

BMW
GROUP



ROLLS-ROYCE
MOTOR CARS LTD



BMW GROUP TREASURY UPDATE.

11.10.2022

Ritu Chandy
Senior Vice President Finance & Group Treasurer

AGENDA.

STRATEGY UPDATE

FINANCIAL PERFORMANCE
REVIEW AND OUTLOOK 2022

BMW GROUP IN CHINA



OUR THREE PHASES OF TRANSFORMATION.



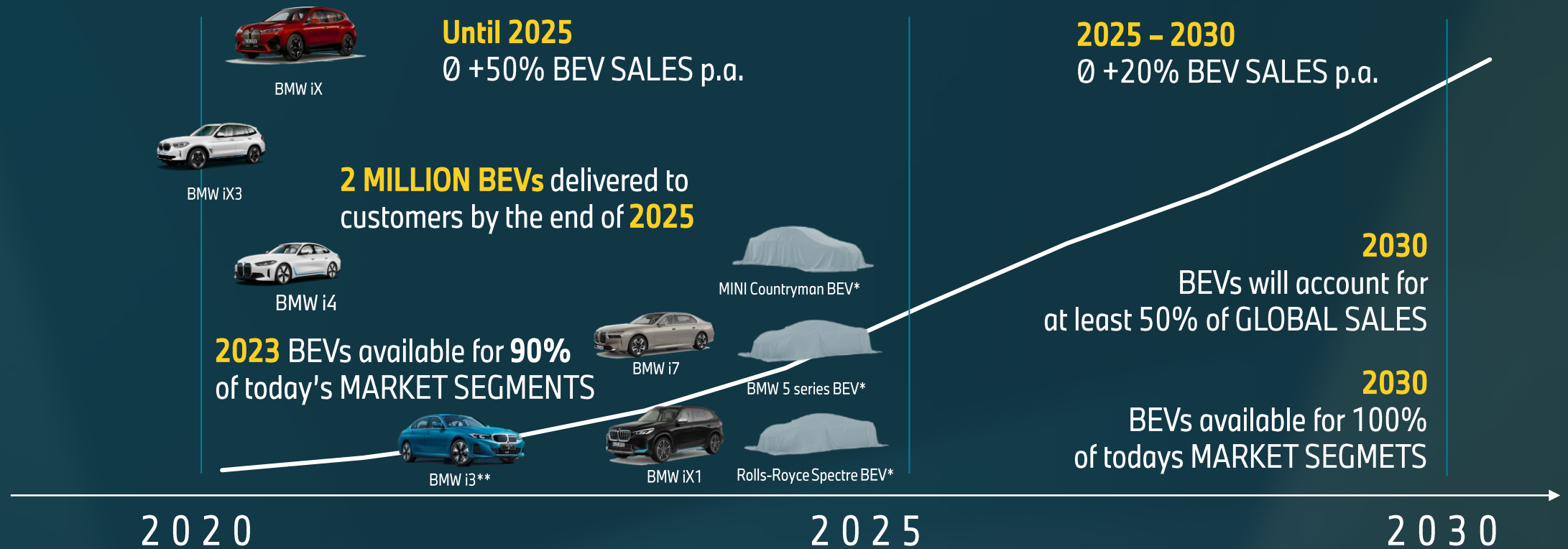
STRONG XEV VOLUME GROWTH YTD 06/2022 POINTS THE WAY TO OUR GOAL: 10 MILLION BEVS ON THE ROAD WITHIN THE NEXT TEN YEARS.

GLOBAL SALES YTD 06/2022: 184,468 xEV UNITS, 20% xEV INCREASE OVER PREVIOUS YEAR. 16% ELECTRIFIED.

PHASE I

PHASE II

PHASE III



*Schematic illustration of future launch dates. | ** All electric BMW 3 Series Sedan long wheelbase, tailor made exclusively for China.

NEUE KLASSE WILL DEFINE THE FUTURE OF THE BMW GROUP.

UNCOMPROMISINGLY ELECTRIC, DIGITAL AND CIRCULAR.



ELECTRIC.

Uncompromisingly designed and optimized for electric drivetrains – BEV-only.
Aim to match range and contribution margin of state-of-the-art combustion engines with comparable performance.

CIRCULAR.

Proportion of secondary materials will be sharply increased.
Focus on significantly reducing resource consumption.

DIGITAL.

Completely novel user experience.
Even more individually configurable and bookable features.

BATTERY SYSTEM DEVELOPMENT IS DEFINED BY TECHNICAL ADVANCES AS WELL AS REGULATORY MEASURES. BOTH ELEMENTS WERE CONSIDERED WHEN OPTING FOR A CYLINDRICAL CELL FOR OUR 6th GENERATION.

Advantages

➤ Integration



➤ Energy





➤ Safety

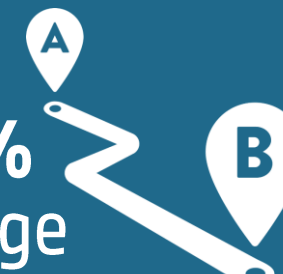


➤ Sustainability



-30% 
Charging Time
(10%-80% SOC)

-60% 
CO₂

+30% 
Range

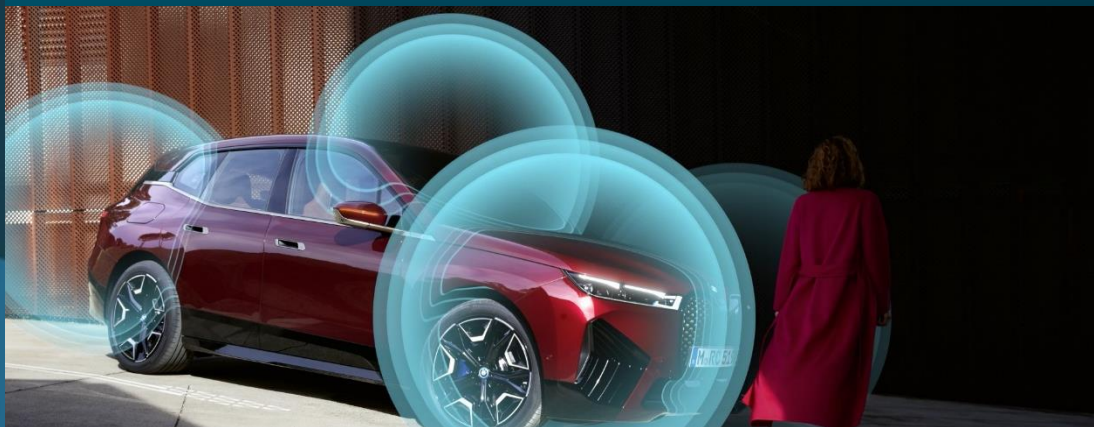
-50% 
Cost
(on pack level)

BMW OPERATING SYSTEM 8 IS THE MOST POWERFUL AND EXTENSIVE TECHNOLOGY STACK EVER CREATED BY BMW.

Always up to date: **Remote Software Upgrade**
Over-the-air retrofitting: **ConnectedDrive Upgrades**



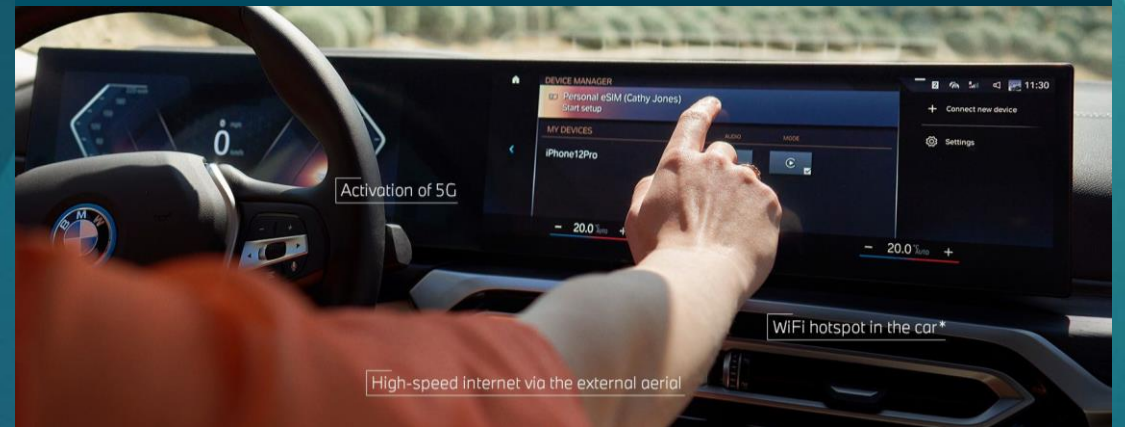
BMW Digital Key Plus with ultra-wideband radio technology



More apps, greater diversity: optimized **third-party integration**
Regionalization: **market specific offer**



Fast, reliable data transmission using **5G mobile technology**



AGENDA.

STRATEGY UPDATE

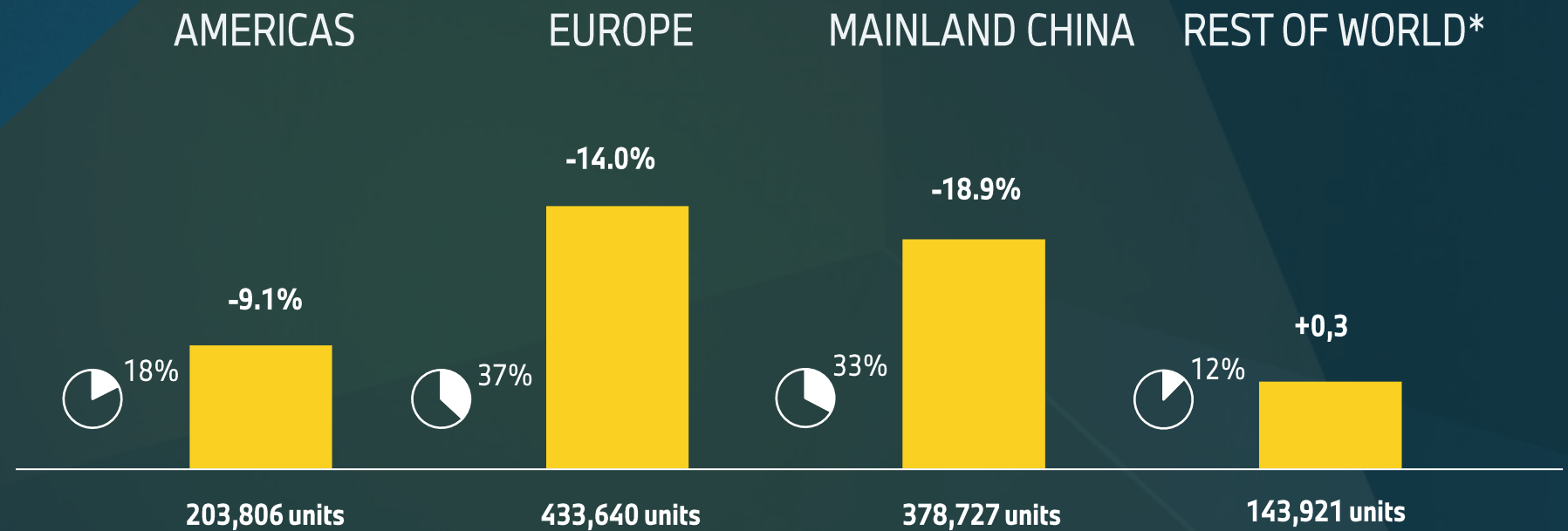
FINANCIAL PERFORMANCE
REVIEW AND OUTLOOK 2022

BMW GROUP IN CHINA



BMW GROUP AUTOMOTIVE. BALANCED SALES FOOTPRINT.

DELIVERIES YTD 06/2022.



* Sales figures including Rolls-Royce,

IN SPITE OF THE EVER-CHANGING BUSINESS ENVIRONMENT THE BMW GROUP IS WELL ON TRACK TO MEET FULL YEAR GUIDANCE AND DELIVER ON ITS AMBITIOUS 2022 BEV SALES TARGET.



BMW Group remains resilient in challenging macro environment

Maintaining leading position in global premium segment

Sales decrease due to supply bottlenecks and supply chain disruptions

Ongoing positive pricing development and favorable product mix

Strong H1 Auto EBIT margin of 8.5% (12.6% excl. BBA consolidation effects)

Free Cash Flow target of >€10bn for FY 2022

Share buyback progressing according to plan

BEV sales growth by 110% in H1 – well on track to reach the FY sales target

AGENDA.

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CHINA IS AT THE FOREFRONT OF KEY INDUSTRY TRENDS AND IS THEREFORE OF UTMOST STRATEGIC IMPORTANCE FOR THE BMW GROUP.

“The BMW Group is a global company – but we can say that **our strategically most important market outside Germany is China, and this goes way beyond sheer sales volumes. As we are moving firmly towards electrification, digitalization and sustainability, China is the pacesetter in many of these fields. What moves China today will move the world tomorrow.**”

Oliver Zipse, Chairman BMW AG



- The BMW Group has set up 4 innovation bases in China with more than 1,700 employees, which is **our largest R&D and digital footprint outside Germany.**
- China is a **leader in the field of digitalisation** – which includes automated driving and customer-relevant digitalisation topics.
→ **My BMW App**, jointly developed by Ling Yue and BMW China R&D team, is leading the market and a key enabler to increase customer engagement & conversion.
- **BMW iFACTORY is our masterplan for future manufacturing** focusing on Lean, Green & Digital. Plant Lydia is the latest example of this strategy.
- **Sustainability:** BMW Group in China has established a closed loop for reuse of the raw materials from high-voltage batteries .
- The BMW Group uses industry & cross-industry **cooperation & partnerships in China** to prepare itself for future technologies, digitalization and business opportunities.

NAVINFO
四维图新

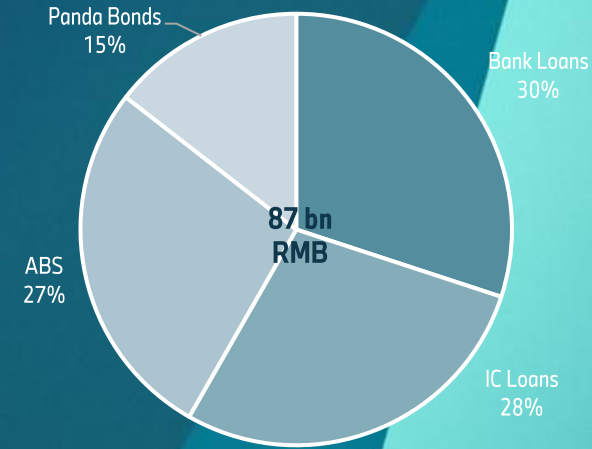
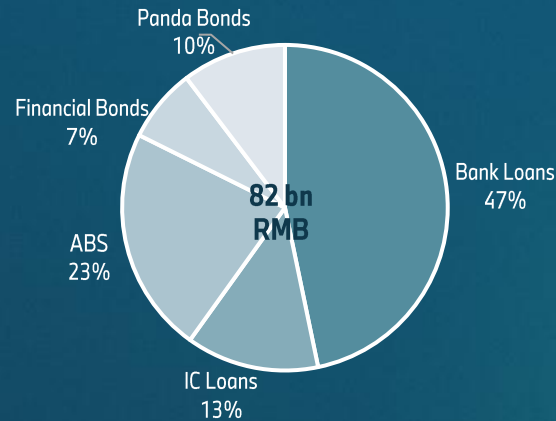
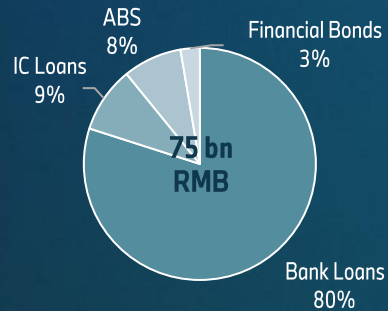
BA TechWorks
A BMW and Bosch Technology Company

Tencent 腾讯

EVOLUTION OF OUR DEBT STRUCTURE AND CAPITAL MARKET/FX ACTIVITIES IN CHINA. INCREASING VOLUME COUPLED WITH BROADER DIVERSIFICATION.

Funding Mix

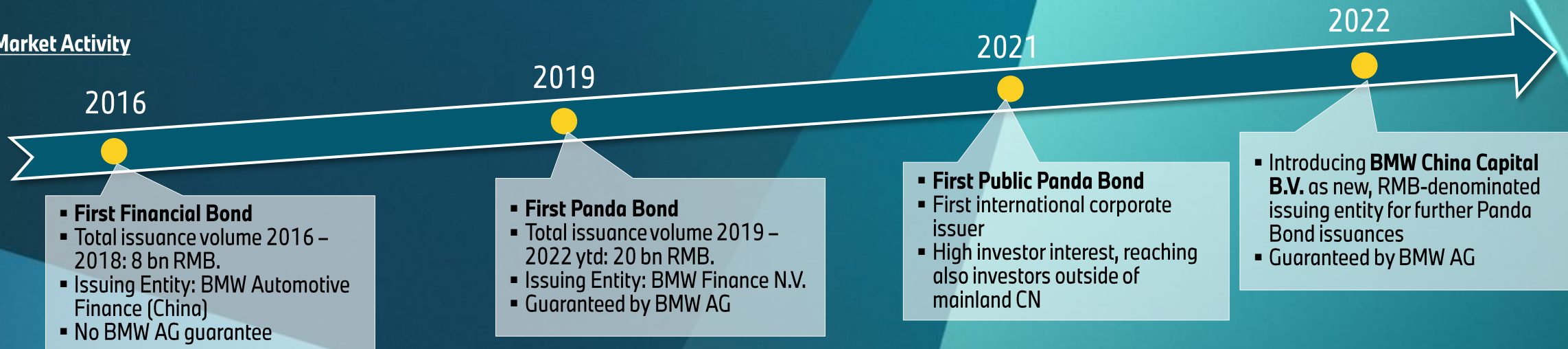
BMW Automotive Finance (China)



CNY exposure: approx. 10,000 mnEUR

CNY exposure: >20,000 mnEUR

Capital Market Activity



BMW GROUP REGION CHINA.

JOCHEN GOLLER, OCTOBER 2022

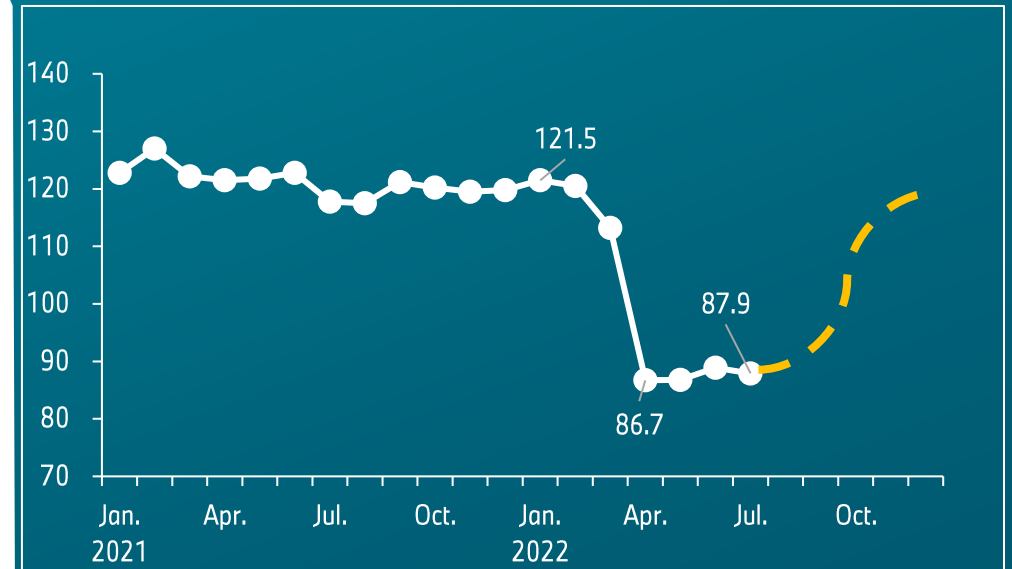


CONSUMER CONFIDENCE DROPPED SIGNIFICANTLY SINCE Q2 / 2022 MAINLY DUE TO COVID IMPACT, YET HOPES FOR A STRONG RECOVERY IN Q4 STILL REMAIN.

Omicron causing severe impact in China especially the tier-1 cities

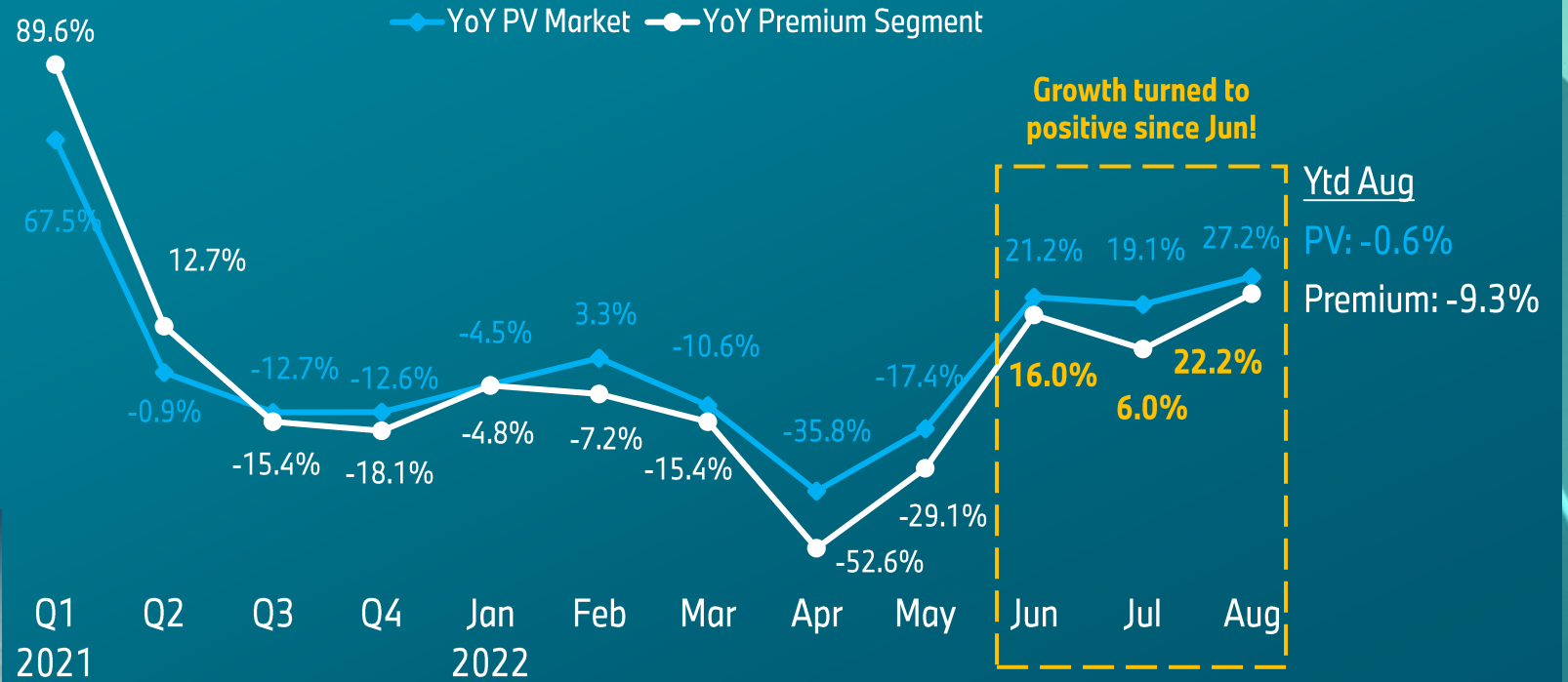


Consumer Confidence Index



LATEST CHINA AUTO DATA SHOW MARKET RESILIENCE AND STRONG GROWTH FROM Q2 ONWARDS, SUPPORTED BY LARGE-SCALE STIMULUS PACKAGE.

PV Market/ Premium Segment Growth Rate

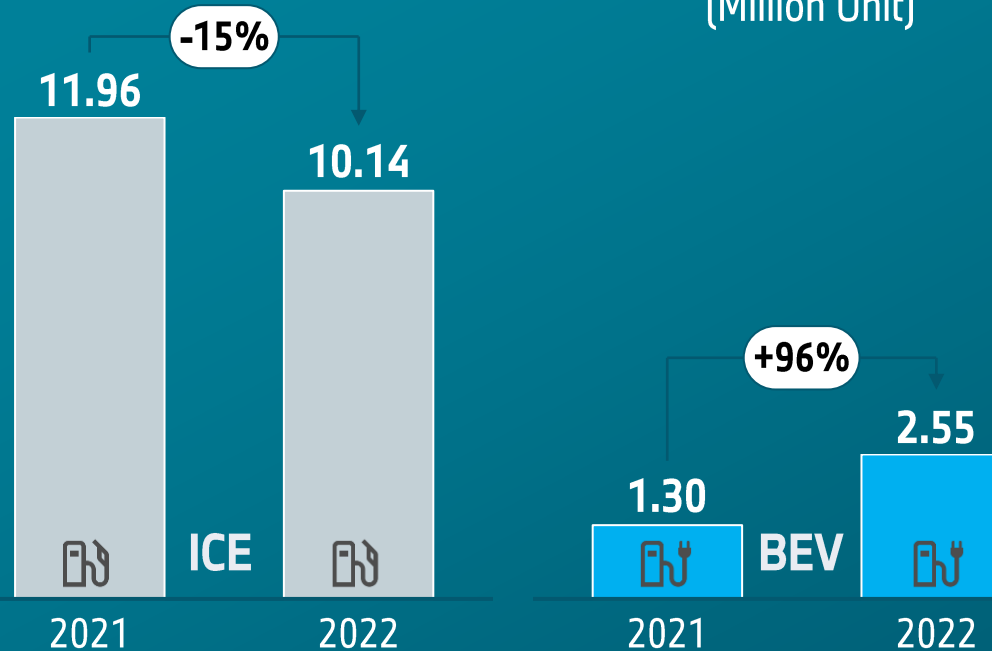


Sources: Official Sales

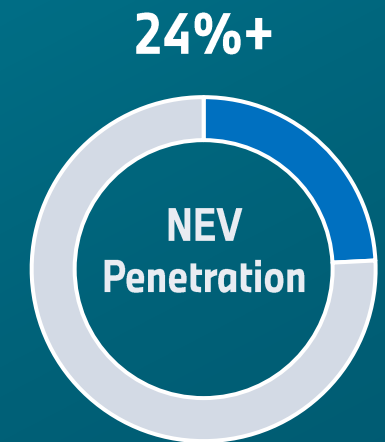
CHINA'S STRONG NEV SALES MOMENTUM IS CONTINUING, FULL YEAR NEV SHARE EXPECTED TO INCREASE TO 25% OF TOTAL CAR MARKET.



RETAIL VOLUME IN CHINA_Aug YTD
(Million Unit)



Expected to hit 2025 target already in 2022!



Automotive industry in transformation mode.

DESPITE IMPACT FROM COVID & SUPPLY / COMPONENT SHORTAGES, BMW CHINA
KEEPS NO.1 POSITION IN PREMIUM SEGMENT INCL. STRONG BEV SALES GROWTH.



Mainland China 2022 YTD Aug Retail Sales

> 518,000 units

BEV Volume Growth Rate: **+77%** YTD Aug

IMPLEMENTATION OF OUR “BMW AT HOME IN CHINA” STRATEGY IS IN FULL SWING, DEMONSTRATING CONTINUOUS AND LONG-TERM COMMITMENT.



“AT HOME IN CHINA”

#1 TRUST

#2 BREAKTHROUGH

Powerful innovations.
Leader in Sustainability.

#3 DESIREABILITY

Thrilling products.
Unique brand experiences.

Electrification

Digitalization

Sustainability

Contribution

ELECTRIFICATION - STRONG, FAST GROWING BMW BEV PORTFOLIO.

Current BEV portfolio in China:
BMW iX, BMW iX3,
BMW i3, BMW i4,
BMW i7.



CHARGING – BUILDING UP BROAD ECO-SYSTEM FOR OUR CUSTOMERS. CIRCULARITY – CIRCULAR ECONOMY STARTING WITH HVB RECYCLING.



Private Charging



Public Charging



Branded Charging



Digital Service

Holistic HVB Lifecycle Management built on a closed-loop battery recycling solution.



New Partnership With HUAYOU

DIGITAL FIRST – BMW APP FOR CUSTOMERS & FANS WITH STRONG GROWTH OF USER BASE AND ALSO VERY HIGH APP STORE RATING.



3.6 MILLION
Total User

6.4 MILLION
Total User

4.9 ★★★★★
iOS Store Rating



App Launch

Sep 2020

Dec 2021

Sep 2022

Until 04/09/2022



190 K
Total User
Since launch in May 2021



Until 04/09/2022

BMW THE FIRST CARMAKER IN CHINA TO INITIATE A SPECIAL DEALERSHIP "GREEN TRANSFORMATION CERTIFICATION" CALLED "GREEN STAR".

BMW NETWORK TRANSFORMATION **GREEN STAR** INITIATIVE

Two Levels:



NT GREEN STAR

- By end of 2022, **50** dealers
- By end of 2025, all **600+** dealers



NT GREEN STAR LIGHTHOUSE

Green Star (Lighthouse) Criteria:



Green Environment

- © Waste HVB Storage
 - Energy and water saving
 - Customer Comfort
 - Green furniture
 - ...



Green Power

- © Renewable electricity adoption
 - ...



Green Operation

- © EHS (Environment Health Safety) Management
 - Paperless operation
 - ...



Green Engagement

- Sustainable themed activities
- Green communication
- ...

OUR CONTINUOUS INVESTMENTS IN CHINA ARE DEMONSTRATING BMW'S STRONG COMMITMENT AND LONG-TERM CONFIDENCE.



Investment in Shenyang
BBA (since 2010)



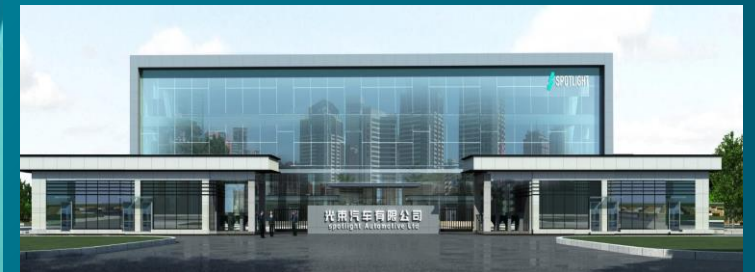
Investment in Zhang Jiagang
Spotlight Automotive Ltd.



PLANT DADONG EXTENSION



iFACTORY - PLANT LYDIA OPENING



CROSS-COUNTRY COLLABORATION AND TECHNOLOGY OPENNESS ARE THE KEY TO INDUSTRY TRANSFORMATION AND GLOBAL DECARBONIZATION.

We need **more cooperation**, not less.

Technology openness drives progress for CO₂ reduction.

China is a **hyper-scaler** for future technologies.

2022 世界新能源汽车大会 WORLD NEW ENERGY VEHICLE CONGRESS

碳中和愿景下的全面电动化与全球合作
Carbon Neutrality, Electric Mobility, Global Cooperation

8 / 26-28 | 北京 海南 BEIJING HAINAN

主办单位 / Hosts:

中国科学技术协会 / China Association for Science and Technology
北京市人民政府 / The People's Government of Beijing Municipality
海南省人民政府 / The People's Government of Hainan Province
科学技术部 / Ministry of Science and Technology of the People's Republic of China
工业和信息化部 / Ministry of Industry and Information Technology of the People's Republic of China
生态环境部 / Ministry of Ecology and Environment of the People's Republic of China
住房和城乡建设部 / Ministry of Housing and Urban-Rural Development of the People's Republic of China
交通运输部 / Ministry of Transport of the People's Republic of China
国家市场监督管理总局 / State Administration for Market Regulation
国家能源局 / National Energy Administration

支持单位 / Supported By:

联合国开发计划署 / United Nations Development Programme (UNDP)
联合国环境署 / United Nations Environment Programme (UNEP)
全球环境基金 / Global Environment Facility (GEF)



齐普策
OLIVER ZIPSE

宝马集团董事长
Chairman of the Board of Management, BMW AG

BMW Group CEO Oliver Zipse @ 2022 W-NEV Conference

THANK YOU!



**BMW BRILLIANCE
AUTOMOTIVE**



华晨宝马

BMW BRILLIANCE AUTOMOTIVE LTD.
DR. FRANZ DECKER – PRESIDENT AND CEO BBA

OCTOBER 11th 2022.

CORPORATE GOVERNANCE - BMW GROUP STRENGTHENS PARTNERSHIP AND INCREASES ITS EQUITY SHARE.

BMW BRILLIANCE AUTOMOTIVE LTD

Joint Venture Contract Extension until 2040

BMW Group

BMW N.V. Holding, Netherlands

75%



China Brilliance Auto.

China Brilliance Automotive, Hong Kong

25%

AFC

BMW Automotive
Finance (China) Co., Ltd.

42% (BBA)

HIL

Herald International Financial
Leasing Co., Ltd.

42% (BBA)

LINGYUE

Digital Information Technology
Co., Ltd.

100% (BBA)



BBA REMAINS AN INDEPENDENT
LEGAL COMPANY WITH
2 SHAREHOLDERS



BBA WILL LEVERAGE
ADVANTAGES &
SYNERGYIES



BBA IS WELL PREPARED FOR
FUTURE GROWTH WITH THE NEW
EQUITY CHANGE

BMW GROUP FOOTPRINT IN CHINA.

PLANT DADONG



PLANT TIEXI



POWERTRAIN & HVB



R&D

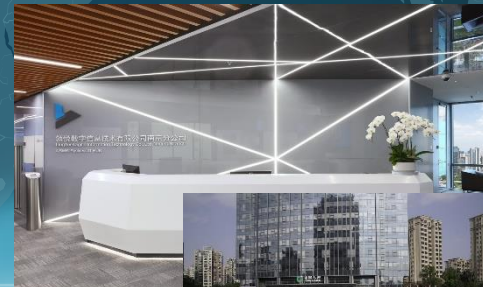


Shenyang

BEIJING



NANJING



SHANGHAI



- ❖ Home in Shenyang - BMW Group's largest production Base globally
- ❖ Home in China – BMW Group's largest R&D network outside Germany

OUR BBA LOCAL PRODUCT PORTFOLIO.

X5



1



3



i3



X1



X2



5



iX3



X3



BBA BUSINESS PERFORMANCE 2021. NO. 1 PREMIUM AUTOMOBILE MANUFACTURER IN CHINA.

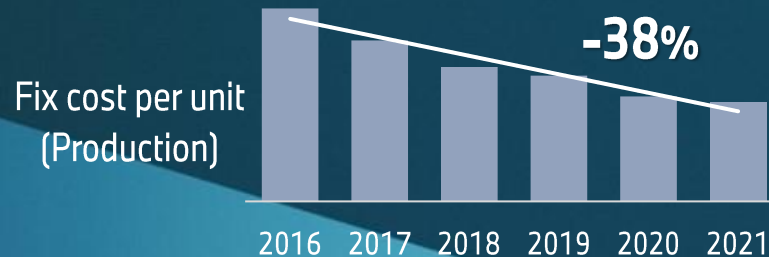


KEY PERFORMANCE FIGURES 2021

| | | Growth to 2020 |
|------------|-------------|----------------|
| Production | 700 k units | + 16% |
| Associates | 22,829 | + 9% |

FINANCIAL FIGURES 2021

| | | |
|-------------------|-------------|-------|
| Profit before Tax | 36.2 bn CNY | + 36% |
| Revenue | 214 bn CNY | + 15% |



SITUATION STAYS UNCERTAIN, CHALLENGING AND HIGHLY VOLATILE IN 2022.

PANDEMIC IMPACT

PARTS SHORTAGE

SUPPLY CHAIN

GEOPOLITICS

CLIMATE CHANGE



PROJECTS SUCCESSFULLY DELIVERED IN 2022.



PLANT DADONG EXTENSION



R&D PHASE II



PLANT TIEXI EXTENSION - LYDIA

X5



i3



DRIVING THE TRANSFORMATION.



THE FUTURE IS

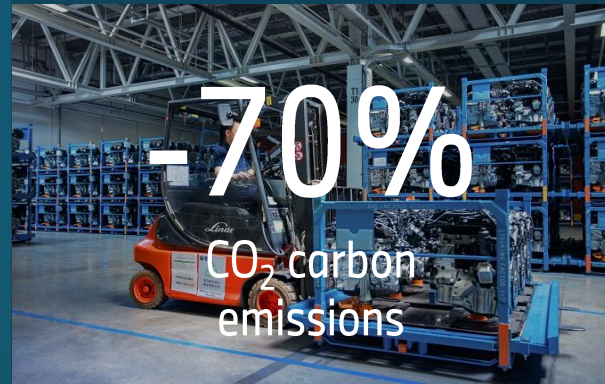
ELECTRIC, DIGITAL & CIRCULAR

NO PREMIUM WITHOUT SUSTAINABILITY.

Production



HVB Closed-Loop Recycling



Circular

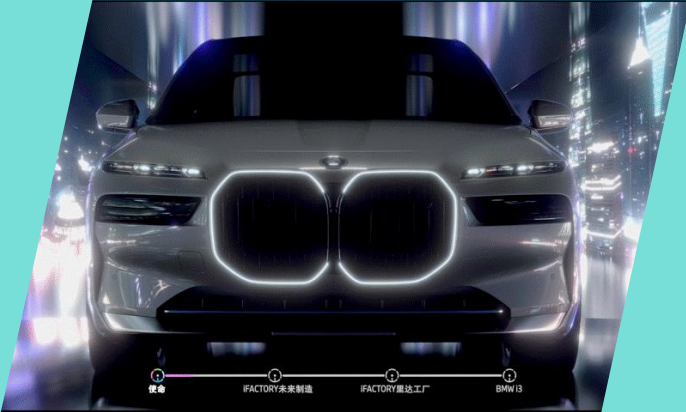


"Green Steel"



**"A SUSTAINABLE FUTURE IS ONLY
POSSIBLE IF WE PULL TOGETHER IN THE
SAME DIRECTION"**

WHAT MAKES BBA SO SUCCESSFUL.



LEAN COST STRUCTURE

FIX AND VARIABLE COSTS

FLEXIBILITY

UTILIZATION OF MARKET CHANCES

QUALITY

KEY ENABLER TO INSPIRE OUR CUSTOMERS

SUSTAINABILITY

PROVEN ACHIEVEMENTS AND CLEAR PATH TOWARDS GREEN TRANSFORMATION



BMW FINANCIAL SERVICES

FRIEBEL JOERG, CFO OF BMW AUTOMOTIVE FINANCE (CHINA) CO., LTD.

OCTOBER 2022

BMW GROUP FINANCIAL SERVICES SEGEMENT HIGHLIGHTS 2021.

Profit before Tax
3,753 mn. EURO



**Total Volume of
new business**
63,414 mn. EURO



**50.5% of new car
Financed or Leased**



Contribution & Opportunities:
Off-lease vehicle as used car



Volatility & Uncertainties



BMW GROUP FINANCIAL SERVICES SET-UP IN MAINLAND CHINA.

BMW AUTOMOTIVE FINANCE (CHINA) CO., LTD.

(BMW AFC), JV by BMW Group (58%) and BBA (42%), incorporated in 2010

- **RETAIL LOAN**
- **WHOLESALE LOAN**



HERALD INTERNATIONAL FINANCIAL LEASING CO., LTD.

(HERALD), JV by BMW Group (58%) and BBA (42%), acquired in 2016

- **LEASING**
- **SERVICE**



**BMW
MOTORRAD**

ONE BMW GROUP CHINA ECOSYSTEM. FROM SF LOAN TO SERVICES WITH FULLY INTEGRATED OFFERS.



PURE LOAN FINANCE

INTEGRATED OFFER

Loan

RTI: Gap Insurance

Balloon

Mobility

Wholesale Financing

50 / 50

Motor Insurance

Key4Key

Online / Offline

Leasing Products

Active Leads Management

Associated Services Product

Digital Customer Journey

Internal Digitalization & Automation

Insurance and Services

BUSINESS LINES IN MAINLAND CHINA AT A GLANCE. SERVICED PORTFOLIO 2021.



➤ **BMW AFC RETAIL FINANCE: 95 BN. CNY**

➤ **BMW AFC COMMERCIAL FINANCE: 16 BN. CNY**

➤ **HERALD LEASING: 17 BN. CNY**

(as of 12/2021, BMW Group Accounting Policy)

DIGITALIZATION ADDRESSES THE OVERALL COMPANY.
CONSISTENT INVESTMENT TO IMPROVE OUR EFFICIENCY, ACCURACY AND SERVICE
LEVEL TOWARDS CUSTOMERS.

Business Automation



Optimize and automate process for business:

- 100 RPA in use
- A. I. Technologies e.g. Chatbot & Voicebot
- Optical Character Recognition

Future-proof business system & infrastructure

Intelligent Customer Service



Modular Digital Services:

- eFinance (usage 93%)
- Credit Pre-check (with customer consent)
- 24/7 Online Self Service

Multi-channel access with Unique Customer ID

System integration & upgrade for better service

COMPLIANT & RELIABLE BUSINESS OPERATIONS.

Customer Protection

- Commit Responsibility
- Strengthen Governance
- Enhance Process & Secure Operation

Data Strategy

- Comprehensive framework based on DCMM
- Data Protection
- Data-Driven Business

Prudent Risk Management

- Anti-fraud and prevention measures
- Enriched Risk Data & Initiatives



WE HAVE A CLEAR FOCUS & STRATEGY.
OUR SUCCESSFUL BUSINESS DEVELOPMENT OFFERS FURTHER BUSINESS
OPPORTUNITIES FOR OUR PARTNERS.

We are integrated part of BMW **ECOSYSTEM**.

We own **PREMIUM CUSTOMER PROFILE & QUALITY**.

We are proactively **EMBRACING NEW TECHNOLOGIES**.

We are driven by **CLEAR GOVERNANCE**.

We use **E.S.G. model**.



E.S.G. : Environmental, Social, Governance

THANK YOU.

