BMW GROUP

Corporate Communications

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- Check against delivery –

Statement
Walter Mertl
Member of the Board of Management of BMW AG, Finance
Conference Call Quarterly Statement to 30 June 2026
Munich, 30 July 2026, 08.30 a.m.

SLIDE 2: BMW Group Half-Year Report to 30 June 2026

Ladies and Gentlemen,
Good morning.

Our second-quarter results reflect the challenging market conditions the BMW Group is currently facing, as outlined in our ad-hoc communication on June 16th.

During the quarter, both the Chinese automotive market and BMW Group retail sales in China continued to decline.

At the same time, higher export volumes from China increased competitive intensity in other markets, with a particular impact on our business in the Asia-Pacific region.

Together with the effects of the ongoing conflict in the Middle East, these developments weighed on both our sales and financial performance.

While BMW Group deliveries increased by 7.6 percent in Europe and 11.9 percent in the US, this was not sufficient to offset the decline in China and Asia-Pacific.

SLIDE 3: BMW Group Performance in Q1 and H1 2026

Group revenues amounted to 31.3 billion euros in the second quarter and 62.3 billion euros in the first six months.

Group earnings before tax totalled 1.7 billion euros, a decline of 35 percent compared to the second quarter of last year.
Year-to-date through June, Group EBT declined by 29.4 percent year-on-year to around 4 billion euros.

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This resulted in a Group EBT margin of 5.4 percent in the second quarter and 6.5 percent for the first half of the year.

In the Automotive Segment, EBIT amounted to 629 million euros in the second quarter, corresponding to a reported EBIT margin of 2.3 percent.

This reported margin includes a burden from elevated tariffs of 1.25 percentage points in the second quarter.

It also includes the depreciation from the BBA purchase price allocation, which reduced the EBIT margin by 1.2 percentage points.

After six months, Automotive EBIT amounted to around 2 billion euros, with an EBIT margin of 3.6 percent.

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

Let me now provide more detail on the performance of the Automotive Segment.

In the second quarter, the BMW Group delivered around 591,000 BMW, MINI and Rolls-Royce vehicles to customers, 4.9 percent less than in the same quarter last year.

Looking at the development by brand, BMW delivered around 509,000 vehicles in the second quarter, down 7.7 percent year-on-year.

The MINI brand continued to perform well. Deliveries were up 17.1 percent compared to the prior-year quarter, supported by strong demand for our all-electric MINI models.

This brings me to our BEV retail sales.

Between April and June, the BMW Group delivered around 117,000 all-electric vehicles to customers worldwide.
Including plug-in hybrids, sales of electrified vehicles amounted to around 163,000 units.

This corresponds to a BEV share of 19.8 percent and an electrified vehicle share of 27.6 percent of total Group deliveries in the second quarter.

Europe remains the main growth driver for our all-electric vehicle sales.

Supported by the start of customer deliveries of the all-new BMW iX3*,
BEV sales in Europe increased by 38 percent year-on-year to more than 81,000 units.
Almost one in three vehicles sold in Europe was all-electric.

This BEV performance in Europe supports our expectation that we will once again meet our CO2 emissions targets in the EU in 2026.

Automotive Segment revenues declined by 7.7 percent to 27.2 billion euros in the second quarter.

The decrease was primarily driven by lower sales volumes and also reflects the highly competitive market environment.

SLIDE 5: BMW Group: Growth in Europe and the US partially offset weaker sales in China and APAC

Let's now take a closer look at our sales performance across the major regions.

In Europe, our largest sales region, retail sales increased by 7.6 percent year-on-year.

In the Americas, retail sales increased by 9.4 percent year-on-year, driven primarily by the US, where deliveries grew significantly by 11.9 percent.
In the US, the BMW brand once again outperformed the overall market in the second quarter.
Higher deliveries of vehicles with internal combustion engines more than offset lower BEV sales.

In China, the downturn in the automotive market accelerated further during the second quarter, predominantly in the non-electrified vehicle segment.
In this highly competitive environment, BMW Group retail sales declined by 30.2 percent between April and June.

For the first six months, retail sales in China were down 20.4 percent, in line with the overall market decline of 20.2 percent.
Against this backdrop, our focus remains on achieving the right balance between sales volumes, transaction prices, and profitability – both for the BMW Group and our dealer partners.

In our sales region Asia-Pacific, Eastern Europe, Middle East, and Africa, deliveries declined by around 9,000 vehicles or 10.9 percent year-on-year. Several markets in the region were affected by spillover effects from China as well as weaker consumer sentiment resulting from the ongoing conflict in the Middle East.
Let's now take a closer look at the year-on-year development of Automotive EBIT on the following slide.

SLIDE 6: Automotive Segment EBIT in Q2 2026

Changes in currencies had a negative impact of around 400 million euros on EBIT, while raw material positions were broadly neutral compared to the prior-year quarter.

The adverse FX developments seen in the first quarter continued into Q2. We expect FX headwinds also in the second half of the year, although at a lower level than in the first six months.

The net effect of volume, model mix and pricing resulted in a negative impact of around 1.8 billion euros compared to Q2 2025.

A large share of this impact was related to China, which was also the main driver behind our guidance update in June.

Besides lower sales volumes, the decline in this position mainly reflects the highly competitive market environment across a number of regions, as well as weaker consumer sentiment in selected markets.

Since we fully consolidate BBA, the current headwinds from our business in China are fully reflected in Automotive EBIT.

Research and development expenses recognized in the P&L increased by around 100 million euros year-on-year.

This was mainly due to an increase in depreciation of around 150 million euros related to capitalized development costs from previous years.

As in the first quarter, Group R&D expenditure remained below the prior-year level in Q2.
Total R&D expenditure amounted to less than 2 billion euros, a decrease of 3.8 percent year-on-year.

This is in line with the trend of R&D and capital expenditure reduction that will continue for the remainder of the year.

The R&D ratio according to the German Commercial Code came in at 6.3 percent for the second quarter and 6.0 percent for the first half of the year.
Reducing our operating cost base remains an important priority.
Accordingly, selling and administrative expenses decreased by around 200 million euros year-on-year in Q2.

Other Cost Changes provided a positive effect of around 1.2 billion euros compared to the second quarter of 2025.
This reflects a number of factors, including lower warranty and manufacturing costs as well as tariff-related effects.

Overall, we reduced expenditure by 400 million euros in the second quarter and 900 million euros year-to-date through June.

Automotive EBIT for the second quarter amounted to around 600 million euros.

After six months, it totalled 2 billion euros.

SLIDE 7: Automotive Segment Free Cash Flow in Q2 2026

Free cashflow in the Automotive Segment amounted to around 500 million euros in the second quarter of 2026.

The net change in working capital reduced free cashflow by around 1.3 billion euros.
This was due to an inventory build-up during the quarter, as production exceeded sales volumes.

We have already made the necessary adjustments to our production planning, with the objective of bringing inventories back towards the prior-year level by year-end.
The net effect of capital expenditure and depreciation contributed around 600 million euros to free cashflow.
As in the first quarter, depreciation exceeded declining capital expenditure in Q2, providing a positive contribution to free cashflow.
Throughout the year 2026, depreciation will remain above capital expenditure.

The capex ratio was 4.1 percent for the second quarter and 3.1 percent for the first six months.
In the first half of the year, we have reduced capex by more than 30 percent.

The change in provisions reduced free cashflow by 500 million euros in Q2.
This includes the consumption of warranty provisions.

Other items increased free cashflow by 1.1 billion euros. This position covers multiple topics, including accrued expenses and interest received.

In the first six months, free cashflow amounted to 1.3 billion euros.

For the full year, the BMW Group is targeting an Automotive free cashflow above 2.5 billion euros.

Ladies and Gentlemen,

The BMW Group remains committed to its shareholder return strategy, which includes both dividend payments and share buybacks.

We completed the second tranche of our third share buyback program on June 26th, two months ahead of the original schedule.

The third and final tranche started on July 1st and is expected to be completed no later than November 30th, five months earlier than originally scheduled.

Once completed, the third share buyback program will have reached its full volume of 2 billion euros.

For 2026, this represents a capital return of 1.25 billion euros to our shareholders under the current share buyback program.

The acceleration of the third tranche underlines our focused approach to capital allocation.
At the BMW Group, we take a long-term perspective to create sustained value for all our stakeholders.

For us, financial performance and responsible business management go hand in hand.

Alongside our environmental commitments, this also means maintaining high social and ethical standards across our operations and supply chains worldwide.

In an evolving competitive landscape, we believe that customers worldwide will increasingly value these standards as an important differentiating factor.

SLIDE 8: Financial Services Segment YTD June 2026

Let's now turn to our Financial Services Segment.

In the first half of the year, the number of new contracts concluded with retail customers increased by 5 percent to 866,000 contracts.

The penetration rate for lease and loan products increased to 52.9 percent in the first six months.

This development was supported by changes in the competitive environment in China. Since mid-2025, local banks have significantly reduced commissions related to the brokering of financing and insurance products for end customers.
Adjusted for FX effects, total new business volume grew by 6.1 percent to about 33 billion euros.

Segment earnings for the first half of the year amounted to around 1 billion euros, down 15.4 percent year-on-year.

This decline was mainly driven by an addition to an existing provision for a consumer compensation program in the UK in the first quarter.

In the second quarter, Financial Services earnings increased by 15.7 percent year-on-year, supported by a larger portfolio volume.

In the first half of the year, the credit loss ratio across the entire credit portfolio remained low at 0.27 percent.

SLIDE 9: Motorcycles Segment in Q2 2026

In the Motorcycles Segment, deliveries declined slightly by 1.9 percent year-on-year.

Segment EBIT increased to 141 million euros, resulting in an EBIT margin of 15.2 percent.

SLIDE 10: Outlook 2026

Ladies and Gentlemen,

Based on the results for the first half of the year, we confirm our updated full-year guidance communicated in June.

Group earnings before tax are expected to decrease significantly.

In the Automotive Segment, we expect deliveries to decrease slightly and the EBIT margin to come in within a range of 1 to 3 percent.
This includes a burden of up to 1.25 percentage points for the workforce restructuring program agreed with the Works Council.

The EBIT margin in the Motorcycles Segment is expected to be between 4 and 6 percent.

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

SLIDE 11: More speed, more efficiency: BMW Group realigns for tougher competition.

Ladies and Gentlemen,

Our second-quarter results reflect the challenging market environment we outlined in our guidance update in June.

We continue to address the short-term challenges with targeted operational measures and disciplined management of costs, R&D spending and capital expenditure.

At the same time, we are intensifying our structural efforts to make the BMW Group faster, leaner and more efficient in the years ahead.

With our strong product pipeline coming to market, and with the expertise and commitment of our employees, the BMW Group has a solid foundation for the years ahead.

This is especially important as our competitive landscape is changing at a rapid pace.

In this environment, our focus is clear: to manage the current headwinds with discipline, to strengthen the resilience of our business, and to lay the foundation for sustained, long-term value for all our stakeholders.

Thank you.

***Fuel consumption/emissions data:**
BMW iX3 50 xDrive: energy consumption combined: 18.1-15.1 kWh/100 km (WLTP); CO_2 emissions combined: 0 g/km (WLTP); CO_2 class(es): A; electric range: 679-805 km (WLTP)