

Media Information
27 January 2021

Ad-hoc announcement: BMW AG Preliminary Automotive Free Cash Flow for the fourth quarter and the full year 2020 above market expectations

Munich. The BMW AG's preliminary Automotive segment Free Cash Flow for the fourth quarter 2020 is around € 2.8 billion (Q4 2019: € 1.5 billion), leading to around € 3.4 billion (2019: € 2.6 billion) for the full year 2020 and thus exceeds current market expectations.

The better than expected Free Cash Flow development of the Automotive Segment in the fourth quarter 2020 is driven mainly by the following effects:

- Positive operating result in the Automotive segment
- Continued focused management of inventories
- Lower than expected consumption of warranty provisions as a result of lockdown measures
- Higher down payments received from BMW Group dealerships, most notably in China in line with the positive market development and in the UK relating to Brexit

The positive operating result of the Automotive segment in the fourth quarter is partially due to better than expected remarketing results in the pre-owned car market. This also has a positive effect in the Financial Services segment, leading to a Return on Equity for the segment which is only slightly down on prior year as opposed to a moderate decline as indicated in the current outlook.

Due to the faster recovery in many markets in the second half of 2020 and consequent cost management, the EBIT margin in the Automotive Segment for the full year 2020 is at the upper end of the 0 - 3% corridor. The Group EBT remains within the outlook and in line with market expectations.

The definition of Free Cash Flow and Return on Equity can be found on pages 244 and 245 of the BMW Group Annual Report 2019. Further details will be

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The BMW Group

With its four brands BMW, MINI, Rolls-Royce and BMW Motorrad, the BMW Group is the world's leading premium manufacturer of automobiles and motorcycles and also provides premium financial and mobility services. The BMW Group production network comprises 31 production and assembly facilities in 15 countries; the company has a global sales network in more than 140 countries.

In 2020, the BMW Group sold over 2.3 million passenger vehicles and more than 169,000 motorcycles worldwide. The profit before tax in the financial year 2019 was € 7.118 billion on revenues amounting to € 104.210 billion. As of 31 December 2019, the BMW Group had a workforce of 126,016 employees.

The success of the BMW Group has always been based on long-term thinking and responsible action. The company has therefore established ecological and social sustainability throughout the value chain, comprehensive product responsibility and a clear commitment to conserving resources as an integral part of its strategy.

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