

Media Information
7 May 2025

- Check against delivery –

Statement**Walter Mertl****Member of the Board of Management of BMW AG, Finance****Conference Call Quarterly Statement to 31 March 2025****Munich, 7 May 2024, 08.30 a.m.****SLIDE 2: BMW Group Quarterly Statement to 31 March 2025**

Ladies and Gentlemen,
Good Morning.

In a highly dynamic environment, the BMW Group has delivered sales and profitability for the first quarter in line with expectations.

Our core business has a strong foundation of highly attractive products and is well diversified. With a balanced presence in our sales regions, we have a strong competitive position and are able to deliver a consistent performance.

In the first quarter, the BMW Group proved this once again.

SLIDE 3: BMW Group Performance in Q1 2025

Let's take a detailed look into the key figures for the first quarter.

Group earnings before tax totalled over 3.1 billion euros.
Based on Group revenues of 33.8 billion euros, this resulted in a Group EBT margin of 9.2 percent.

The EBIT margin in the Automotive segment came in at the upper end of our 2025 annual target corridor with 6.9 percent.
Excluding the depreciation resulting from the purchase price allocation of BBA, the margin was 8.1 percent.

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Global retail sales decreased slightly by 1.4 percent compared to last year's first quarter.

Sales of all-electric vehicles increased by 32.4 percent, which represents a share of 18.7 percent of total sales.

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

Here you can see how the Automotive Segment performed across key metrics.

In the first quarter, the BMW Group delivered just over 586,000 BMW, MINI and Rolls-Royce vehicles to customers, a slight decrease of 1.4 percent compared to last year's first quarter.

While the BMW brand was slightly down 2 percent year-on-year, the MINI brand benefited from the full availability of all models and reported a growth of 4.1 percent.

Group sales grew across all regions except China. Here, the lower run-rate of the second half of 2024 has carried over into the first quarter of 2025, as expected. The sales development in the Chinese market in Q1 was also impacted by the model changeover of our important BMW X3 and operational challenges in certain areas of the dealer network.

In Europe, the BMW Group increased retail sales solidly by 6.2 percent.

The order intake for BMW vehicles in the region across our entire product portfolio is strong, with an order bank reaching well into the third quarter.

In particular, BEV retail sales grew by 64.2 percent in Europe, confirming the region's crucial role in driving our electrification strategy.

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In the US, year-on-year retail sales grew by 4 percent.

Our commitment to electrification remains an important cornerstone of our strategy. And the demand for our all-electric vehicles remains strong.

In the first three months, the BMW Group delivered almost 110,000 all-electric vehicles to customers worldwide, representing a significant growth of almost a third (32.4 percent).

The share of our all-electric vehicles amounted to 18.7 percent of total sales.

Our electrified vehicles – meaning BEVs and plug-in hybrids – accounted for almost 27 percent of total sales.

With our comprehensive and compelling line-up of electrified vehicles we remain confident that we will meet our CO₂ emission targets in the EU for 2025.

Automotive Segment revenues amounted to 29.2 billion euros and were moderately lower than in the same quarter of 2024, mainly due to lower vehicle sales to dealers.

Segment EBIT for the first three months was 2 billion euros, with an EBIT margin of 6.9 percent.

Let's now have a detailed look at the year-on-year changes in the operational result on the next slide.

SLIDE 5: Automotive Segment EBIT in Q1

Auto EBIT declined by around 700 million euros compared to the first quarter of 2024.

Changes in currency and raw material positions accounted for a positive impact of around 100 million euros.

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The net balance of volume, model-mix and pricing effects was a headwind of 900 million euros compared to the first quarter of 2024.

The pricing headwind compared to Q1 2024 reflects the global price environment and especially the challenges of the highly competitive Chinese market.

In China, the price levels of the second half of 2024 continued into the first quarter, as expected.

Accordingly, Q1 revenues per vehicle in the Automotive segment were below the level of Q1 2024.

For the full year, they are expected to be in line with last year's level.

Ladies and Gentlemen,

I emphasized at our Annual Conference that for the year 2025, not only R&D expenditure and capex, but also operational costs will decrease compared to 2024.

Our Q1 results provide first evidence for this cost decrease in nominal terms, covering the effects of inflation.

Research and development expenses were around 200 million euros lower than in Q1 2024.

Based on Group R&D expenditure, the R&D ratio according to the German Commercial Code came in at 5.9 percent.

Sales and administrative expenses also decreased year-on-year by about 200 million euros, mainly due to lower IT costs.

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In Other Cost Changes, the headwind of 300 million euros essentially results from two topics:

- The income from the resale of end-of-lease vehicles was lower than in the first quarter of 2024, yet remains positive on average across the portfolio.
- The anti-subsidy tariffs imposed by the EU Commission on electrified vehicles from China impacted EBIT in the low three-digit million euros range in Q1.

The other tariff increases only started to come into effect from early March and therefore had minimal impact on the Q1 results.

SLIDE 6: Automotive Segment Free Cash Flow in Q1

Free cashflow in the Automotive Segment totalled about 400 million euros in the first quarter of 2025.

Segment EBT amounted to 1.9 billion euros, which is 800 million euros lower than in the first three months of 2024.

The net change in working capital contributed around 100 million euros to free cashflow.

Inventories rose during the first quarter, as production exceeded retail sales and wholesale volumes.

While this is typical first quarter seasonality, this year's Q1 stock increase is much less pronounced than in previous years.

The impact of increased inventories as well as of higher trade receivables was compensated by the development of trade payables, which increased also due to higher production levels.

The net effect from capital expenditure and depreciation reduced free cashflow by 600 million euros.

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This includes a positive component with invest lower than depreciation in the first quarter.

On the other hand, it also incorporates a higher cash outflow of 964 million euros in Q1, which is related to the capex peak in the last quarter of 2024.

Capital expenditure for January to March amounted to around 1.2 billion euros, a year-on year reduction of around 100 million euros. The capex ratio for the first quarter was 3.6 percent.

For the full year 2025, capex will decrease compared to 2024, with an expected capex ratio below 6 percent.

The development of provisions reduced free cash flow by 200 million euros.

The change in the position other, which includes regular tax payments, led to a reduction in free cashflow of around 800 million euros.

For the full year, the BMW Group is targeting a free cashflow above 5 billion euros in the Automotive segment.

At the end of the first quarter, the Automotive net financial assets came in at 45.5 billion euros, which is around the same level as at the end of 2024.

This provides a solid foundation to navigate the current challenges in global markets.

And it enables us to distribute our Automotive Free Cashflow via dividends and share buybacks.

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Ladies and Gentlemen,

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

On April 3rd, we successfully concluded the fourth and final tranche of our second share buyback program.

With completion of this program, we have repurchased shares valued at 4 billion euros since the start of our share-buyback authorization in 2022.

This corresponds to a reduction in share capital of over 7 percent.

At the upcoming AGM, the Board of Management of BMW AG will propose an agenda item, seeking a new five-year authorization to acquire treasury shares amounting to up to 10 percent of share capital.

SLIDE 7: Financial Services Segment in Q1

Moving on to the Financial Services Segment.

The number of new contracts concluded with retail customers decreased slightly by 4.6 percent year-on-year to reach almost 403,000 contracts.

For new vehicles, new business units were on par with last year's quarter.

Consequently, the penetration rate for lease and loan offerings increased by 1.2 percentage points to 43 percent.

For used vehicles, new business units decreased moderately, due to the lower number of end-of-lease vehicles that were returned compared to the first quarter of 2024.

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New business volume grew by 2.4 percent to 16 billion euros, driven by a higher average financing amount per contract.

Segment earnings for the first quarter amounted to 650 million euros, a year-on-year decrease of 80 million euros.

This results mainly from two factors:

- The lower income from the resale of end-of-lease vehicles due to reduced average gains per unit.
- And the lower number of returned vehicles compared to 2024.

The credit loss ratio across the entire loan portfolio remained at a low rate of 0.23 percent.

SLIDE 8: Motorcycles Segment in Q1

In the Motorcycles Segment, first-quarter deliveries decreased slightly by 3.9 percent year-on-year.

EBIT for the first three months totalled 76 million euros, with an EBIT margin of 9.4 percent.

SLIDE 9: Outlook 2025

Ladies and Gentlemen,

Let's move to our outlook for 2025.

Our guidance given at the Annual Conference on March 14th included all the tariff increases in force as of March 12th.

Since then, political and macroeconomic volatility has increased even further.

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Due to ongoing developments and negotiations, the expected effects from tariffs on 2025 results can only be estimated based on certain assumptions.

The tariff increases that started to come into effect from early March will have a notable impact on the Q2 results.

We assume that some of the tariff increases will be temporary and that there will be reductions from July 2025.
Our guidance also includes measures to mitigate the impact of higher tariffs.

Based on these assumptions, our guidance parameters for the full year remain unchanged.

Group earnings before tax are expected to be at previous year's level.

In the Automotive segment, we are forecasting a slight increase in deliveries.
The EBIT margin is expected 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 are targeting a Return on Equity (RoE) in the range of 13 to 16 percent for the full year.

SLIDE 10: Q1 Performance in Line with Expectations

Ladies and Gentlemen,

The BMW Group delivered as expected in the first quarter with an EBIT margin at the upper end of our full-year target corridor.

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The geopolitical and macroeconomic uncertainty has reached a level we have rarely seen before.

We are closely monitoring the impact of the current macroeconomic conditions on consumer sentiment.

It is therefore all the more important that we continue to follow our long-term strategic plan.

This includes using the flexibility of our global network to mitigate the impact of the current developments.

And it includes disciplined spending – be it R&D, capex or operating costs.

As we walk the talk, nominal cost reductions are already visible in our Q1 figures.

Our clear long-term strategy, our strong brands and products and the high level of cost discipline throughout our entire organisation remain the basis for our long-term financial success.

Thank you.