</tr>
<tr>
<td>Earnings before tax [EBT]</td>
<td>8,717</td>
<td>6,977</td>
<td>-20.0</td>
</tr>
</tbody>
</table>

* Prior year figures adjusted due to first-time application of IFRS 15.
EBIT BRIDGE IN THE AUTOMOTIVE SEGMENT.

EBIT in m€

2017*  |  2018
---|---
7,888  |  6,182
9.2%  |  7.2%

+659  | Other operating income and expenses
-277  | Volume/Mix/Market
-754  | Net effect from currencies and commodities
-283  | Depreciation
-1,051  | Other cost changes and cost for future technologies

* Prior year figures adjusted due to first-time application of IFRS 15.
PERFORMANCE > NEXT: IMPORTANT DECISIONS ALREADY BEING IMPLEMENTED.

REDUCING THE COMPLEXITY OF OUR PORTFOLIO. (up to -50%).

SHORTENING THE DEVELOPMENT PROCESS. (up to -30%).

OPTIMISING STRUCTURES AND PROCESSES.
Pooling resources.
FREE CASH FLOW IN AUTOMOTIVE SEGMENT AT 2.7 BILLION EUROS.

<table>
<thead>
<tr>
<th>Year</th>
<th>Free cash flow (m€)</th>
<th>Total capital expenditure (m€)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>2,713</td>
<td>7,112</td>
</tr>
<tr>
<td>2018</td>
<td>4,459</td>
<td>8,013</td>
</tr>
<tr>
<td></td>
<td>2017</td>
<td>2018</td>
</tr>
<tr>
<td>---------------------</td>
<td>---------</td>
<td>---------</td>
</tr>
<tr>
<td>Cash and cash</td>
<td>9,039</td>
<td>10,979</td>
</tr>
<tr>
<td>equivalents</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Marketable securities</td>
<td>5,447</td>
<td>5,316</td>
</tr>
<tr>
<td>securities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>14,486</td>
<td>16,295</td>
</tr>
</tbody>
</table>

Liquidity in m€

High liquidity secures financial independence.
Financial Services Segment continues to grow its business.

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2018</th>
<th>Change [%]</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contracts with new customer [units]</td>
<td>1,828,604</td>
<td>1,908,640</td>
<td>+ 4.4</td>
</tr>
<tr>
<td>Total volume of new customer contracts</td>
<td>55,049</td>
<td>55,817</td>
<td>+1.4</td>
</tr>
<tr>
<td>Earnings before tax [EBT]</td>
<td>2,207</td>
<td>2,161</td>
<td>-2.1</td>
</tr>
<tr>
<td>Return on equity [in %]</td>
<td>18.1</td>
<td>14.8</td>
<td>–</td>
</tr>
<tr>
<td>Penetration rate [in %]</td>
<td>46.8</td>
<td>50.0</td>
<td>–</td>
</tr>
</tbody>
</table>
Credit loss ratio per year in %

- 2012: 0.48
- 2013: 0.46
- 2014: 0.50
- 2015: 0.37
- 2016: 0.32
- 2017: 0.34
- 2018: 0.25

RISK SITUATION REMAINS STABLE.
MOTORCYCLES
SEGMENT REPORTS
8TH SALES RECORD
IN A ROW.

<table>
<thead>
<tr>
<th></th>
<th>2017*</th>
<th>2018</th>
<th>Change [%]</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deliveries [units]</td>
<td>164,153</td>
<td>165,566</td>
<td>+0.9</td>
</tr>
<tr>
<td>Revenues</td>
<td>2,272</td>
<td>2,173</td>
<td>-4.4</td>
</tr>
<tr>
<td>Earnings before interest and tax [EBIT]</td>
<td>207</td>
<td>175</td>
<td>-15.5</td>
</tr>
<tr>
<td>EBIT margin [in %]</td>
<td>9.1</td>
<td>8.1</td>
<td>–</td>
</tr>
<tr>
<td>Earnings before tax [EBT]</td>
<td>205</td>
<td>169</td>
<td>-17.6</td>
</tr>
</tbody>
</table>

* Prior year figures adjusted due to first-time application of IFRS 15.
### POSITIVE IMPACT OF ELIMINATIONS.

<table>
<thead>
<tr>
<th>Category</th>
<th>2017*</th>
<th>2018</th>
<th>Change [%]</th>
</tr>
</thead>
<tbody>
<tr>
<td>Automotive</td>
<td>8,717</td>
<td>6,977</td>
<td>-20.0</td>
</tr>
<tr>
<td>Motorcycles</td>
<td>205</td>
<td>169</td>
<td>-17.6</td>
</tr>
<tr>
<td>Financial Services</td>
<td>2,207</td>
<td>2,161</td>
<td>-2.1</td>
</tr>
<tr>
<td>Other Entities</td>
<td>80</td>
<td>-45</td>
<td>–</td>
</tr>
<tr>
<td>Eliminations</td>
<td>-534</td>
<td>553</td>
<td>–</td>
</tr>
<tr>
<td><strong>BMW Group</strong></td>
<td>10,675</td>
<td>9,815</td>
<td>-8.1</td>
</tr>
</tbody>
</table>

* Prior year figures adjusted due to first-time application of IFRS 15.
OUTLOOK 2019.
SETTING HIGH STANDARDS IN CHALLENGING ENVIRONMENT.

AUTOMOTIVE
Slight increase in deliveries.
EBIT-margin between 6 and 8%.

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.
Clear decisions as part of PERFORMANCE > NEXT.

SYSTEMATIC IMPLEMENTATION of decided measures.

FINANCIAL STRENGTH FOR SUCCESSFUL TRANSFORMATION.
HARALD KRÜGER
CHAIRMAN OF THE BOARD OF MANAGEMENT OF BMW AG.
OUR YEAR OF THE PLUG-IN HYBRID.

NEW BMW MODELS: 3 SERIES, X3, X5, 7 SERIES.
OUR YEAR OF THE PLUG-IN HYBRID.

BATTERY UPDATE FOR:
2 SERIES,
5 SERIES.
WE ARE DRIVING ELECTRIFICATION FORWARD. MORE THAN 10 NEW MODELS BY THE END OF 2020.
EXPANSION
IN THE LUXURY SEGMENT.

BMW i8 Coupe  BMW i8 Roadster  BMW X7  BMW 8 Series Coupe  BMW 7 Series  BMW 8 Series Convertible
THE NEW BMW 3 SERIES. CONNECTIVITY INSPIRES CUSTOMERS.
BMW 2 SERIES
GRAN COUPÉ.

AVAILABLE IN SPRING 2020.
WE CONTINUE TO CHART OUR OWN COURSE.

RELIABILITY. PROFITABILITY. INNOVATION.
CONSUMPTION AND EMISSION DATA.

**BMW 225xe Active Tourer:** Fuel consumption combined: 1.9 l/100 km; Electric power consumption combined: 14.7 kWh/100 km; CO2 emissions combined: 43 g/km* (provisional figures)

**BMW 330e Sedan:** Fuel consumption combined: 1.7 l/100 km; CO2 emissions combined: 39 g/km* (provisional figures)

**BMW 530e Sedan:** Fuel consumption combined: 1.7 l/100 km; CO2 emissions combined: 38 g/km* (provisional figures)

**BMW 530e xDrive Sedan:** Fuel consumption combined: 1.9 l/100 km; CO2 emissions combined: 44 g/km* (provisional figures)

**BMW 745e Sedan:** Fuel consumption combined: 2.3 – 2.1 l/100 km; Electric power consumption combined: 15.6 – 15.1 kWh/100 km; CO2 emissions combined: 52 – 48 g/km* (provisional figures)

**BMW 745Le Sedan:** Fuel consumption combined: 2.3 – 2.2 l/100 km; Electric power consumption combined: 15.7 – 15.6 kWh/100 km; CO2 emissions combined: 53 – 50 g/km* (provisional figures)

**BMW 745Le xDrive Sedan:** Fuel consumption combined: 2.6-2.3 l/100 km; Electric power consumption combined: 16.3-15.8 kWh/100 km; CO2 emissions combined: 59-52 g/km* (provisional figures)

**BMW X3 xDrive30e:** Fuel consumption combined: 2.4 l/100 km; CO2 emissions combined: 56 g/km* (provisional figures)

**BMW X5 xDrive45e:** Fuel consumption combined: 2.1 l/100 km; CO2 emissions combined: 49 g/km* (provisional figures)

The figures for fuel consumption, CO2 emissions and power consumption are calculated based on the measurement methods stipulated in the current version of Regulation (EU) 2007/715. This information is based on a vehicle with basic equipment in Germany; ranges take into account differences in wheel and tire size selected as well as optional equipment. Power consumption, emissions figures and ranges have been calculated based on the new WLTP test cycle and adapted to NEDC for comparison purposes, dependent on the tyre format selected. In these vehicles, different figures than those published here may apply for the assessment of taxes and other vehicle-related duties which are (also) based on CO2 emissions. These figures are provisional. For further details of the official fuel consumption figures and official specific CO2 emissions of new cars, please refer to the “Manual on fuel consumption, CO2 emissions and power consumption of new cars”, available at sales outlets, from Deutsche Automobil Treuhand GmbH (DAT), Hellmuth-Hirth-Str. 1, 73760 Ostfildern-Scharnhausen and at http://www.dat.de/angebote/verlagsprodukte/leitfaden-kraftstoffverbrauch.html.
CONSUMPTION AND EMISSION DATA.

BMW M850i xDrive Convertible: Fuel consumption combined: 10.0-9.9 l/100 km; CO2 emissions combined: 229-225 g/km

BMW i8 Coupé: Fuel consumption combined: 1.8 l/100 km; Electric power consumption combined: 14.0 kWh/100 km; CO2 emissions combined: 42 g/km

BMW i8 Roadster: Fuel consumption combined: 2.0 l/100 km; Electric power consumption combined: 14.5 kWh/100 km; CO2 emissions combined: 46 g/km

The figures for fuel consumption, CO2 emissions and power consumption are calculated based on the measurement methods stipulated in the current version of Regulation (EU) 2007/715. This information is based on a vehicle with basic equipment in Germany; ranges take into account differences in wheel and tire size selected as well as optional equipment. Power consumption, emissions figures and ranges have been calculated based on the new WLTP test cycle and adapted to NEDC for comparison purposes, dependent on the tyre format selected. In these vehicles, different figures than those published here may apply for the assessment of taxes and other vehicle-related duties which are (also) based on CO2-emissions. These figures are provisional. For further details of the official fuel consumption figures and official specific CO2 emissions of new cars, please refer to the “Manual on fuel consumption, CO2 emissions and power consumption of new cars”, available at sales outlets, from Deutsche Automobil Treuhand GmbH (DAT), Hellmuth-Hirth-Str. 1, 73760 Ostfildern-Scharnhausen and at http://www.dat.de/angebote/verlagsprodukte/leitfaden-kraftstoffverbrauch.html.
DISCLAIMER.

This document contains forward-looking statements that reflect BMW Group’s current views about future events. The words “anticipate,” “assume,” “believe,” “estimate,” “expect,” “intend,” “may,” “can,” “could,” “plan,” “project,” “should” and similar expressions are used to identify forward-looking statements.

These statements are subject to many risks and uncertainties or may be affected by factors outside BMW Group’s control, including adverse developments in global economic conditions resulting in a decline in demand in BMW Group’s key markets, including China, North America and Europe; a deterioration in credit and financial markets; a shift in consumer preferences affecting demand for BMW Group’s products; changes in the prices of fuel or raw materials; disruption of production due to shortages of materials, labor strikes or supplier insolvencies; the effective implementation of BMW Group’s strategic goals and targets; changes in laws, regulations and government policies, particularly those relating to vehicle emissions, fuel economy and safety; and other risks and uncertainties, including those described under the heading “Report on Risks and Opportunities” in BMW Group’s most recent Annual Report.

If any of these risks and uncertainties materializes or if the assumptions underlying any of BMW Group’s forward-looking statements prove to be incorrect, actual results may be materially different from those BMW Group expresses or implies by such statements. BMW Group does not intend or assume any obligation to update these forward-looking statements.