

Media Information
31 July 2025

- Check against delivery –

Statement**Walter Mertl****Member of the Board of Management of BMW AG, Finance****Conference Call Half-Year Report to 30 June 2025****Munich, 31 July 2025, 08.30 a.m.****SLIDE 2: BMW Group Half-Year Report to 30 June**

Good morning,
Ladies and Gentlemen,

After the first six months of the year, the BMW Group remains on track to meet its full-year targets for 2025.

As expected, tariffs weighed significantly on financials in the second quarter.

Nevertheless, the BMW Group achieved Group earnings before tax of over 5.7 billion euros and a Group EBT Margin of 8.5 percent in the first six months.

SLIDE 3: BMW Group Performance in Q2 2025

In the second quarter, deliveries to customers at Group level increased by 0.4 percent year-on-year.

As of June, BMW Group global sales remained on par with last year.

All-electric vehicles made an important contribution with a share of total sales of 18.3 percent.

The share of electrified vehicles – meaning either a BEV or a plug-in hybrid – even amounted to 26.4 percent.

Group earnings before tax totaled over 2.6 billion euros in the second quarter and over 5.7 billion euros after 6 months.

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This resulted in a Group EBT margin of 7.7 percent in Q2 and 8.5 percent in the first half-year.

The operating profit in the Automotive segment reached 1.6 billion euros in Q2 and over 3.6 billion euros after 6 months.

This led to an Automotive EBIT margin of 5.4 percent for the second quarter and 6.2 percent for the year to the end of June – both within our full-year guidance of 5 to 7 percent.

Excluding the depreciation resulting from the purchase price allocation of BBA, the margins came in at 6.5 percent for the second quarter and 7.3 percent through six months.

SLIDE 4: Automotive Retail Units, BEV Units, Auto Revenue and Auto EBIT

Let's take a look at how the Automotive Segment performed across key metrics.

Between April and June, deliveries of BMW, MINI and Rolls-Royce vehicles to customers were on previous year's level with 621,000 units.

We saw sales growth in all regions except China.

The BMW brand declined slightly by 2.6 percent compared to the second quarter of 2024.

Outside of China the brand grew by 4.7 percent.

MINI benefitted from the full availability of the entire model range and reported a significant year-on-year growth of 33.2 percent in the second quarter across all regions.

Retail sales in Q2 were especially strong in Europe, with double-digit growth of 10.2 percent year-on-year.

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The European order intake for BMW remains strong, with an order bank reaching well into the fourth quarter.

The US reported a growth of 1.4 percent in Q2.

In China, retail sales levels in the first six months of 2025 were down 15.5 percent compared to the previous year.

However, during the second quarter we saw a slight sequential improvement month by month.

Sales of our all-electric vehicles continued to grow.

In the second quarter, we delivered more than 111,000 all-electric vehicles to customers.

Automotive segment revenues decreased moderately by 8.4 percent to 29.4 billion euros in the second quarter.

Adjusted for currency translation effects, the decrease was 5.3 percent, mainly due to lower sales volume in China.

Segment EBIT for the period from April to June totaled 1.6 billion euros.

The EBIT margin came in at 5.4 percent for the quarter and 6.2 percent for the half-year.

These margins include the negative effects from tariffs, which amounted to around 2 percentage points in the second quarter and around 1.5 percentage points in the first six months.

That brings me to my next slide, to take a detailed look at the year-on-year changes in the operational result.

SLIDE 5: Automotive Segment EBIT in Q2

Automotive EBIT declined by around 1.1 billion euros compared to the second quarter of 2024.

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More than half of this difference is due to the impact of tariffs, which is included in the position Other.

Changes in currency and raw material positions were neutral in Q2. In the second half year, we expect a headwind year-on-year.

The net balance of volume, model mix and pricing effects negatively impacted EBIT by 300 million euros in the second quarter, compared to the previous year.

Volume and model mix combined were neutral.

Pricing continues to be a headwind year-on-year, however to a much lesser extent than in the first quarter.

Competitive pressure remains strong, especially in the Chinese market. Here, price levels of the second half of 2024 continued into the first half-year of 2025, as expected.

Research and development expenses decreased by about 200 million euros compared to the prior-year quarter.

Group R&D expenditure as of June totaled 4 billion euros, slightly below previous year.

The R&D ratio according to the German Commercial Code came in at 6 percent after six months.

For the full year, R&D expenditure will be below last year's level, and it will steadily decrease over the next years.

Selling and administrative expenses also decreased by around 100 million euros compared to the previous year.

The year-on-year headwind of 1.1 billion euros from Other Cost Changes can mainly be attributed to two factors:

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- First, higher tariffs in the US and anti-subsidy tariffs imposed by the EU Commission on electrified vehicles from China
- And second, the sale of end-of-lease vehicles. Here, resale income was lower than in the second quarter of 2024, yet remains positive on a portfolio basis

SLIDE 6: Automotive Segment Free Cash Flow in Q2

Free cash flow in the Automotive Segment totaled about 1.9 billion euros in the second quarter.

Segment EBT amounted to 1.6 billion euros, which is 1 billion euros lower than in the previous year's quarter.

The net change in working capital reduced free cashflow by around 300 million euros.

The net effect from capital expenditure and depreciation had an impact of 200 million euros in the second quarter.

Capital expenditure for the first half-year amounted to around 2.7 billion euros, a significant year-on-year reduction of around 700 million euros.

The capex ratio was 4.5 percent for the second quarter and 4 percent for the first six months.

After the peak in 2024, capex will decrease for the full year 2025. We expect a capex ratio below 6 percent for 2025.

Changes to provisions negatively impacted free cash flow in the second quarter by around 200 million euros. This was mainly due to the consumption of warranty provisions.

The change in the position Other of around 1 billion euros reflects the development of a set of various topics, including accrued expenses, interest and advance payments received, income taxes and liabilities for tariff expenses not yet paid out.

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After the first six months, Automotive Segment free cash flow is on previous year's level with just over 2.3 billion euros.

For the full year, we are targeting a free cash flow of over 5 billion euros.

Our strong free cash flow generation enables us to further execute our consistent shareholder return strategy.

In May of this year, the Annual General Meeting authorized the Board of Management to buy back up to 10 percent of BMW AG's share capital over the next five years.

Based on this authorization, a third share repurchase program with a volume of up to 2 billion euros was approved.

It should be completed by April 30, 2027, at the latest.

The first tranche of 750 million euros began in May and will be completed no later than December 8th of this year.

SLIDE 7: Financial Services Segment in H1

Let's move on to the Financial Services Segment.

The number of new contracts, concluded with retail customers in the first half year, reached almost 825,000 contracts, a slight decrease of 3 percent year-on-year.

This is due to the challenging situation on the Chinese market, which led to a moderate decrease in new credit financing business.

The new leasing business continued its dynamic growth in the first six months of the year.

The penetration rate for lease and loan offerings increased by 2.5 percentage points to 43.7 percent.

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Driven by a higher average financing amount per contract, new business volume was on previous year's level despite the slight decrease in new contracts.

Segment earnings amounted to just under 1.2 billion euros, a year-on-year decrease of 19.5 percent.

This results mainly from two topics:

- An addition to provisions following the receipt of a revised operational tax assessment for prior years.
- And the resale income of end-of-lease vehicles, which was lower than in the second quarter of 2024, yet remains positive on a portfolio basis

The credit loss ratio across the entire loan portfolio remained at a low rate of 0.27 percent.

SLIDE 8: Motorcycles Segment in Q2

In the Motorcycles Segment, deliveries decreased moderately by 8 percent year-on-year.

Segment revenues decreased by 2.8 percent.

Adjusted for currency translation effects, they were on par with the second quarter of 2024.

Segment EBIT in the second quarter totaled 136 million euros, with an EBIT margin of 14.2 percent.

SLIDE 9: Outlook 2025

Ladies and Gentlemen,

Our outlook for the full year is based on assumptions, which are described in detail in our half-year report.

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Let me briefly mention some key factors for our business development in 2025.

In China, we have been observing increased monitoring of the automotive market by local regulatory authorities since the last two weeks of June.

This also affects commission payments from local banks to dealerships in connection with brokering retail financial and insurance products, payment terms to the supplier base as well as increased scrutiny of price competition.

Dealer commissions were significantly reduced by local banks in June.

We are closely following these developments and their potential impact on the Chinese automotive market.

Ladies and Gentlemen,

As you recall, our guidance given in March included all tariffs in force as of March 12th.

In our quarterly statement for Q1, we had assessed and included all tariff increases announced as of May 7th and confirmed our original guidance based on certain assumptions.

And in today's half-year report, we maintain our consistent approach and have also incorporated the effects of all latest announcements.

According to the announcements on July 27th, an agreement between the US and the EU regarding the tariff situation is emerging.

Based on published information by the respective authorities, we expect partial reductions of the currently applicable tariffs between the US and the EU from August 1st.

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Additionally, tariff negotiations across the globe are ongoing and may result in further changes.

Therefore, the expected impact from tariffs on our full-year results can still only be estimated based on certain assumptions.

For the full year 2025, we currently expect a burden from tariffs of around 1.25 percentage points on the EBIT margin in the Automotive segment, including mitigations.

Based on our assumptions, the full-year outlook remains unchanged.

On a Group level, we are targeting earnings before tax at previous year's level.

In the Automotive segment, we expect a slight increase in deliveries and an EBIT margin in a corridor between 5 and 7 percent.

The EBIT margin in the Motorcycles Segment should come in at between 5.5 and 7.5 percent.

In the Financial Services Segment, we expect a Return on Equity in the range of 13 to 16 percent.

SLIDE 10: Q2 and H2 Profitability within Full-Year Target Corridor

Ladies and Gentlemen,

The BMW Group is a truly differentiated global player.

We set ourselves apart in the automotive industry with our global footprint and our highly flexible operations.

This strong strategic positioning enables us to mitigate the impact of tariffs and allows us to adapt swiftly to changing market conditions.

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The BMW Group has a focused strategy and a clear plan how to effectively navigate our operating business.

As a result, we were able to provide a comprehensive guidance for the year 2025 in March, including the impact of tariffs.

And we delivered an EBIT margin within the full year target corridor of 5 to 7 percent both in the second quarter and for half-year.

At the BMW Group, we are steering our business carefully and in a consistent manner.

During the last years, we significantly invested in the future of our company, in line with our long-term planning.

In 2024, both capex and R&D reached peak levels.

Starting in 2025, we are reducing R&D and capex spending, as planned.

Our operating costs are also decreasing compared to prior year. Just as in Q1, this is again evident in our Q2 figures.

Based on the results of the first six months, we once again confirm our full-year targets for 2025.

And we remain committed to our long-term goals of premium profitability and capital return to create value for all our stakeholders.

Thank you.