

Media Information
12 March 2026

- Check against delivery –

Statement**Walter Mertl****Member of the Board of Management of BMW AG, Finance****Annual Conference 2026****BMW Welt in Munich, 12 March 2026, 08.00 a.m.**

Good morning,
Ladies and Gentlemen,

For the BMW Group, 2025 was marked by fully leveraging our operating model to deliver solid results in the face of a challenging environment.

The year was heavily impacted by tariffs, developments on currency markets, especially in the second half of the year, as well as the intense market situation in China.

In the face of these headwinds:

- we executed consistently on our strategy and took advantage of our flexible global structures.
- we balanced sales across our regions and our brands.
- we reduced R&D and capex thanks to early investments in the NEUE KLASSE; and
- we drove further cost reductions across the entire company.

SLIDE: OVERVIEW OF PERFORMANCE FY 2025

With this, we were able to deliver on major KPIs in our operational business:

- a stable Group-EBT margin of 7.7% – the same as 2024 – with Group earnings of more than 10 billion euros;
- volume growth to 2.46 million Group vehicles;

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- the continuation of our electrification story with an increase in BEV share to almost 18% and xEV share to over 26% of total sales;
- an electrified share in Europe of over 40%;
- a CO₂ fleet emissions figure in the European Union of 90.0 grams per kilometre – 2.9 grams below the applicable target;
- an Auto EBIT margin within our guided corridor;
- over 3 billion euros Free Cash Flow;
- and solid capital returns.

As I promised at the Annual Conference one year ago, we have addressed all aspects of cost – R&D, SG&A, manufacturing and material costs – to secure a consistent year-over-year reduction in every quarter. This amounted to an overall Auto EBIT tailwind of approximately 2.5 billion euros for the year.

With our diligent management of the business, we have been able to offset a large share of the challenges we faced. Without the full-year tariff burden of approximately 1.5 percentage points of EBIT margin, both our Group earnings as well as our Auto EBIT would have been above the previous year.

Let me now take you through our financial figures in detail.

SLIDE: GROUP FIGURES

For the full year, Group revenues totalled 133 billion euros. Earnings before Tax at Group level amounted to over 10 billion euros, as anticipated at Q3. This represents a single-digit percentage decline of 6.7%. The resulting Group EBT Margin remained stable at 7.7% for the year. Earnings per share even rose slightly year-on-year.

SLIDE: SEGMENT PERFORMANCE

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If we look at the breakdown of the Group performance by segment:

The **Automotive Segment** delivered 6.3 billion euros in earnings with an EBIT margin of 5.3%.

Motorrad EBIT reached 178 million euros with a margin of 5.7%.
Financial Services generated 2.4 billion euros in earnings before tax and a Return on Equity of 14.3%.

All three operational segments were therefore within their respective guidance corridors.

Other Entities improved to just over 1 billion euros in EBT. The positive trend after nine months continued into Q4.

And finally, **Eliminations** amounted to an EBT of 629 million euros. This reflects the positive development in Q4, as anticipated.

Let's look at how the **Automotive Segment** performed across key metrics:

SLIDE: BMW GROUP SALES GLOBALLY AND BY REGION

Over the course of 2025, the BMW Group sold over 2.46 million **BMW, MINI and Rolls-Royce vehicles** to customers worldwide, an increase of 0.5% over 2024.

Looking at the regions, we see our global model at play, as we steer effectively across geographies. As Oliver Zipse highlighted before, sales in Europe and the United States outperformed the market, delivering an increased market share and overcompensating the development in China.

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We delivered a stable monthly run-rate for the BMW brand of around 50,000 vehicles throughout the entire year in China – despite the intense market environment. During the course of the year, we have taken actions to consolidate dealer structures and address pricing, which will underpin this stability in the market.

Excluding the Chinese market, global Group sales in 2025 grew by 5.9%.

SLIDE: BMW ELECTRIFIED AND BEV SALES GLOBALLY AND BY REGION

Electrified vehicles are both a foundational pillar in our strategy, and also a key growth driver – thanks to our expanding portfolio of attractive products.

Oliver Zipse has already taken you through the figures in detail. But the highlights were:

- a total of 642,000 electrified vehicles delivered in 2025;
- representing solid growth of 8.2% and an overall xEV share of over 26%.
- and deliveries of all-electric vehicles of 442,000 units for a share of almost 18%.

SLIDE: AUTOMOTIVE SEGMENT REVENUES

Revenues in the Automotive segment came in at nearly 118 billion euros, 5.9% below 2024. Approximately half of this decrease is due to negative currency effects. The remainder results mainly from global pricing pressure.

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SLIDE: AUTOMOTIVE EBIT BRIDGE

Let's look at the year-on-year **Automotive EBIT result** in detail, coming from our previous year's earnings.

The **net balance of currency and raw material positions** resulted in a headwind of 600 million euros. Negative trends in FX outweighed the slight positive effects from raw materials, particularly in the second half of the year. This adverse FX development is expected to carry into the first half of the current year, mainly in Q1.

Compared to 2024, the **net effect of volume, model mix and pricing** weighed on Automotive EBIT by a total of 1.8 billion euros. The overall mix effect was positive, driven notably by a strong share from the mid-class including 5 Series growth as well as a record M performance. For the full year, pricing was a significant headwind of 2 billion euros.

In line with our planning, we continued to decrease operating costs in 2025. As planned, we reduced **R&D expenses** following the peak in 2024 – with a nearly 800-million-euro reduction year-on-year.

SG&A savings represented 900 million euros, continuing the trend from the first nine months.

Other Cost Changes amounted to a headwind of 800 million euros. This development resulted from a few areas:

On the one hand, tariffs had a negative impact of approximately 1.5 percentage points on the Auto EBIT margin. In addition, a softening market on residual values weighed on earnings. They remained positive, but lower than the previous year.

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On the other hand, warranty expenses were significantly lower year-on-year, as outlined at Q3. An additional positive effect came from a high three-digit million saving in manufacturing and material costs.

Overall, we reduced costs by 2.5 billion euros for the full year through our active steering of R&D, SG&A and manufacturing and material costs. Through this, we were able to offset all headwinds except a portion of the approximately 1.5 percentage point tariff burden, resulting in a net year-on-year decrease of 1 percentage point in EBIT.

In total, **segment earnings** in 2025 reached 6.3 billion euros.

The reported **Automotive EBIT margin** came in at 5.3%. Excluding the 1.3 billion euros depreciation resulting from the PPA of BMW Brilliance Automotive, the EBIT margin reached 6.4% for the year. And that still includes the headwind of approximately 1.5 percentage points from tariffs.

As you know, our focus is consistently on our reported figures. Due to different approaches in the industry, however, consideration of PPA and Tariff burden ensures better comparability of operational performance.

SLIDE: R&D EXPENDITURE

Looking at **R&D and Capital Expenditure** in detail:

We made early investments to implement our strategy, which we see as we look at R&D and CapEx development in 2025.

Group expenditure for research and development according to the German Commercial Code for the year amounted to 8.3 billion euros. This is a decrease of nearly 800 million euros, or 8% below the peak of 9.1 billion euros in 2024. This translates to an R&D ratio of 6.2%.

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Given the lower revenue, the ratio only declined slightly year-on-year.

SLIDE: GROUP CAPITAL EXPENDITURE

Group capital expenditure totalled 7.2 billion euros, a year-on-year decrease of over 1.8 billion euros from the peak of 9.1 billion in 2024 – or a 20% reduction. This resulted in a ratio of 5.4%. The capex ratio excluding right-of-use assets came in at 4.9%.

As promised, R&D and capital expenditure have already significantly decreased from their peak in financial year 2024. Despite the rollout of models of the NEUE KLASSE, we will maintain this trend going forward. This means in both absolute and relative terms, we're heading back towards our strategic corridors, which are 4 to 5% for R&D and less than 5% for Capex – by 2027.

SLIDE: AUTOMOTIVE FCF BRIDGE

Moving to **free cash flow**:

Total **segment earnings before tax** amounted to 5.9 billion euros for the year.

Working Capital contributed positively with 900 million euros, mainly due to strict management of inventories.

The **net effect from capital expenditure and depreciation** reduced free cash flow by 2.3 billion euros.

Changes to **provisions** had a negative impact of 1.3 billion euros, mainly due to the utilization of warranty provisions.

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Following the 2.7-billion-euro figure communicated at Q3, free cash flow developed positively in Q4 and reached 3.2 billion euros at year-end. This was in line with our expectations of above 2.5 billion euros for the year.

Our financial strength is further underscored by our **Automotive net financial assets**. At year end, this came in at over 44 billion euros.

SLIDE: FINANCIAL SERVICES SEGMENT

Let's now turn to our **Financial Services segment**.

As a key component of our BMW ecosystem, the segment consistently contributes to Group profitability.

In 2025, new business developed positively throughout the year with nearly 1.73 million **new financing and leasing contracts** concluded. This represents growth of almost 2% year on year.

The increase is due in particular to the positive business development in Europe as well as the changed competitive environment in China in the second half of the year. Since the end of June, the market situation has been influenced by the significant reduction in commissions from local Chinese banks in connection with the brokering of financial and insurance products for end customers.

Penetration rates for lease and loan offerings increased by 4.0 percentage points to 46.6%.

Overall, **new business volume** at Financial Services reached an all-time high, growing by 2% to 65.8 billion euros, despite negative currency effects.

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Segment earnings before tax reached 2.4 billion euros. The moderate decrease compared to 2024 is due to lower income from the resale of end-of-lease vehicles, as well as a tax payment related to changed assessments of operating taxes from previous years. Residual values remain positive, but lower than the previous year.

The **credit loss ratio** of 0.28% was within our expectations.

Return on Equity for the full year reached 14.3% and therefore within the guided target corridor of 13 to 16%.

SLIDE: DIVIDEND AND PAYOUT RATIO

Ladies and Gentlemen,

In 2025, the BMW Group achieved **Group earnings before tax** of 10.24 billion euros. Thanks to a stable year-on-year **profit attributable to shareholders of BMW AG** amounting to 7.29 billion euros, the Board of Management and the Supervisory Board will propose to the Annual General Meeting a **total dividend payment** of 2.67 billion euros.

The proposed dividend represents a **payout ratio** of 36.6%, which is consistent year-over-year and in the upper half of our strategic target range of 30 to 40%. This amounts to a **dividend** of 4.40 euros per share of ordinary stock and 4.42 euros per share of preferred stock.

Additionally, we completed the second **share buyback program** in early 2025 before starting the third program after the AGM in May. The total from both programs amounted to a payout of 1.25 billion euros in 2025. Our third share buyback program will run until April 2027. We are currently running the second tranche of this program – with a volume of 625 million euros for ordinary shares – that will be

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completed by August 31, 2026, at the latest. The third tranche is earmarked for after that.

For the financial year 2025, the **total shareholder return** of close to 4 billion euros – comprising the proposed dividend and share buyback – exceeds free cashflow in the Automotive segment. This further underscores our commitment to capital returns.

SLIDE: OUTLOOK 2026

That brings me to our **outlook** for the current financial year. What are our expectations for 2026?

In **Europe** and the **USA**, we see some growth potential.

In **China**, we have responded to the market environment by taking a number of steps to stabilise transaction prices. Average sales figures over the past few months indicate that sales in China could reach last year's level.

Consequently, we forecast **global deliveries** of BMW, MINI and Rolls-Royce vehicles to be at previous year's level. Due to model cycle effects as well as shifting regulatory and market dynamics, we also expect the **share of fully electric vehicles** to be at the same level as previous year.

Turning to Auto EBIT development: we continue to work diligently on reducing costs and will see tailwinds from reduced investments, lower manufacturing and material costs, declining R&D expenditure as well as reduced SG&A in the 2026 financial year. We anticipate a negative impact of approximately 1.25 percentage points from tariffs on the Auto EBIT margin – compared to the 1.5 in 2025.

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Given the significant investments made into NEUE KLASSE in preceding years, we will see a material increase in depreciation and amortization from both capex and capitalized R&D. While we will continue to make significant reductions in R&D expenditure, the additional depreciation and a lower R&D capitalization ratio, which is expected in the 30% area, will result in a significant P&L burden. Other headwinds in 2026 include FX and raw materials; the measures taken in China to stabilize transaction prices; and, finally, lower income from used car remarketing.

The reductions we will achieve on the cost side will not fully offset these headwinds. We therefore expect an **Auto EBIT margin** in the corridor of 4 to 6% in 2026. The corresponding **RoCE in the Automotive segment** is forecast to be between 6 and 10%.

In the **Financial Services segment**, we again anticipate a Return on Equity of 13 to 16%.

Putting this all together, we expect **Group Earnings before tax** to be moderately lower than the strong result in 2025.

The **full 2026 outlook** for all key performance indicators is available in the **BMW Group Report**.

In addition, we expect a **Free Cash Flow in the Automotive Segment** at year-end of over 4.5 billion euros.

Ladies and Gentlemen,

For 2026, we will continue to systematically implement our strategic course, particularly with the launch of NEUE KLASSE product offensive and the rollout of its technologies across the portfolio. We will leverage flexibility in our global business model to tackle the challenging and dynamic operating environment.

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At the same time, we will manage our operational business with continued focus on cost discipline. This will enable us to deliver financial results in line with our guidance and generate strong returns to shareholders.

Ladies and Gentlemen,

Let me pick back up on Oliver Zipse's comments on **sustainability and CO₂ emission reporting**, before I hand back over to him.

For the BMW Group, we view sustainability holistically and as a competitive advantage. That is why we in our Annual Reporting disclose our sustainability performance fully to our investors and customers.

In line with our strategy and our commitment to the Paris Climate Agreement, the BMW Group considers the CO₂ emissions of vehicles – both for the new and existing fleet – over their entire life cycle: from raw material extraction and parts production to the manufacture of vehicles and across the use phase to end of life. We address all stages of the value chain with ambitious targets.

However, European CO₂ fleet emission regulations focus only on the use phase and do not recognize the full reduction potential along the entire value chain.

When it comes to reporting, emissions shown in sustainability statements do not always correlate to the actual generation of emissions of all vehicles on roads. For the 2025 financial year, the BMW Group reporting includes all vehicles sold in the year across their life cycle, including the CO₂ emissions from the supply chain for vehicles produced in the reporting year; from BMW Group production; from the assumed use phase of 200,000 kilometres for vehicles delivered in the reporting year based on the consumption mix of the

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reporting year; and from end-of-life disposal for vehicles produced in the reporting year.

However, the use phase emissions reported in line with European reporting frameworks do not consider all existing BMW Group vehicles still in use, but rather only those vehicles sold in the reported year.

This means that the European reporting framework neglects the reduction potential of the existing vehicle fleet. Here, there is significant leverage to quickly contribute to CO₂ reductions through use of eFuels and carbon neutral fuels such as HVO100. Immediate credit should be given – starting, for example, in 2027 – for the CO₂ reductions achieved using sustainable fuels, which should not be subject to limitations, such as caps on specific gram per kilometre values.

The European regulatory frameworks should reflect this holistic approach towards reducing overall emissions in the here and now – in both the new and existing vehicle fleet.

Because ultimately, every gram of CO₂ saved counts. That is what we at the BMW Group believe and what makes a true societal impact.

I'll now hand back over to Oliver Zipse to provide additional strategic insights for 2026 and beyond.