

# QUARTERLY STATEMENT

31 March 2020



**BMW  
GROUP**

THE NEXT  
100 YEARS 



Rolls-Royce  
Motor Cars Limited

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# BMW GROUP AT A GLANCE

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# 1

# BMW GROUP IN FIGURES

## Key performance indicators reported during the year

→ 01

		1st quarter 2020	1st quarter 2019	Change in %
<b>GROUP</b>				
Profit before tax	€ million	798	762	4.7
<b>AUTOMOTIVE SEGMENT</b>				
Deliveries <sup>1,2</sup>	units	477,111	600,614	-20.6
EBIT margin <sup>3</sup>	% (change in %pts)	1.3	-1.6	2.9
<b>MOTORCYCLES SEGMENT</b>				
Deliveries	units	34,774	38,606	-9.9
EBIT margin <sup>3</sup>	% (change in %pts)	12.9	15.2	-2.3

<sup>1</sup> In connection with a review of its sales and related reporting practices, BMW Group reviewed prior period retail vehicle delivery data and determined that certain vehicle deliveries were not reported in the correct periods. Further information can be found in BMW Group's 2019 Annual Report on page 54. As an update of the information given there, BMW Group has revised the data on vehicle deliveries retrospectively going back to 2015 in its sixteen most significant markets.

<sup>2</sup> Including the joint venture BMW Brilliance Automotive Ltd., Shenyang (2020: 87,443 units, 2019: 128,653 units).

<sup>3</sup> Profit before financial result as percentage of segment revenues.

## Further performance figures

→ 02

		1st quarter 2020	1st quarter 2019	Change in %
<b>AUTOMOTIVE SEGMENT</b>				
Deliveries				
BMW <sup>1,2</sup>	units	411,809	515,297	-20.1
MINI <sup>1</sup>	units	64,449	84,145	-23.4
Rolls-Royce <sup>1</sup>	units	853	1,172	-27.2
<b>Total<sup>1,2</sup></b>		<b>477,111</b>	<b>600,614</b>	<b>-20.6</b>
Production volume				
<b>Total<sup>3</sup></b>		<b>584,142</b>	<b>672,042</b>	<b>-13.1</b>
<b>FINANCIAL SERVICES SEGMENT</b>				
New contracts with retail customers		449,687	469,624	-4.2
<b>Free cash flow Automotive segment<sup>4</sup></b>	€ million	<b>-2,218</b>	-559	-
<b>Group revenues</b>	€ million	<b>23,252</b>	<b>22,462</b>	<b>3.5</b>
Automotive	€ million	17,989	19,213	-6.4
Motorcycles	€ million	557	586	-4.9
Financial Services	€ million	7,598	7,146	6.3
Other Entities	€ million	1	1	-
Eliminations	€ million	-2,893	-4,484	35.5
<b>Group profit / loss before financial result (EBIT)</b>	€ million	<b>1,375</b>	<b>589</b>	<b>-</b>
Automotive	€ million	229	-310	-
Motorcycles	€ million	72	89	-19.1
Financial Services	€ million	542	648	-16.4
Other Entities	€ million	12	4	-
Eliminations	€ million	520	158	-
<b>Group profit / loss before tax (EBT)</b>	€ million	<b>798</b>	<b>762</b>	<b>4.7</b>
Automotive	€ million	80	-27	-
Motorcycles	€ million	72	87	-17.2
Financial Services	€ million	484	627	-22.8
Other Entities	€ million	-344	-58	-
Eliminations	€ million	506	133	-
<b>Group income taxes</b>	€ million	<b>-224</b>	<b>-218</b>	<b>2.8</b>
<b>Profit / loss from continuing operations</b>	€ million	<b>574</b>	<b>544</b>	<b>5.5</b>
Profit / loss from discontinued operations	€ million	-	44	-
<b>Group net profit</b>	€ million	<b>574</b>	<b>588</b>	<b>-2.4</b>
<b>Earnings per share<sup>5</sup></b>	€	<b>0.84 / 0.84</b>	<b>0.85 / 0.85</b>	<b>-1.2 / -1.2</b>
<b>Group pre-tax return on sales<sup>6</sup></b>	% (change in %pts)	<b>3.4</b>	<b>3.4</b>	<b>-</b>

<sup>1</sup> In connection with a review of its sales and related reporting practices, BMW Group reviewed prior period retail vehicle delivery data and determined that certain vehicle deliveries were not reported in the correct periods. Further information can be found in BMW Group's 2019 Annual Report on page 54. As an update of the information given there, BMW Group has revised the data on vehicle deliveries retrospectively going back to 2015 in its sixteen most significant markets.

<sup>2</sup> Including the joint venture BMW Brilliance Automotive Ltd., Shenyang (2020: 87,443 units, 2019: 128,653 units).

<sup>3</sup> Including the joint venture BMW Brilliance Automotive Ltd., Shenyang (2020: 95,704 units, 2019: 138,391 units).

<sup>4</sup> At the beginning of the financial year 2020, the starting point for determining cash flow was changed to profit before tax; the previous year's figures have been adjusted accordingly.

<sup>5</sup> Common / preferred stock. In computing earnings per share of preferred stock, earnings to cover the additional dividend of €0.02 per share of preferred stock are spread over the quarters of the corresponding financial year.

<sup>6</sup> Group profit before tax as a percentage of Group revenues.

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# INTERIM GROUP MANAGEMENT REPORT

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# 2

# REPORT ON ECONOMIC POSITION

**Automobile markets severely affected  
by corona pandemic**

**Negative impact on BMW Group's  
performance**

## GENERAL ECONOMIC ENVIRONMENT

### International automobile markets

The worldwide spread of coronavirus has left international automobile markets in an extremely weak overall condition after the first three months of the year. Initially, events were dominated by a slump in registrations in China in February and March. However, all other major automobile markets subsequently reported declines, some of them drastic, especially from March 2020 onwards.

### International automobile markets

→ 03

	Change in %
EU 27	-25
thereof Germany	-20
thereof France	-33
thereof Italy	-35
thereof Spain	-31
United Kingdom (UK)	-31
USA	-12
China	-50
Japan	-10
<b>Total</b>	<b>-22</b>

## Group Overview

### Corona pandemic significantly holds down automobile deliveries

In an ongoing challenging political and economic environment, the global spread of coronavirus severely held down the number of vehicles delivered by the BMW Group in the first quarter of 2020. Accordingly, sales figures for the BMW, MINI and Rolls-Royce brands fell significantly to 477,111<sup>1</sup> units during the first three-month period (2019: 600,614<sup>1,2</sup> units; –20.6%).

A total of 449,687 new credit financing and leasing contracts were signed with retail customers during the three-month period, slightly fewer (–4.2%) than one year earlier (2019: 469,624 contracts). The downturn in new business with retail customers was mainly attributable to lower credit finance volumes (–7.8%), particularly in China. On the other hand, however, the number of new lease contracts signed grew slightly by 2.9%. The leasing business in Germany contributed particularly to this growth in the first quarter of 2020.

### Group earnings performance

Both the progression of the corona pandemic and the ensuing decisions taken by policymakers are having a considerable impact on the BMW Group's business performance. In particular, reduced customer demand in the wake of the pandemic and the associated containment measures as well as the resulting production interruptions in several countries are having an adverse impact on the Group's net assets, financial position and results of operations.

The gross profit for the three-month period amounted to €3,534 million and was therefore significantly down on the previous year (2019: €4,056 million; –12.9%). First-quarter revenues increased slightly year-on-year

to €23,252 million (2019: €22,462 million; +3.5%, adjusted for currency factors: +2.9%). While the Financial Services segment reported solid year-on-year revenue growth, mainly driven by higher lease revenues, Automotive segment revenues were held down by a slump in demand in China due to the corona pandemic and the closure of dealerships in other key markets. The lower amount of revenue being eliminated on consolidation due to a reduction in expected new lease contracts<sup>3</sup>, related in part to the drop in Automotive segment revenues, contributed to the rise in Group revenues. The elimination had an equal and opposite effect on the cost of sales. At the same time, higher risk provisioning expenses, including those recognised in connection with the assessment of residual value and credit risks due to the corona pandemic on the one hand and the higher volume-related depreciation of leased vehicles on the other, also had a negative impact on cost of sales. These unfavourable factors were slightly mitigated by the volume-related decrease in Automotive segment manufacturing costs due to lower customer demand triggered by the corona pandemic. Research and development expenses remained at a similar level to the previous year, mainly reflecting the continued enhancement of the Group's product portfolio and ongoing expenditure for vehicle electrification projects.

The net amount of other operating income and expenses improved by €1,351 million year-on-year, practically all of which was attributable to the provision of approximately €1.4 billion recognised in the first quarter of the previous financial year in connection with ongoing antitrust proceedings. Further information is available in → note 10 to the Group Financial Statements for the financial year ended 31 December 2019.

Group profit before financial result for the three-month period therefore rose sharply to €1,375 million (2019: €589 million).

<sup>1</sup> Including the joint venture BMW Brilliance Automotive Ltd., Shenyang (2020: 87,443 units, 2019: 128,653 units).

<sup>2</sup> In connection with a review of its sales and related reporting practices, BMW Group reviewed prior period retail vehicle delivery data and determined that certain vehicle deliveries were not reported in the correct periods. Further information can be found in BMW Group's 2019 Annual Report on page 54. As an update of the information given there, BMW Group has revised the data on vehicle deliveries retrospectively going back to 2015 in its sixteen most significant markets.

<sup>3</sup> For more information on accounting policies, see note 4 to the Group Financial Statements in the Annual Report 2019.



**BMW Group performance indicators relating to research and development expenses**

→ 04

in %	1st quarter 2020	1st quarter 2019	Change in %pts
Research and development expenses as a percentage of revenues	5.9	6.2	-0.3
Research and development expenditure ratio <sup>1</sup>	5.7	6.0	-0.3
Capitalisation rate <sup>2</sup>	28.4	26.5	1.9

in € million	1st quarter 2020	1st quarter 2019	Change in %
Research and development expenses	1,380	1,396	-1.1
Capitalised development costs	376	359	4.7
Amortisation	-432	-402	7.5
<b>Research and development expenditure<sup>3</sup></b>	<b>1,324</b>	<b>1,353</b>	<b>-2.1</b>

<sup>1</sup> Research and development expenditure as a percentage of Group revenues.

<sup>2</sup> Capitalised development costs as a percentage of research and development expenditure.

<sup>3</sup> Research and development expenditure comprises the sum of research and non-capitalised development cost and capitalised development cost (not including the associated scheduled amortisation).

The first-quarter financial result deteriorated by €750 million to a net negative amount of €577 million. The corona pandemic-related downturn in customer demand and the interruption of production in China during the first quarter caused the earnings of the Chinese joint venture BMW Brilliance Automotive Ltd., Shenyang, to fall to €162 million (2019: €242 million). Furthermore, the Group's share of losses in the YOUR NOW companies had a negative impact on the result from equity accounted investments. A further factor for the deterioration was that other financial result reported in the first quarter of 2019 had benefited from a one-time revaluation gain of €328 million arising on the pooling of mobility services with the Daimler Group. Furthermore, the financial result reported for the three-month period deteriorated by €223 million due to negative valuation effects arising on interest rate hedges due to lower interest rates in the USA.

Group profit before tax was impacted by the same set of factors and rose accordingly to €798 million (2019: €762 million; +4.7%) during the period under report.

**Financing activities**

Despite the current financial market volatility, the BMW Group continued to have excellent access to the world's capital markets.

During the three-month period under report, the BMW Group issued bonds for a total amount of €3.4 billion, including one euro-benchmark bond and the fourth Panda bond on the Chinese capital market. It also issued ABS transactions in China as well as in the UK and Canada with a total value of €1.5 billion.

These financing activities helped mitigate negative liquidity effects arising due to lower delivery volumes caused by the corona pandemic, so that the Group's liquidity remained at a solid level of €18.8 billion at the end of the reporting period (31 December 2019: €17.4 billion).

## Automotive Segment

### Automobile deliveries severely affected by corona crisis

The opening quarter of the year was dominated by the worldwide outbreak of coronavirus. Restrictions on public life in numerous countries resulted in a significant decline in demand, with just 477,111<sup>1</sup> BMW, MINI and Rolls-Royce brand vehicles delivered to

customers during the three-month period (2019: 600,614<sup>1,2</sup> units; –20.6%). Worldwide deliveries of BMW brand vehicles totalled 411,809<sup>1</sup> units (2019: 515,297<sup>1,2</sup> units; –20.1%). At 64,449 units, MINI brand deliveries were also well down on the previous year (2019: 84,145<sup>2</sup> units; –23.4%). Similarly, Rolls-Royce Motor Cars recorded a significant downturn in deliveries to 853 units (2019: 1,172<sup>2</sup> units; –27.2%).

### Automotive segment deliveries of vehicles by region and market

→ 05

in units	1st quarter 2020	1st quarter 2019 <sup>2</sup>	Change in %
Europe	221,024	270,645	–18.3
thereof Germany	66,004	72,377	–8.8
thereof UK	44,474	62,373	–28.7
Americas	82,078	99,709	–17.7
thereof USA	64,956	78,652	–17.4
Asia <sup>1</sup>	162,940	217,415	–25.1
thereof China <sup>1</sup>	116,577	168,650	–30.9
Other markets	11,069	12,845	–13.8
<b>Total<sup>1</sup></b>	<b>477,111</b>	<b>600,614</b>	<b>–20.6</b>

### Asia hardest hit

The spread of coronavirus during the first quarter of 2020 had a particularly significant impact on the BMW Group's business in Asia, above all in China. First-quarter deliveries of the Group's three brands in Asia fell to 162,940<sup>1</sup> units (2019: 217,415<sup>1,2</sup> units; –25.1%). After a good start in January, automobile sales in China fell significantly in February. However, the first signs of recovery were already evident in March. In total, 116,577<sup>1</sup> BMW, MINI and Rolls-Royce vehicles were delivered to customers in China during the first three months of the year (2019: 168,650<sup>1,2</sup> units; –30.9%).

In Europe, after two strong months at the beginning of the year, delivery volumes began declining in March. During the first quarter, the BMW Group delivered a total of 221,024 units (2019: 270,645<sup>2</sup> units; –18.3%) to customers across the region. Germany (66,004 units; 2019: 72,377<sup>2</sup> units; –8.8%) and the UK (44,474 units; 2019: 62,373<sup>2</sup> units; –28.7%) were also affected by the general downward trend in Europe, albeit with significantly different rates of decline.

After two months of volume growth for all three BMW Group brands in the Americas region, figures for March were down by around one half compared

### Automotive segment at a glance

→ 06

		1st quarter 2020	1st quarter 2019	Change in %
Deliveries <sup>1,3</sup>	units	477,111	600,614 <sup>2</sup>	–20.6
Production <sup>4</sup>	units	584,142	672,042	–13.1
Revenues	€ million	17,989	19,213	–6.4
Profit/loss before financial result (EBIT)	€ million	229	–310	–
Profit/loss before tax	€ million	80	–27	–
EBIT margin <sup>3</sup>	% (change in %pts)	1.3	–1.6	2.9

<sup>1</sup> Including the joint venture BMW Brilliance Automotive Ltd., Shenyang (2020: 87,443 units, 2019: 128,653 units).

<sup>2</sup> In connection with a review of its sales and related reporting practices, BMW Group reviewed prior period retail vehicle delivery data and determined that certain vehicle deliveries were not reported in the correct periods. Further information can be found in BMW Group's 2019 Annual Report on page 54. As an update of the information given there, BMW Group has revised the data on vehicle deliveries retrospectively going back to 2015 in its sixteen most significant markets.

<sup>3</sup> Key performance indicators reported on during the year.

<sup>4</sup> Including the joint venture BMW Brilliance Automotive Ltd., Shenyang (2020: 95,704 units, 2019: 138,391 units).

to the previous year. During the first three months of 2020, the BMW Group delivered a total of 82,078 vehicles to customers on the American continent (2019: 99,709<sup>2</sup> units; -17.7%). It was a similar story in the USA, with deliveries of the Group's three brands dropping to a total of 64,956 units (2019: 78,652<sup>2</sup> units; -17.4%).

### BMW deliveries well below previous year's record levels<sup>1</sup>

At 411,809 units, deliveries of BMW brand vehicles in the first quarter of 2020 were well down on <sup>1</sup>

the previous year's record level (2019: 515,297<sup>1,2</sup> units; -20.1%). As described above in the section on regions and countries, automobile deliveries began the year strongly, particularly in January. In February, however, momentum slowed considerably, most noticeably in China, before proceeding to decline significantly in March against the backdrop of the coronavirus pandemic.

The BMW models that had come onto the market in mid-March 2019 – the Z4, the 8 Series and the X7 – all sold well initially. Details of delivery volumes by model series are provided below.

### Automotive segment deliveries of BMW vehicles by model series<sup>1</sup>

→ 07

in units	1st quarter 2020	1st quarter 2019 <sup>2</sup>	Change in %
BMW 1 Series	37,716	45,388	-16.9
BMW 2 Series	19,665	29,063	-32.3
BMW 3 Series	76,418	89,918	-15.0
BMW 4 Series	10,767	22,775	-52.7
BMW 5 Series	58,603	76,820	-23.7
BMW 6 Series	4,678	6,095	-23.2
BMW 7 Series	9,279	12,040	-22.9
BMW 8 Series	4,960	2,192	-
BMW Z4	3,451	1,560	-
BMW X1	46,904	65,212	-28.1
BMW X2	16,265	22,559	-27.9
BMW X3	53,542	71,324	-24.9
BMW X4	12,700	13,638	-6.9
BMW X5	33,886	36,789	-7.9
BMW X6	6,570	7,568	-13.2
BMW X7	10,373	2,449	-
BMW i	6,032	9,907	-39.1
<b>BMW total</b>	<b>411,809</b>	<b>515,297</b>	<b>-20.1</b>

<sup>1</sup> Including the joint venture BMW Brilliance Automotive Ltd., Shenyang (2020: 87,443 units, 2019: 128,653 units).

<sup>2</sup> In connection with a review of its sales and related reporting practices, BMW Group reviewed prior period retail vehicle delivery data and determined that certain vehicle deliveries were not reported in the correct periods. Further information can be found in BMW Group's 2019 Annual Report on page 54. As an update of the information given there, BMW Group has revised the data on vehicle deliveries retrospectively going back to 2015 in its sixteen most significant markets.

**MINI and Rolls-Royce also affected by current crisis**

The worldwide spread of coronavirus also had a negative impact on the number of MINI and Rolls-Royce vehicles delivered during the first quarter of 2020, with both brands experiencing a similar development to that of the BMW brand.

↱

MINI delivered a total of 64,449 units to customers worldwide during the first three months of the year (2019: 84,145<sup>1</sup> units; –23.4%). Details of delivery volumes for the individual models are provided below.

**Automotive segment deliveries of MINI vehicles by model variant**

→ 08

in units	1st quarter 2020	1st quarter 2019 <sup>1</sup>	Change in %
MINI Hatch (3- and 5-door)	34,192	43,613	–21.6
MINI Convertible	5,339	7,549	–29.3
MINI Clubman	7,554	10,325	–26.8
MINI Countryman	17,364	22,658	–23.4
<b>MINI total</b>	<b>64,449</b>	<b>84,145</b>	<b>–23.4</b>

Rolls-Royce Motor Cars sold 853 vehicles worldwide during the first quarter of 2020 (2019: 1,172<sup>1</sup> units; –27.2%). Details of delivery volumes for the individual models are provided below.

**Automotive segment deliveries of Rolls-Royce vehicles by model variant**

→ 09

in units	1st quarter 2020	1st quarter 2019 <sup>1</sup>	Change in %
Phantom	78	140	–44.3
Ghost	82	170	–51.8
Wraith / Dawn	192	317	–39.4
Cullinan <sup>2</sup>	501	545	–8.1
<b>Rolls-Royce total</b>	<b>853</b>	<b>1,172</b>	<b>–27.2</b>

<sup>1</sup> In connection with a review of its sales and related reporting practices, BMW Group reviewed prior period retail vehicle delivery data and determined that certain vehicle deliveries were not reported in the correct periods. Further information can be found in BMW Group's 2019 Annual Report on page 54. As an update of the information given there, BMW Group has revised the data on vehicle deliveries retrospectively going back to 2015 in its sixteen most significant markets.

<sup>2</sup> Fuel consumption and CO<sub>2</sub> emissions information are available on page 15.

## Deliveries of electrified vehicles increased

The percentage of the BMW Group's total deliveries accounted for by electrified vehicles rose slightly in the first quarter of 2020. In total, 30,692 electrified vehicles were delivered to customers during the three-month period (2019: 26,958<sup>1</sup> units; +13.9%). The positive development was mainly due to the availability of plug-in hybrid ↗<sup>1</sup>

versions of the BMW 3 Series, the X3 and the X5 since autumn 2019, which significantly broadened the range of electrified vehicles on offer. In addition, the completely new, all-electric MINI Cooper SE<sup>2</sup> was launched at the beginning of March 2020. Deliveries of BMW i vehicles were down on the previous year, primarily due to the BMW i8 reaching the end of its life cycle.

## Automotive segment deliveries of electrified models

→ 10

in units	1st quarter 2020	1st quarter 2019 <sup>1</sup>	Change in %
BMW i	6,032	9,907	-39.1
BMW e	20,408	13,022	56.7
MINI Electric	4,252	4,029	5.5
<b>Total</b>	<b>30,692</b>	<b>26,958</b>	<b>13.9</b>

<sup>1</sup> In connection with a review of its sales and related reporting practices, BMW Group reviewed prior period retail vehicle delivery data and determined that certain vehicle deliveries were not reported in the correct periods. Further information can be found in BMW Group's 2019 Annual Report on page 54. As an update of the information given there, BMW Group has revised the data on vehicle deliveries retrospectively going back to 2015 in its sixteen most significant markets.

<sup>2</sup> Fuel consumption and CO<sub>2</sub> emissions information are available on page 15.

## Segment revenues held down by corona pandemic

First-quarter Automotive segment revenues amounted to €17,989 million, representing a moderate decrease year-on-year (2019: €19,213 million; -6.4%, adjusted for currency factors: -6.9%). The primary factors influencing this development were lower delivery volumes, particularly due to the global outbreak of the corona pandemic and the accompanying drop in demand in China, as well as the closure of dealerships in other key markets. A positive product mix, favourable currency effects and improved selling prices driven by a product portfolio significantly rejuvenated since the same quarter of the previous year partially offset the impact of lower volumes.

Segment cost of sales went down by €422 million to €15,971 million (2019: €16,393 million; -2.6%), mainly due to the volume-related decrease in manufacturing costs. However, the scale of the decrease was held down by higher manufacturing costs per vehicle due to a higher-value product mix compared with the previous year, unfavourable currency effects and increased raw material prices. Research and development expenses remained at a similarly high level to the previous year, mainly reflecting sustained development work on the Group's product portfolio and expenditure on vehicle electrification.

Other operating expenses totalling €276 million were significantly lower than one year earlier (2019: €1,532 million), mainly due to the provision for ongoing antitrust proceedings recognised in the first quarter of the previous financial year.

First-quarter segment EBIT improved to €229 million (2019: negative EBIT of €310), while the EBIT margin came in at 1.3 % (2019: -1.6 %; + 2.9 percentage points).

The segment's financial result was significantly down on the previous year. The deterioration was due firstly <sup>1</sup>

to the one-time revaluation effect in the previous year arising on the pooling of mobility services with the Daimler Group and secondly to the lower result from equity accounted investments in the first quarter of 2020, brought about by the lower earnings of the Chinese joint venture BMW Brilliance Automotive Ltd., Shenyang, in the wake of the corona pandemic as well as by losses recorded by the YOUR NOW companies.

The segment profit before tax for the first quarter of 2020 amounted to €80 million (2019: loss of €27 million).

### Free cash flow Automotive segment for the period from 1 January to 31 March\*

→ 11

in € million	2020	2019	Change
Cash inflow (+)/outflow (-) from operating activities	-1,395	2,033	-3,428
Cash inflow (+)/outflow (-) from investing activities	-429	-2,595	2,166
Adjustment for net investment in marketable securities and investment funds	-394	3	-397
<b>Free cash flow Automotive segment</b>	<b>-2,218</b>	<b>-559</b>	<b>-1,659</b>

\* At the beginning of the financial year 2020, the starting point for determining cash flow was changed to profit before tax; the previous year's figures have been adjusted accordingly.

Free cash flow generated by the Automotive segment was adversely affected by the corona pandemic in the first quarter. The main negative factor here was the change in cash flows from operating activities, in particular the year-on-year deterioration in profit before tax from operations (i.e. excluding the provision recognised in the first quarter of 2019 in connection with the ongoing antitrust proceeding which, as a non-cash item, did not have an impact on free cash flow). The higher level of working capital also had a negative impact on cash flow, reflecting the seasonal increase in inventories on the one hand, the scale of which was significantly exacerbated in the first quarter of 2020 by the temporary closure of dealerships, as well as the decrease in trade payables due to the interruption of production at several locations from mid-March onwards on the other hand.

In the previous financial year, first-quarter cash flows from investing activities were affected in particular by cash outflows in connection with the acquisition of the YOUR NOW companies as well as by higher investments in the production network, including the new manufacturing facility in Mexico, which was opened in 2019.

Net financial assets comprised the following:

## Net financial assets Automotive segment

→ 12

in € million	31.3.2020	31.12.2019	Change
Cash and cash equivalents	8,971	9,077	-106
Marketable securities and investment funds	3,907	4,470	-563
Intragroup net financial assets	5,645	7,784	-2,139
<b>Financial assets</b>	<b>18,523</b>	<b>21,331</b>	<b>-2,808</b>
Less: external financial liabilities*	-4,037	-3,754	-283
<b>Net financial assets Automotive segment</b>	<b>14,486</b>	<b>17,577</b>	<b>-3,091</b>

\* Excluding derivative financial instruments.

The lower amount of free cash flow generated by the Automotive segment is also reflected in the decrease in net financial assets. The decrease in cash inflows in this segment caused net intragroup financial receivables to fall, as financing of Group companies in other segments was reduced.

## BMW Group fuel consumption and CO<sub>2</sub> emissions information

→ 13

Model	Fuel consumption in l / 100 km (combined)	CO <sub>2</sub> emissions in g / km (combined)	Electric power consumption in kWh / 100 km (combined)
<b>BMW GROUP ELECTRIFIED MODELS</b>			
BMW 330e Touring	2.1–1.7	48–39	19.4–15.7
BMW 330e xDrive Touring	2.5–2.0	56–46	22.3–17.8
BMW 330e Sedan	1.7–1.6	38–36	15.0–14.8
BMW 330e xDrive Sedan	2.3–1.8	52–42	21.3–16.7
BMW X3 xDrive30e	2.4–2.1	54–48	17.1–16.4
BMW X5 xDrive45e	2.0–1.7	46–38	23.5–21.3
MINI Cooper SE	0	0	16.8–14.8
<b>ROLLS-ROYCE</b>			
Cullinan	15.5	330–329	–

## Financial Services Segment

### Negative impact of corona pandemic on Financial Services business in first quarter 2020

Despite the revenue growth achieved during the period under report, driven by the combined effect of new leasing business and the existing portfolio, the pre-tax profit recorded by the Financial Services segment was significantly lower than one year earlier. The main reason for the decline in segment profit was the increased risk provisioning expense in connection with the expected consequences of measures being taken to contain the corona pandemic.

In terms of credit risk management, appropriate measures were put in place to support dealership and retail customer financing – including moratoriums and temporary increases in dealership credit lines – with a view to mitigating systemic risks that might arise as a consequence of the corona pandemic. Prior to their implementation, the adopted measures were considered in light of current regulatory developments, market requirements and Group liquidity aspects.

An additional risk allowance for expected credit losses was recognised on a market-by-market basis, taking account of local conditions, in order to cover the potentially negative impact of the corona pandemic on retail customer and dealership business. In addition to the above-mentioned countermeasures, a qualitative portfolio evaluation was performed and an increased risk allowance recognised for the proportion of the contracts for which credit risk is expected to increase.

During the first quarter of the financial year 2020, selling prices of vehicles returned from leases were only affected in isolated cases and to a minor degree by the corona pandemic. With respect to risk provisioning expenses, initial measures were undertaken ↱

in a few countries where portfolios are exposed to residual value risks. Risk provisions were adjusted on a market-by-market basis, for example to allow for current restrictions that might affect the remarketing process or the amount of expected market value losses. However, the consequences of the pandemic for selling prices of premium segment pre-owned vehicles on international markets cannot be reliably assessed at present.

The Financial Services segment monitors and provides for core business risks on an ongoing and comprehensive basis. In view of the current volatile developments triggered by the corona pandemic, the risk situation in the Financial Services segment could deteriorate in subsequent quarters, for instance in the event a significant increase in credit risk. Accordingly, changes in the status of the various risks are being monitored continuously so that corrective measures can be taken promptly as and when the need arises. Based on current assessments, however, the Financial Services segment has recognised appropriate levels of provisions/allowances to cover residual value and credit risks.

In balance sheet terms, business volumes were lower than at the end of 2019 due to currency factors on the one hand and lower receivables from sales financing on the other, driven by the lower volume of BMW Group new vehicles sold.

### Slight decrease in new business with retail customers

During the three-month period, a total of 449,687 new credit financing and leasing contracts were signed with retail customers, corresponding to a slight year-on-year decrease of 4.2% (2019: 469,624 contracts).

The decline in volume of new business contracts with retail customers was attributable to a downturn in credit financing (–7.8%), particularly in China,

### Financial Services segment at a glance

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		1st quarter 2020	1st quarter 2019	Change in %
New contracts with retail customers		449,687	469,624	–4.2
Revenues	€ million	7,598	7,146	6.3
Profit / loss before financial result (EBIT)	€ million	542	648	–16.4
Profit / loss before tax	€ million	484	627	–22.8
		31. 3. 2020	31. 12. 2019	Change in %
Contract portfolio with retail customers		5,516,068	5,486,319	0.5
Business volume in balance sheet terms*	€ million	138,979	142,834	–2.7

\* Calculated on the basis of the lines Leased products and Receivables from sales financing (current and non-current) of the Financial Services segment balance sheet.



whereas leasing business grew slightly (+2.9%), driven primarily by the higher number of new lease contracts signed in Germany. Overall, leasing accounted for 35.7% and credit financing for 64.3% of new business in the period under report.

In the pre-owned credit financing and leasing lines of business, 103,157 new contracts were signed for BMW and MINI brand vehicles between January and March (2019: 95,211 contracts; +8.3%).

The total volume of all new credit financing and leasing contracts concluded with retail customers during the three-month period amounted to €14,075 million, up slightly (+1.3%) on the previous year (2019: €13,898 million). Alongside positive currency effects, the main factor driving the increase was a favourable product mix. Adjusted for currency factors, the total volume of new business remained at a similar level to the previous year (+0.3%).

During the first quarter, 57.7%<sup>1</sup> of new BMW Group vehicles were either leased or financed by the Financial Services segment (2019: 50.0%; +7.7 percentage points).

At 31 March 2020, the total portfolio of credit financing and leasing contracts with retail customers comprised 5,516,068 contracts, similar to the level reported at the previous year-end (31 December 2019: 5,486,319 contracts; +0.5%). The Europe/Middle East/Africa region recorded a slight year-on-year increase (+2.0%), while the EU Bank<sup>2</sup> (+0.4%), Americas (-0.3%) and Asia/Pacific (-0.5%) regions all hovered around the previous year's level. The contract portfolio for the China region went down by 1.0%.

<sup>1</sup> The calculation only includes automobile markets in which the Financial Services segment is represented by a consolidated entity or a branch office.

<sup>2</sup> EU Bank comprises BMW Bank GmbH, with its branches in Italy, Spain and Portugal.

## Other Entities Segment and Eliminations

Profit before tax recorded for the Other Entities segment and eliminations amounted to €162 million (2019: €75 million). These figures include in particular fair value measurement losses – reported in the line item “Other financial result” – arising on interest rate hedges entered into with matching maturities in conjunction with the refinancing of Financial Services operations, which were more than offset by the positive impact of reversals relating to the portfolio of leased products and the lower volume of expected new leasing business.

### Fleet business at previous year's level

In the fleet management business, the BMW Group – operating under the brand name Alphabet – is one of Europe's foremost leasing and full-service providers. Alphabet offers leasing and financing arrangements as well as other specific services to commercial customers. A portfolio of 715,109 contracts was in place at 31 March 2020 (31 December 2019: 717,353 contracts; -0.3%).

### Dealership financing moderately down on previous year

In the first quarter, the total volume of dealership financing decreased by 7.7% year-on-year to €19,582 million (31 December 2019: €21,227 million).

# REPORT ON OUTLOOK, RISKS AND OPPORTUNITIES

**Future developments remain  
to be seen**

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**BMW Group expects difficult year**

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## OUTLOOK

The report on outlook, risks and opportunities describes the expected development of the BMW Group, including the significant risks and opportunities, from a Group management perspective. It contains forward-looking statements based on expectations and assessments that are subject to uncertainty. As a result, actual outcomes, including those attributable to political, legal and economic developments, could differ positively or negatively from those described below. Further information on this topic is provided in the Annual Report 2019 (Outlook, pp. 82., Risks and Opportunities, pp. 88).

## International automobile markets

Automobile markets will contract significantly in 2020 as a result of the corona pandemic and widespread lockdowns. No other conclusion is realistic in the current economic situation. Even based on the optimistic assumption of a rapid recovery and no further waves of the infection, the IMF predicts a negative growth rate of around 3%. The extent of the contraction is likely to depend to a large extent on the economic stimulus programmes implemented by the various countries and the reaction of consumers to the remaining containment measures.

## International automobile markets 2020

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	Change in %
EU 27	-25
thereof Germany	-21
thereof France	-28
thereof Italy	-35
thereof Spain	-32
UK	-23
USA	-27
China	-16
Japan	-16
<b>Total</b>	<b>-22</b>

## Outlook for the BMW Group Assumptions used in the outlook

At the time of publication of the 2019 Annual Report in March 2020, the outlook for the financial year 2020 was based on the assumption that deliveries across all key markets would return to normal after a few weeks. However, measures to contain the corona pandemic, such as lockdowns and restrictions on business activities, particularly in Europe and America, have meanwhile been extended and only partially relaxed. Nearly all cross-border travel has come to a halt. The continued restrictions related to the pandemic are dragging down the global economy and clouding macroeconomic prospects for 2020.

A swift recovery seems unlikely. In its revised forecast, the BMW Group now only expects the business environment to begin stabilising in the course of the third quarter. A longer and deeper recession in major markets, a more severe economic slow-down in China as a result of recessions in other parts of the world, significant market distortions due to an even stronger competitive environment and possible implications caused by a second wave of infections and associated containment measures are not included in the revised outlook.

The overall very unclear situation makes it difficult to provide an accurate forecast and has led to a broadening of the applied scenarios. This is reflected in the corresponding expansion of the target range for the EBIT margin in the Automotive segment for 2020.

## Overall assessment by Group management

Within a volatile environment, currently overshadowed by the global spread of coronavirus, business is expected to develop negatively during the financial year 2020. Despite the expectation that numerous new automobile and motorcycle models as well as individual mobility-related services would normally generate additional momentum, the various burdens on the global economy described above are likely to have a significant offsetting impact. Research and development expenses will remain at a high level to propel forward-looking projects. In light of the negative impact of the worldwide corona crisis, profit before tax during the period covered by the outlook is likely to decrease significantly.

Due to the negative consequences of the spread of the virus, Automotive segment deliveries to customers are likely to be significantly lower than in the previous financial year. Influenced by the negative factors described above, the Automotive segment's EBIT margin is expected to be within a target range of 0 and 3 % in 2020. Furthermore, the RoCE in this segment is likely to be significantly lower than one year earlier. At the same time, fleet carbon dioxide emissions\* are forecast to drop significantly.

\* EU-28

For the RoE in the Financial Services segment, an even more significant decline in the volume of new business contracts and higher refinancing costs as well as a more volatile risk environment have been

assumed, mainly due to the negative economic outlook. Accordingly, Financial Services segment RoE is now expected to decrease moderately year-on-year.

Motorcycles segment deliveries to customers are set to decrease significantly in 2020. The EBIT margin is now expected to be within a range of 3 and 5 % and the RoCE significantly lower than the previous year's level.

These targets are to be achieved with a workforce size which – based on the new method of calculation described in the BMW Group Annual Report 2019 – will be slightly smaller than one year earlier through a process of natural fluctuation.

The prevailing high level of uncertainty – particularly in connection with the further spread of coronavirus, economic and political developments such the negotiations between the EU and the UK on a trade agreement by 31 December 2020, and international trade and customs policies – may cause economic developments in many regions to deviate from recent expected trends and outcomes. These factors would have a further significant impact on the business performance of the BMW Group.

Furthermore, actual business performance may differ from current expectations as a result of the risks and opportunities described in the Report on Risks and Opportunities in the Annual Report 2019 (pp. 88).

**BMW Group key performance indicators**

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		2019 reported	2019 adjusted	2020 Outlook <sup>1</sup>
<b>GROUP</b>				
Profit before tax	€ million	7,118	–	significant decrease
Workforce at year-end		133,778	126,016	slight decrease
<b>AUTOMOTIVE SEGMENT</b>				
Deliveries to customers <sup>2</sup>	units	2,538,367	–	significant decrease
Fleet emissions <sup>3</sup>	g CO <sub>2</sub> /km	127	–	significant decrease
EBIT margin	%	4.9	–	between 0 and 3
Return on capital employed	%	29.0	–	significant decrease
<b>MOTORCYCLES SEGMENT</b>				
Deliveries to customers	units	175,162	–	significant decrease
EBIT margin	%	8.2	–	between 3 and 5
Return on capital employed	%	29.4	–	significant decrease
<b>FINANCIAL SERVICES SEGMENT</b>				
Return on equity	%	15.0	–	moderate decrease

<sup>1</sup> Based on adjusted figures.<sup>2</sup> Including the joint venture BMW Brilliance Automotive Ltd., Shenyang (2019: 538,612 units).<sup>3</sup> EU-28.

# RISKS AND OPPORTUNITIES

As a globally operating enterprise, the BMW Group is exposed to a broad range of risks and opportunities. The Group's corporate success is based on leveraging perceived opportunities as they present themselves. In order to drive growth, boost profitability, bolster efficiency and work in a sustainable way going forward, the BMW Group also needs to take calculated risks.

The assessment of the overall risk situation presented in the Group Management Report 2019 has not changed. Towards the end of April 2020, the BMW Group began the process of resuming production at its international production sites on a stage-by-stage basis. The exact dates of the restart will depend on the situation in the various markets and on customer demand. Although some initial positive developments can be observed, there remains a high degree of uncertainty in many markets, for example in connection with changes in opening regulations for retail businesses and measures required to be taken to contain the coronavirus. The risks arising in conjunction with the outbreak of coronavirus and their potential impact on the BMW Group's delivery volumes and supply chains, as well as on financial markets, continue to be classified as high and are constantly being factored into the Group's forecasts. Similarly, the progress of negotiations on free trade agreements between the EU and the UK as well as developments in global trade policies will continue to be closely monitored and promptly taken into account in the outlook.

Further information on risks and opportunities as well as on the methods employed to manage them is also available in the "Report on Risks and Opportunities" section of the Annual Report 2019. (pp. 90).

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# INTERIM GROUP FINANCIAL STATEMENTS

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→ Page 24 **Income Statement**

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# 3

# BMW GROUP INCOME STATEMENT

→ BMW Group  
Income Statement

## Income Statements for Group and Segments for the period from 1 January to 31 March

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in € million	Group		Automotive		Motorcycles	
	2020	2019	2020	2019	2020	2019
Revenues	23,252	22,462	17,989	19,213	557	586
Cost of sales	-19,718	-18,406	-15,971	-16,393	-428	-438
<b>Gross profit</b>	<b>3,534</b>	<b>4,056</b>	<b>2,018</b>	<b>2,820</b>	<b>129</b>	<b>148</b>
Selling and administrative expenses	-2,165	-2,122	-1,786	-1,769	-57	-59
Other operating income	250	164	273	171	-	-
Other operating expenses	-244	-1,509	-276	-1,532	-	-
<b>Profit / loss before financial result</b>	<b>1,375</b>	<b>589</b>	<b>229</b>	<b>-310</b>	<b>72</b>	<b>89</b>
Result from equity accounted investments	40	157	40	157	-	-
Interest and similar income	27	35	85	87	-	1
Interest and similar expenses	-80	-93	-132	-151	-	-2
Other financial result	-564	74	-142	190	-	-1
<b>Financial result</b>	<b>-577</b>	<b>173</b>	<b>-149</b>	<b>283</b>	<b>-</b>	<b>-2</b>
<b>Profit / loss before tax</b>	<b>798</b>	<b>762</b>	<b>80</b>	<b>-27</b>	<b>72</b>	<b>87</b>
Income taxes	-224	-218	-20	7	-20	-25
<b>Profit / loss from continuing operations</b>	<b>574</b>	<b>544</b>	<b>60</b>	<b>-20</b>	<b>52</b>	<b>62</b>
Profit / loss from discontinued operations	-	44	-	44	-	-
<b>Net profit / loss</b>	<b>574</b>	<b>588</b>	<b>60</b>	<b>24</b>	<b>52</b>	<b>62</b>
Attributable to minority interest	20	27	4	9	-	-
<b>Attributable to shareholders of BMW AG</b>	<b>554</b>	<b>561</b>	<b>56</b>	<b>15</b>	<b>52</b>	<b>62</b>
Basic earnings per share of common stock in €	0.84	0.85				
Basic earnings per share of preferred stock in €	0.84	0.85				
Dilutive effects	-	-				
Diluted earnings per share of common stock in €	0.84	0.85				
Diluted earnings per share of preferred stock in €	0.84	0.85				



Financial Services		Other Entities		Eliminations		
2020	2019	2020	2019	2020	2019	
7,598	7,146	1	1	-2,893	-4,484	Revenues
-6,729	-6,198	-	-	3,410	4,623	Cost of sales
869	948	1	1	517	139	<b>Gross profit</b>
-320	-294	-7	-4	5	4	Selling and administrative expenses
5	3	39	25	-67	-35	Other operating income
-12	-9	-21	-18	65	50	Other operating expenses
542	648	12	4	520	158	<b>Profit/loss before financial result</b>
-	-	-	-	-	-	Result from equity accounted investments
1	-	345	378	-404	-431	Interest and similar income
-1	-1	-337	-345	390	406	Interest and similar expenses
-58	-20	-364	-95	-	-	Other financial result
-58	-21	-356	-62	-14	-25	<b>Financial result</b>
484	627	-344	-58	506	133	<b>Profit/loss before tax</b>
-137	-177	93	19	-140	-42	Income taxes
347	450	-251	-39	366	91	<b>Profit/loss from continuing operations</b>
-	-	-	-	-	-	Profit/loss from discontinued operations
347	450	-251	-39	366	91	<b>Net profit/loss</b>
16	18	-	-	-	-	Attributable to minority interest
331	432	-251	-39	366	91	<b>Attributable to shareholders of BMW AG</b>
						<b>Basic earnings per share of common stock in €</b>
						<b>Basic earnings per share of preferred stock in €</b>
						Dilutive effects
						<b>Diluted earnings per share of common stock in €</b>
						<b>Diluted earnings per share of preferred stock in €</b>

# BMW GROUP BALANCE SHEET

in € million	Group		Automotive		Motorcycles	
	31.3.2020	31.12.2019	31.3.2020	31.12.2019	31.3.2020	31.12.2019
<b>ASSETS</b>						
Intangible assets	11,676	11,729	11,157	11,212	133	127
Property, plant and equipment	22,731	23,245	22,262	22,749	391	407
Leased products	42,976	42,609	–	–	–	–
Investments accounted for using the equity method	3,188	3,199	3,188	3,199	–	–
Other investments	677	703	4,620	5,144	–	–
Receivables from sales financing	48,754	51,030	–	–	–	–
Financial assets	2,406	1,370	304	131	–	–
Deferred tax	1,867	2,194	3,422	3,451	–	–
Other assets	1,398	1,325	2,249	2,203	36	36
<b>Non-current assets</b>	<b>135,673</b>	<b>137,404</b>	<b>47,202</b>	<b>48,089</b>	<b>560</b>	<b>570</b>
Inventories	18,594	15,891	17,142	14,404	761	679
Trade receivables	2,442	2,518	2,118	2,228	191	186
Receivables from sales financing	39,895	41,407	–	–	–	–
Financial assets	5,928	5,955	4,400	4,772	–	–
Current tax	1,461	1,209	1,043	1,000	–	–
Other assets	9,279	11,614	30,333	33,492	1	1
Cash and cash equivalents	13,990	12,036	8,971	9,077	2	11
<b>Current assets</b>	<b>91,589</b>	<b>90,630</b>	<b>64,007</b>	<b>64,973</b>	<b>955</b>	<b>877</b>
<b>Total assets</b>	<b>227,262</b>	<b>228,034</b>	<b>111,209</b>	<b>113,062</b>	<b>1,515</b>	<b>1,447</b>
<b>EQUITY AND LIABILITIES</b>						
Subscribed capital	659	659	–	–	–	–
Capital reserves	2,161	2,161	–	–	–	–
Revenue reserves	59,534	57,667	–	–	–	–
Accumulated other equity	–1,716	–1,163	–	–	–	–
<b>Equity attributable to shareholders of BMWAG</b>	<b>60,638</b>	<b>59,324</b>	–	–	–	–
Minority interest	610	583	–	–	–	–
<b>Equity</b>	<b>61,248</b>	<b>59,907</b>	<b>40,627</b>	<b>40,174</b>	<b>–</b>	<b>–</b>
Pension provisions	1,456	3,335	1,277	2,820	36	96
Other provisions	5,780	5,788	5,606	5,605	76	81
Deferred tax	877	632	756	543	–	–
Financial liabilities	72,501	70,647	2,762	2,680	–	–
Other liabilities	5,128	5,100	8,136	7,929	593	569
<b>Non-current provisions and liabilities</b>	<b>85,742</b>	<b>85,502</b>	<b>18,537</b>	<b>19,577</b>	<b>705</b>	<b>746</b>
Other provisions	7,226	7,421	6,785	6,962	104	105
Current tax	691	963	471	704	–	–
Financial liabilities	46,713	46,093	2,314	1,929	–	–
Trade payables	8,910	10,182	7,682	8,814	461	413
Other liabilities	16,732	17,966	34,793	34,902	245	183
<b>Current provisions and liabilities</b>	<b>80,272</b>	<b>82,625</b>	<b>52,045</b>	<b>53,311</b>	<b>810</b>	<b>701</b>
<b>Total equity and liabilities</b>	<b>227,262</b>	<b>228,034</b>	<b>111,209</b>	<b>113,062</b>	<b>1,515</b>	<b>1,447</b>

	Financial Services		Other Entities		Eliminations		
	31.3.2020	31.12.2019	31.3.2020	31.12.2019	31.3.2020	31.12.2019	
							<b>ASSETS</b>
	385	389	1	1	-	-	Intangible assets
	78	89	-	-	-	-	Property, plant and equipment
	50,280	50,348	-	-	-7,304	-7,739	Leased products
	-	-	-	-	-	-	Investments accounted for using the equity method
	20	1	6,876	6,847	-10,839	-11,289	Other investments
	48,804	51,079	-	-	-50	-49	Receivables from sales financing
	178	139	2,023	1,168	-99	-68	Financial assets
	504	512	62	84	-2,121	-1,853	Deferred tax
	3,277	3,351	42,987	38,919	-47,151	-43,184	Other assets
	103,526	105,908	51,949	47,019	-67,564	-64,182	<b>Non-current assets</b>
	691	808	-	-	-	-	Inventories
	132	103	1	1	-	-	Trade receivables
	39,895	41,407	-	-	-	-	Receivables from sales financing
	992	1,009	557	187	-21	-13	Financial assets
	168	84	250	125	-	-	Current tax
	5,621	5,106	58,301	64,692	-84,977	-91,677	Other assets
	3,249	2,075	1,768	873	-	-	Cash and cash equivalents
	50,748	50,592	60,877	65,878	-84,998	-91,690	<b>Current assets</b>
	154,274	156,500	112,826	112,897	-152,562	-155,872	<b>Total assets</b>
							<b>EQUITY AND LIABILITIES</b>
							Subscribed capital
							Capital reserves
							Revenue reserves
							Accumulated other equity
							<b>Equity attributable to shareholders of BMW AG</b>
							Minority interest
	15,720	15,545	21,899	21,972	-16,998	-17,784	<b>Equity</b>
	38	47	105	372	-	-	Pension provisions
	98	102	-	-	-	-	Other provisions
	3,965	3,804	32	34	-3,876	-3,749	Deferred tax
	17,885	18,170	51,953	49,865	-99	-68	Financial liabilities
	42,973	39,639	310	102	-46,884	-43,139	Other liabilities
	64,959	61,762	52,400	50,373	-50,859	-46,956	<b>Non-current provisions and liabilities</b>
	284	299	53	55	-	-	Other provisions
	178	184	42	75	-	-	Current tax
	27,544	26,938	16,876	17,239	-21	-13	Financial liabilities
	756	943	11	12	-	-	Trade payables
	44,833	50,829	21,545	23,171	-84,684	-91,119	Other liabilities
	73,595	79,193	38,527	40,552	-84,705	-91,132	<b>Current provisions and liabilities</b>
	154,274	156,500	112,826	112,897	-152,562	-155,872	<b>Total equity and liabilities</b>

# BMW GROUP

## CASH FLOW STATEMENT

→ BMW Group  
Cash Flow Statement

### Condensed Cash Flow Statement for the period from 1 January to 31 March

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in € million	Group	
	2020	2019
Profit / loss before tax*	798	762
Depreciation and amortisation of tangible, intangible and investment assets	1,563	1,440
Change in provisions	-294	996
Change in leased products and receivables from sales financing	2,270	-87
Changes in working capital	-3,726	-2,084
Other	138	146
<b>Cash inflow/outflow from operating activities</b>	<b>749</b>	<b>1,173</b>
Total investment in intangible assets and property, plant and equipment	-1,443	-1,611
Net investment in marketable securities and investment funds	463	45
Other	607	-1,043
<b>Cash inflow/outflow from investing activities</b>	<b>-373</b>	<b>-2,609</b>
<b>Cash inflow/outflow from financing activities</b>	<b>1,567</b>	<b>2,808</b>
<b>Effect of exchange rate on cash and cash equivalents</b>	<b>11</b>	<b>90</b>
<b>Effect of changes in composition of Group on cash and cash equivalents</b>	<b>-</b>	<b>-</b>
<b>Change in cash and cash equivalents</b>	<b>1,954</b>	<b>1,462</b>
Cash and cash equivalents as at 1 January	12,036	10,979
<b>Cash and cash equivalents as at 31 March</b>	<b>13,990</b>	<b>12,441</b>

\* At the beginning of the financial year 2020, the starting point for determining cash flow was changed to profit before tax; the previous year's figures have been adjusted accordingly.

Automotive		Financial Services		
2020	2019	2020	2019	
80	-27	484	627	Profit / loss before tax*
1,522	1,403	12	12	Depreciation and amortisation of tangible, intangible and investment assets
-148	1,445	-44	38	Change in provisions
-	-	2,705	162	Change in leased products and receivables from sales financing
-3,593	-2,208	-96	-95	Changes in working capital
744	1,420	-1,182	-1,370	Other
<b>-1,395</b>	<b>2,033</b>	<b>1,879</b>	<b>-626</b>	<b>Cash inflow/outflow from operating activities</b>
-1,420	-1,591	-2	-3	Total investment in intangible assets and property, plant and equipment
394	-3	70	49	Net investment in marketable securities and investment funds
597	-1,001	-4	1	Other
<b>-429</b>	<b>-2,595</b>	<b>64</b>	<b>47</b>	<b>Cash inflow/outflow from investing activities</b>
<b>1,714</b>	<b>1,534</b>	<b>-772</b>	<b>1,082</b>	<b>Cash inflow/outflow from financing activities</b>
4	34	3	51	Effect of exchange rate on cash and cash equivalents
-	-	-	-	Effect of changes in composition of Group on cash and cash equivalents
<b>-106</b>	<b>1,006</b>	<b>1,174</b>	<b>554</b>	<b>Change in cash and cash equivalents</b>
9,077	8,631	2,075	1,985	Cash and cash equivalents as at 1 January
<b>8,971</b>	<b>9,637</b>	<b>3,249</b>	<b>2,539</b>	<b>Cash and cash equivalents as at 31 March</b>

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# OTHER INFORMATION

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→ Page 31 **Contacts**

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→ [www.rolls-roycemotorcars.com](http://www.rolls-roycemotorcars.com) and → [www.bmw-motorrad.com](http://www.bmw-motorrad.com).

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