

Media Information

7 October 2024

**BMW Group taps into markets with local production:
10 years of BMW Group Plant Araquari showcases high
flexibility**

+++ BMW Group's local production has been essential to markets in Asia, North Africa and South America for decades +++ More than a dozen different models produced on same line +++ BMW Group Plant Araquari celebrates 10 years of production, with over 100,000 vehicles built +++ BMW Group continues its expenditure in Brazil as production location +++

São Paulo/Munich. BMW Group Plant Araquari in Santa Catarina, Brazil, is celebrating its 10th anniversary, having produced more than 100,000 vehicles. BMW Group's local plants serving as the perfect complement to the company's full plants in Europe, the Americas and China and allowing the BMW Group to tap into new markets through localised production. Local production has a long tradition at the BMW Group, enabling markets to offer a wide range of regionally manufactured vehicles at competitive prices.

What began in 1957 with production of the BMW Isetta in the UK, now comprises seven locations across Asia, North Africa and South America. The principle behind this approach is that production follows the market. The BMW Group Plants Rosslyn in South Africa and Shenyang in China have thus developed from local production into full-scale plants.

For the past 10 years, the site in Araquari has been fully integrated into the production network, supplying the Brazilian market. By covering all essential areas of production, except for having its own press shop, the plant can manufacture a wide range of vehicle models and drive train variants.

The plant in Brazil follows the principle of flexible production and manufactures various models on one production line. In addition to petrol and hybrid drive trains, flex-fuel models are also built in Brazil.

The BMW 3 Series and BMW X1 models produced in Araquari are the top-selling vehicles in their segments in Brazil, securing the brand's leading position in the premium segment for the sixth consecutive year in 2023. The plant currently also builds the BMW X3 and BMW X4, with the BMW X5 PHEV set to join them in a few weeks – thus becoming the next plant in the production network to manufacture electrified vehicles.

BMW Group expenditure in Brazil bears fruit.

The local sites in the production network contribute significantly more than just manufacturing vehicles, with Brazil serving as a prime example of this: Since 2014, the BMW Group has expended more than BRL 1.8 billion in the location, focusing on production, as well as on research and development facilities. Between 2025 and 2028, the BMW Group will expend a further BRL 1.1 billion in the country. "Brazil offers potential for local production of other new models and for development of new technologies," says Milan Nedeljković, member of the Board of Management of BMW AG responsible for Production. "Every BMW and MINI we sell worldwide already incorporates developments from Brazil – and we intend to build on this success."

Thus, the success story of BMW Group's local production continues – both in Brazil and around the world.

High flexibility as key to success.

More than a dozen models can be manufactured on the same line at the local plants worldwide. The sites' high level of flexibility is facilitated by their limited degree of vertical integration.

This is made possible by employing simple, creative solutions, maintaining a low level of automation and implementing individual takt times – without compromising quality. All vehicles meet the same delivery standards as those produced at full plants.

“BMW Group's local production is essential, not only for helping emerging markets with growth potential to establish themselves, but also as a profitable component of our business. With innovative assembly solutions, mid-range to luxury class vehicles, from sedans to SAVs, can be produced on a single line,” says Michael Nikolaides, responsible for the production network and logistics at the BMW Group.

The BMW Group operates its own plants in Brazil, India and Thailand. It also collaborates with local production partners at sites in Indonesia, Malaysia, Vietnam and Egypt. In 2023, the BMW Group manufactured around 50,000 vehicles (excluding BMW Motorrad) at its local plants, relying almost exclusively on local employees and managers.

Such numbers are achievable thanks to close collaboration with the full plants – for example, in areas like production planning, technical integration and component manufacturing. Parts are prepared for shipping by six packing companies: three located in Germany, and one each in China, Mexico and the US. At these facilities, the relevant components are configured into assembly kits based on the modular principle and then distributed to the local plants.

Corporate Communications**Media Information**

Date 7 October 2024

Subject BMW Group taps into markets with local production:
10 years of BMW Group Plant Araquari showcases high flexibility

Page 4

If you have any questions, please contact:

Corporate Communications

Benedikt Torka, press spokesperson, Production Network BMW Group

Telephone: +49-151-601-32455

Email: Benedikt.Torka@bmwgroup.com

Moritz Schmerbeck, press spokesperson, Production Network BMW Group

Telephone: +49-151-601-43233

Email: Moritz.Schmerbeck@bmwgroup.com

Sandra Schillmöller, Head of Communications Production Network BMW Group

Telephone: +49-89-382-12225

Email: Sandra.Schillmoeller@bmwgroup.com

Media website: www.press.bmwgroup.com/deutschland

Email: presse@bmw.de

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 over 30 production sites worldwide; the company has a global sales network in more than 140 countries.

In 2023, the BMW Group sold over 2.55 million passenger vehicles and more than 209,000 motorcycles worldwide. The profit before tax in the financial year 2023 was € 17.1 billion on revenues amounting to € 155.5 billion. As of 31 December 2023, the BMW Group had a workforce of 154,950 employees.

The success of the BMW Group has always been based on long-term thinking and responsible action. The company set the course for the future at an early stage and consistently makes sustainability and efficient resource management central to its strategic direction, from the supply chain through production to the end of the use phase of all products.

www.bmwgroup.com

LinkedIn: <http://www.linkedin.com/company/bmw-group/>

YouTube: <https://www.youtube.com/bmwgroup>

Instagram: <https://www.instagram.com/bmwgroup>

Facebook: <https://www.facebook.com/bmwgroup>

X: <https://www.x.com/bmwgroup>