

Media Information
6 May 2020

- Check against delivery –

Statement**Dr. Nicolas Peter****Member of the Board of Management of BMW AG, Finance****Conference Call Interim Report to 31 March 2020****Wednesday, 6 May 2020, 10:00 a.m. CEDT**

Ladies and Gentlemen,

Good morning!

The spread of the coronavirus and the measures to contain it strongly affected the BMW Group's business development in the first quarter of 2020. Sales decreased significantly, especially in China. This impacted our earnings position in the first three months of the year. Local production facilities and retail outlets there have since reopened, and the situation is now recovering.

In March, due to the decline in demand resulting from the coronavirus, we shut down production at our European plants, in the US and South Africa. When plants can ramp up again will depend on how customer demand develops after the gradual opening of more retail outlets.

The situation remains extremely volatile. As before, it is unclear, how and when public life will be largely back to normal. For this reason, it is currently not foreseeable that demand for automobiles will move towards the level assumed in mid-March over the next few weeks.

As Oliver Zipse has already explained, we are currently planning in various scenarios. Accordingly, we are expanding our guidance for the financial year and are expecting an EBIT margin in the Automotive segment of between 0 and 3 percent.

I'll go into more detail on the guidance shortly.

Corporate Communications

Media Information

Date May 6, 2020

Subject Dr Nicolas Peter, Member of the Board of Management of BMW AG, Finance
Conference Call Interim Report to 31 March 2020

Page 2

Ladies and Gentlemen,

Particularly in crisis situations, liquidity is essential. The BMW Group further increased its already strong liquidity position to almost 19 billion euros at the end of the quarter. We still have the best rating of any European car manufacturer and the second-best worldwide. Because of our solid credit rating, we continue to enjoy good access to international capital markets.

We keep our word – and that is more important than ever during this crisis. For the previous financial year 2019, we will pay a dividend to our shareholders and share our profit with employees, as promised.

Ladies and Gentlemen,

Let's take a closer look at business development over the first three months.

Group revenues for the first quarter totalled 23.25 billion euros.

Despite positive pricing and model mix effects, revenues in the Automotive and Motorcycles Segments decreased. This was mainly due to weaker demand in China resulting from the coronavirus and closure of many dealerships worldwide.

Group revenues rose slightly overall. This largely stemmed from lower revenue eliminations as well as from an increase in revenues in the Financial Services Segment.

The financial result was significantly lower than the previous year, at -577 million euros. Last year's figures had benefited from the one-time appreciation effect of pooling our mobility services with the Daimler Group. The financial result was also impacted by the negative development in the market value of interest rate derivatives, driven by lower interest rates in the US.

Corporate Communications

Media Information

Date May 6, 2020

Subject Dr Nicolas Peter, Member of the Board of Management of BMW AG, Finance
Conference Call Interim Report to 31 March 2020

Page 3

The temporary downturn in demand in China – and the negative impact this had on BBA earnings – contributed to this decline. Another factor was the negative operating result from the YOUR NOW companies.

Group pre-tax earnings – which were also impacted by the effects I referred to – totalled 798 million euros. This figure was slightly higher year-on-year, due in part to positive effects from intersegment eliminations. In the first quarter of 2019, earnings had been dampened by the provision of around 1.4 billion euros in connection with ongoing antitrust proceedings.

The EBT margin for the first quarter of 2020 remained unchanged from the previous year at 3.4%.

We expect to face continued earnings headwinds, especially in the second quarter, as a result of the decrease in sales, first in China and now in other regions of the world.

Ladies and Gentlemen,

The first quarter was dominated by the global pandemic – which is now having a major impact on the real economy. In this challenging situation, we continue to concentrate on managing the crisis. Nevertheless, we also remain focused on the future. We are also planning now for the time after the coronavirus. This is also reflected in our research and development costs. In the first quarter of 2020, we invested 1.32 billion euros in research and development. This remains at the same high level as last year.

As expected, the R&D ratio according to the German Commercial Code was 5.7% and therefore slightly lower than the previous year. We are securing our future competitiveness by making targeted investments in new and attractive products, like the iNEXT and our popular X models.

Corporate Communications

Media Information

Date May 6, 2020

Subject Dr Nicolas Peter, Member of the Board of Management of BMW AG, Finance
Conference Call Interim Report to 31 March 2020

Page 4

The capex ratio for the first quarter was 3.0%, significantly below the previous year.

In light of the current situation, we will be delaying a number of projects, like the plant in Hungary. Other projects will be carefully reconsidered. Now, more than ever, our investments need to be targeted and based on sound judgement. For the current year, investments, primarily in property, plant and equipment, will be below 4 billion euros – after nearly 5.7 billion euros in 2019.

Let's move on to the individual segments.

Thanks to the major model offensive of recent months, the BMW Group initially made a promising start to the year and was reporting sales growth in the Automotive Segment. Our young and attractive product portfolio is winning over customers. Our excellent product mix and improved pricing also helped the year begin well. We implemented a whole range of high-impact measures three years ago to continuously improve our performance. These efforts are now bearing fruit. Thanks to our corporate programme Performance > NEXT – which will now be intensified once more – we are in good shape operationally.

However, by February, the pandemic had already significantly impacted sales in China. Overall, sales there dropped by almost a third in the first quarter. The good news is that this trend was reversed in March, with signs of a recovery in this market. However, by March, in Europe and the US, the initial effects of the pandemic were also clearly visible: First-quarter sales were significantly lower as a result.

The BMW Group delivered a total of over 477,000 vehicles to customers in the first quarter of this year. This is a decrease of 20.6% from the previous year.

Corporate Communications

Media Information

Date May 6, 2020

Subject Dr Nicolas Peter, Member of the Board of Management of BMW AG, Finance
Conference Call Interim Report to 31 March 2020

Page 5

Despite negative sales growth, segment revenues totalled almost 18 billion euros and were therefore only moderately lower than the previous year – thanks to positive price development and the strong model mix.

As expected, earnings were dampened too. The EBIT margin for the first quarter was 1.3%.

The segment's operating earnings of 229 million euros were significantly higher year-on-year. The provision recognised in connection with antitrust allegations had strongly impacted last year's earnings.

As expected, the financial result was significantly lower than the previous year, at -149 million euros. This reflects the negative effect of the BBA earnings contribution. Another factor is the one-time appreciation effect I already mentioned from pooling our mobility services last year, which is, of course, no longer included in this year's figures.

The global pandemic also impacted free cash flow in the Automotive Segment: The total for the first quarter was -2.2 billion euros. The lower operating result contributed to this negative effect, since the previous year's antitrust provision was a non-cash item that had not been included in the cash flow. Trade payables also decreased from mid-March on, due to production being suspended at several locations. Once plants are up and running again, this effect should be reversed over the coming months. The first quarter also saw a seasonal increase in inventories, which was amplified by the closure of retail outlets. While the plants are ramping up production, we will focus on systematically reducing our inventory levels, as soon as sale channels reopen.

The development of Free Cash Flow for the full financial year depends significantly on the earnings side. Despite the decrease in investments and a strict management of working capital, we nonetheless no longer expect to achieve a positive Free Cash Flow in the Automotive segment for 2020.

Corporate Communications

Media Information

Date May 6, 2020

Subject Dr Nicolas Peter, Member of the Board of Management of BMW AG, Finance
Conference Call Interim Report to 31 March 2020

Page 6

Ladies and Gentlemen,

The Financial Services Segment also felt the adverse effects of the containment measures and resulting closure of dealerships. In the first three months of 2020, the Financial Services Segment concluded just under 450,000 new contracts with retail customers. This represents a slight decrease of 4.2% that can largely be attributed to weaker financing business, especially in China.

As expected, higher provisions for residual value and credit risks dampened pre-tax earnings. This item decreased significantly year-on-year to 484 million euros.

In the area of dealer and customer financing, we have introduced appropriate measures to mitigate the crisis on a case-by-case basis – including moratoriums and temporarily increasing loans to dealers. The pandemic's impact on used car markets in the premium segment cannot be reliably predicted so far. In anticipation of losses in market value, we already made market-specific adjustments to provisions for the portfolio that is subject to residual value risks in the first three months.

We make comprehensive provisions for our main business risks on an ongoing basis. Due to the current volatile development in connection with the coronavirus pandemic, further negative effects on the risk situation in the Financial Services segment may arise in the subsequent quarters. Based on current assessments, we continue to be appropriately hedged against residual value and credit risks.

The Motorcycles Segment was also affected by the coronavirus and its consequences. Since Europe is traditionally the strongest market for this segment, we expect to see more significant headwinds in the second quarter. A total of nearly 35,000 motorcycles were delivered to customers between January and March – down almost 10% from the previous year.

Corporate Communications

Media Information

Date May 6, 2020

Subject Dr Nicolas Peter, Member of the Board of Management of BMW AG, Finance
Conference Call Interim Report to 31 March 2020

Page 7

The operating result decreased as a result to 72 million euros. The EBIT margin of 12.9% remains at a high level.

Ladies and Gentlemen,

Let's now turn to our guidance.

The uncertainty surrounding the global spread and resulting consequences of the coronavirus makes it difficult to provide an accurate forecast of the BMW Group's business performance for the financial year 2020.

The continuing restrictions on business operations, as well as the extension of the lockdown measures – particularly in Europe and the US – have further depressed the midterm economic outlook for 2020. A rapid recovery of automobile markets seems unlikely.

In our guidance, we assume that the economic environment will begin to stabilize in the third quarter of the year. Possible effects of a second wave of infection and corresponding containment measures are not taken into consideration in this assessment. Likewise, a possible even more severe slowdown of the Chinese economy as a result of the developments in Europe and the US are not included. Market distortions due to an increased competitive environment also present a risk for our guidance.

Currently, we expect that the effects of the crisis will impact us significantly longer than was assumed in mid-March. That is why we plan in scenarios and ranges for our guidance and are continually reviewing our outlook.

The assumption is that global sales will continue to be significantly lower than last year.

Corporate Communications

Media Information

Date May 6, 2020

Subject Dr Nicolas Peter, Member of the Board of Management of BMW AG, Finance
Conference Call Interim Report to 31 March 2020

Page 8

Due to the extremely volatile situation, we have expanded the range of our EBIT margin in the Automotive Segment. For the full financial year we now expect an EBIT margin of between 0 and 3 percent.

Deliveries in the Motorcycles Segment are forecast to decrease significantly during the forecast period. The EBIT margin will be between 3 and 5 percent.

On the Financial Services side, we now expect the return on equity to be moderately lower, mainly due to a decline in the volume of new business and increased refinancing costs as well as a more volatile risk environment.

As before, Group profit before tax for 2020 is expected to be significantly below the previous year.

These targets are to be achieved with a workforce size no longer at a similar level to the previous year, but slightly under the previous year's level.

Ladies and Gentlemen,

We expect that the current crisis will impact the automotive industry for the foreseeable future – well beyond 2020. Despite the current crisis, however, the BMW Group is still on a solid financial footing. Our stable credit rating and good access to capital markets mean that our liquidity is secured. At the same time, we are quickly and systematically implementing efficiency and cost reduction measures. We will continue to carefully monitor the situation and are prepared to react quickly and flexibly to further developments.

Thank you.