

# ANNUAL ACCOUNTS PRESS CONFERENCE.



**BMW  
GROUP**



Rolls-Royce  
Motor Cars Limited

# MAXIMILIAN SCHÖBERL

EXECUTIVE VICE PRESIDENT,  
CORPORATE AND GOVERNMENTAL AFFAIRS



# LANGUAGE CHANNELS.

CHANNEL	#	TRANSLATION
Kanal	0	Deutsch
Channel	1	English
Canal	2	Français
Canale	3	Italiano
Canal	4	Español
Канал	5	Русский
声道	6	中文
チャンネル	7	日本語



# AGENDA.

OPENING STATEMENT

FINANCIAL YEAR 2017

Outlook 2018

PROGRESS

Strategy NUMBER ONE > NEXT



# HARALD KRÜGER

CHAIRMAN OF THE BOARD OF MANAGEMENT  
OF BMW AG



Financial Year 2017: We achieved all of our targets.

Financial Year 2018: We are striving for new all-time-highs.



# PHASE II





Clear Customer Focus.



Lead the Technological Change.  
Campus for Autonomous Driving.





2.5 billion euros in vocational and professional training since 2009.

EU fleet average CO<sub>2</sub> emissions down to 122 g/km.



# AGENDA.

OPENING STATEMENT

## FINANCIAL YEAR 2017 Outlook 2018

PROGRESS

Strategy NUMBER ONE > NEXT



# DR NICOLAS PETER

MEMBER OF THE BOARD OF MANAGEMENT OF BMW AG  
FINANCE

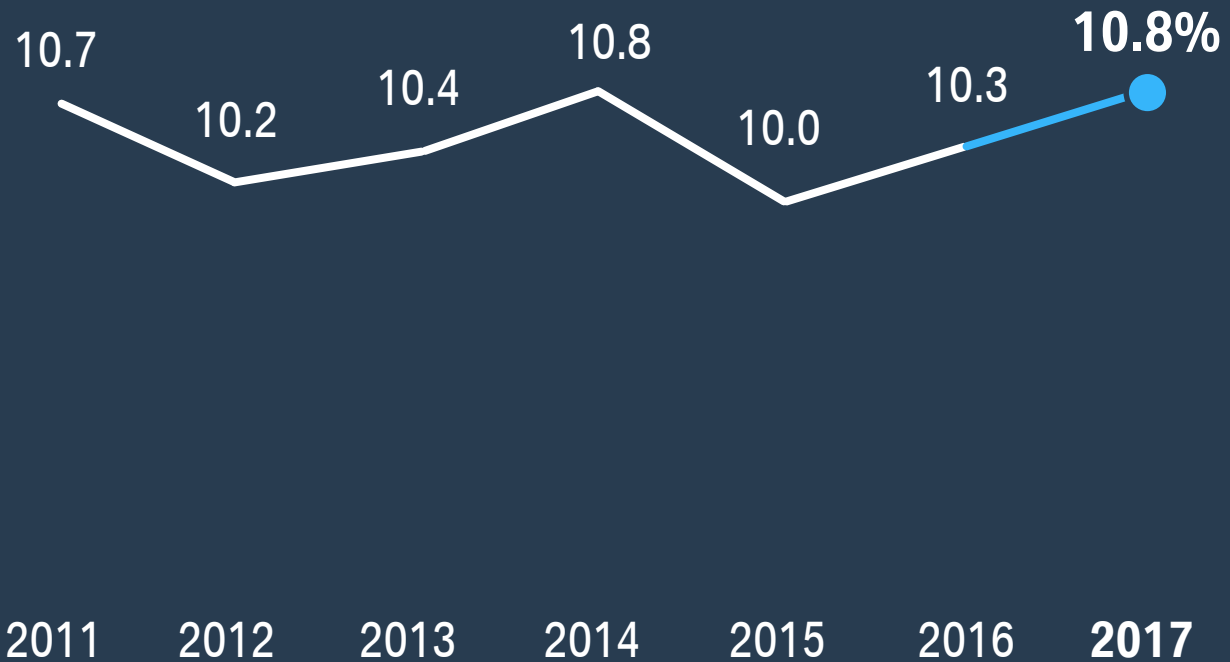


**CONSISTENT HIGH PERFORMANCE CONTINUES.  
THE BMW GROUP ACHIEVED A NEW RECORD YEAR IN 2017.**



# GROUP EBT MARGIN OVER 10% FOR SEVENTH CONSECUTIVE YEAR.

EBT margin  
[in %]



# KEY FINANCIALS UNDERLINE BMW GROUP'S STRONG OPERATING PERFORMANCE.

in m€	2017	2016	Change [%]
Automobile deliveries [units]	<b>2,463,526</b>	2,367,603	+ 4.1
Revenues Group	<b>98,678</b>	94,163	+ 4.8
Earnings before tax Group	<b>10,655</b>	9,665	+ 10.2
EBT margin [in %] – Group	<b>10.8</b>	10.3	–
Net profit Group	<b>8,706</b>	6,910	+ 26.0





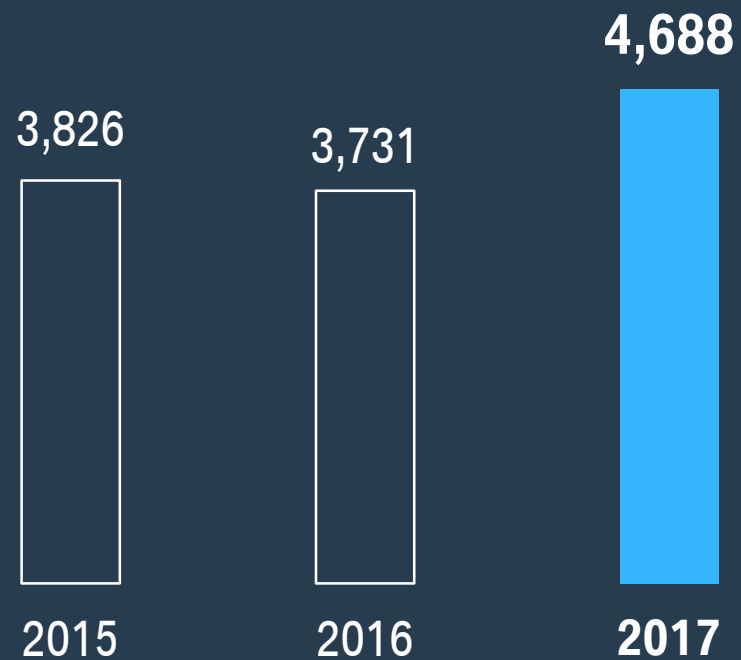
# STRONG FOURTH QUARTER DESPITE HIGH UPFRONT INVESTMENTS.

in m€	2017	2016	Change [%]
Automobile deliveries [units]	<b>652,292</b>	620,965	+ 5.0
Revenues Group	<b>26,007</b>	24,934	+ 4.3
Earnings before tax Group	<b>2,173</b>	1,924	+ 12.9
EBT margin [in %] – Group	<b>8.4</b>	7.7	–
Net profit Group	<b>2,554</b>	1,499	+ 70.4
EBIT margin Automotive segment [in %]	<b>8.4</b>	8.3	–



# MOVING FORWARD: GROUP CAPITAL EXPENDITURE UP BY ALMOST ONE BILLION EUROS.

Capital expenditure\*  
[in m€]



\* Excluding capitalised development costs



# WORLDWIDE INVESTMENT IN EXPANSION OF PRODUCTION AND DEVELOPMENT NETWORK.



FIZ FUTURE



CAMPUS  
AUTONOMOUS DRIVING

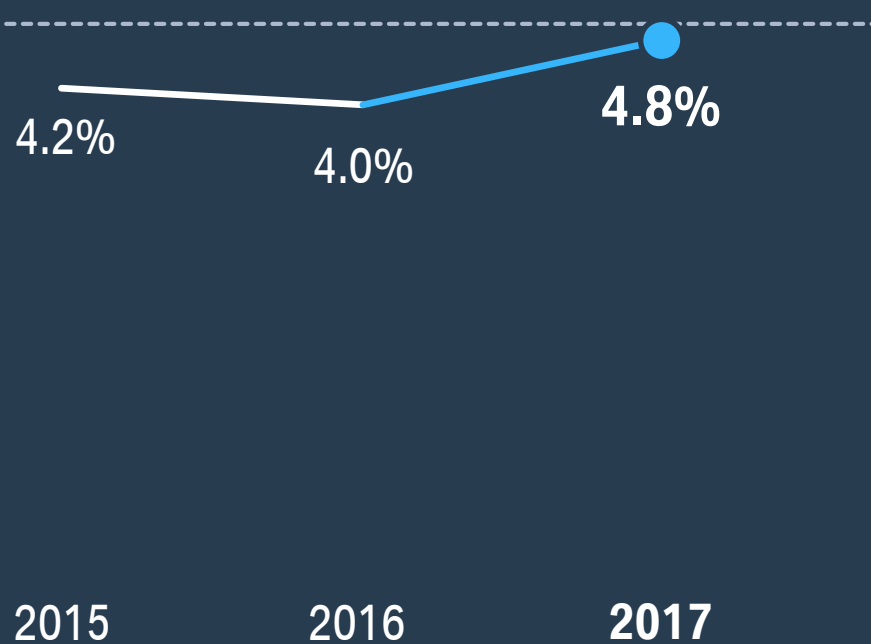


BATTERY CELL  
COMPETENCE CENTRE

# CAPEX RATIO RISES TO 4.8%, AS PLANNED.

Capex ratio  
BMW Group\*

Target: <5%



\* Excluding capitalised development costs



# R&D EXPENDITURE ALMOST ONE BILLION EUROS HIGHER IN 2017.

CONNECTED  
DRIVE



E-MOBILITY

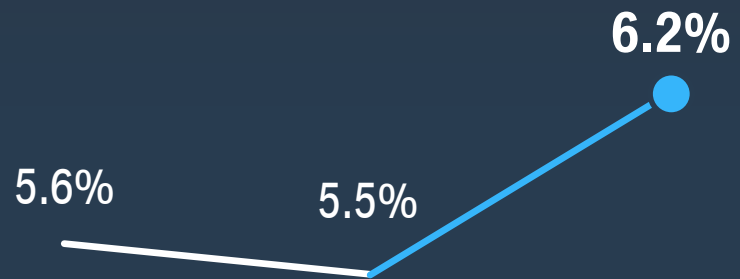


AUTONOMOUS  
DRIVING

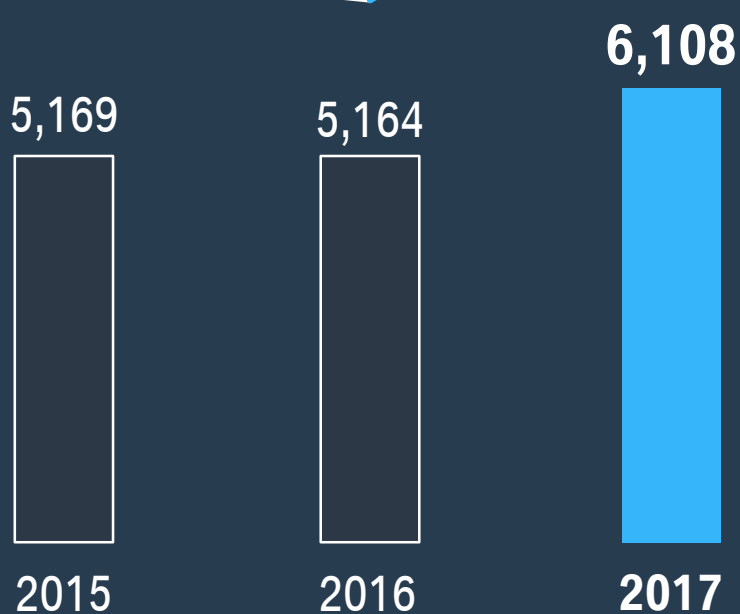


# R&D RATIO 2017 INCREASES TO 6.2%, AS EXPECTED.

R&D ratio (HGB)  
BMW Group

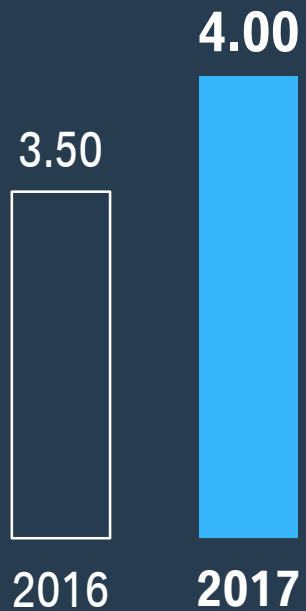


R&D expenditure (HGB)  
[in m€]

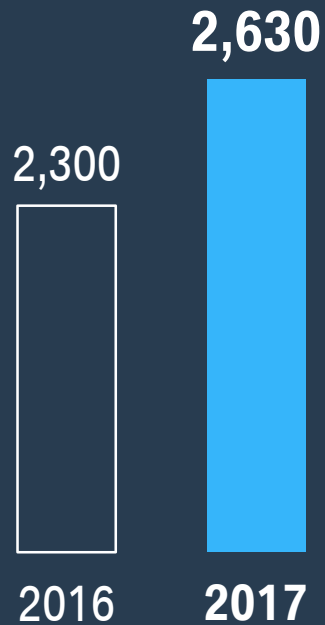


# PROPOSED DIVIDEND INCREASE TO 4.00 EUROS. PAY-OUT RATIO OF 30.2%.

Dividend per common share  
[in €]



Total dividend pay-out  
[in m€]



# AUTOMOTIVE SEGMENT EBIT MARGIN AT 8.9%. CORE BUSINESS REMAINS ON TRACK FOR SUCCESS.

in m€	2017	2016	Change [%]
Deliveries [units]	<b>2,463,526</b>	2,367,603	+ 4.1
Revenues	<b>88,581</b>	86,424	+ 2.5
Earnings before interest and tax [EBIT]	<b>7,863</b>	7,695	+ 2.2
EBIT margin [in %]	<b>8.9</b>	8.9	—
Earnings before tax [EBT]	<b>8,691</b>	7,916	+ 9.8





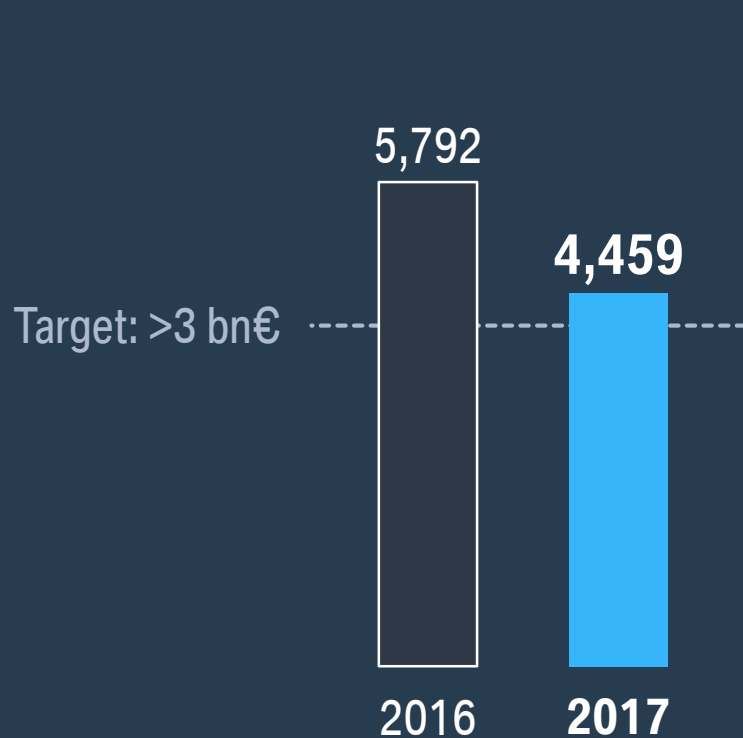
# EBIT BRIDGE IN AUTOMOTIVE SEGMENT SHOWS POSITIVE EFFECTS FROM VOLUME AND MODEL MIX.

EBIT bridge  
[in m€]

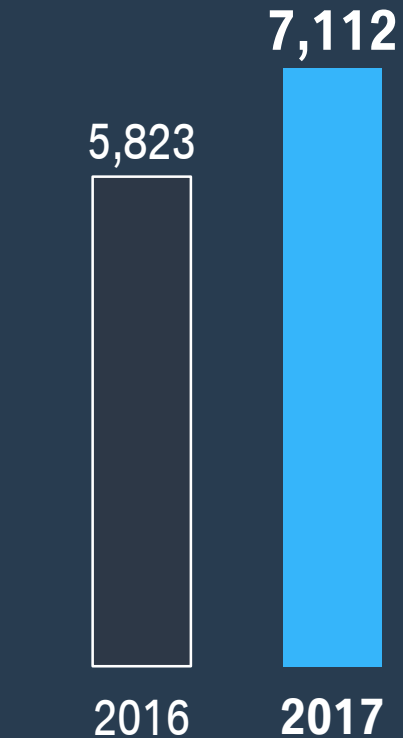


# FREE CASH FLOW IN AUTOMOTIVE SEGMENT REMAINS STRONG, DESPITE SIGNIFICANTLY HIGHER INVESTMENTS.

Free cash flow  
[in m€]



Total capital expenditure\*  
[in m€]

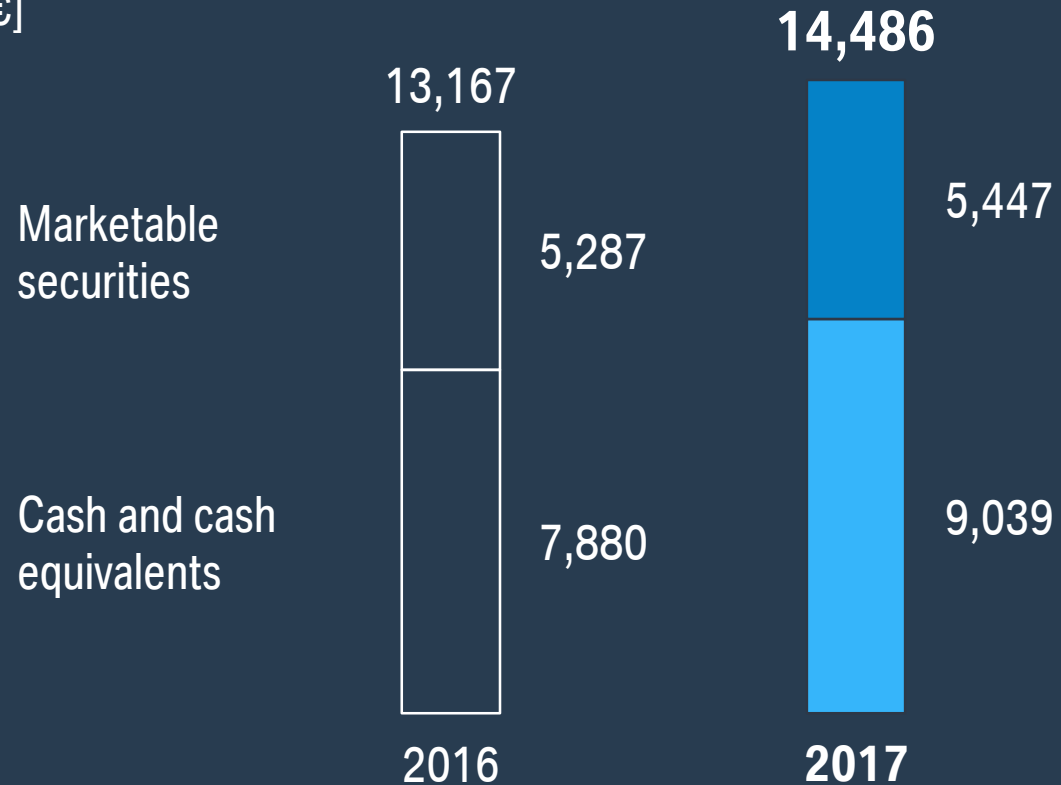


\* Incl. capitalised development costs



# HIGH GROUP LIQUIDITY ENABLES US TO CHART OUR OWN COURSE.

Liquidity  
[in m€]



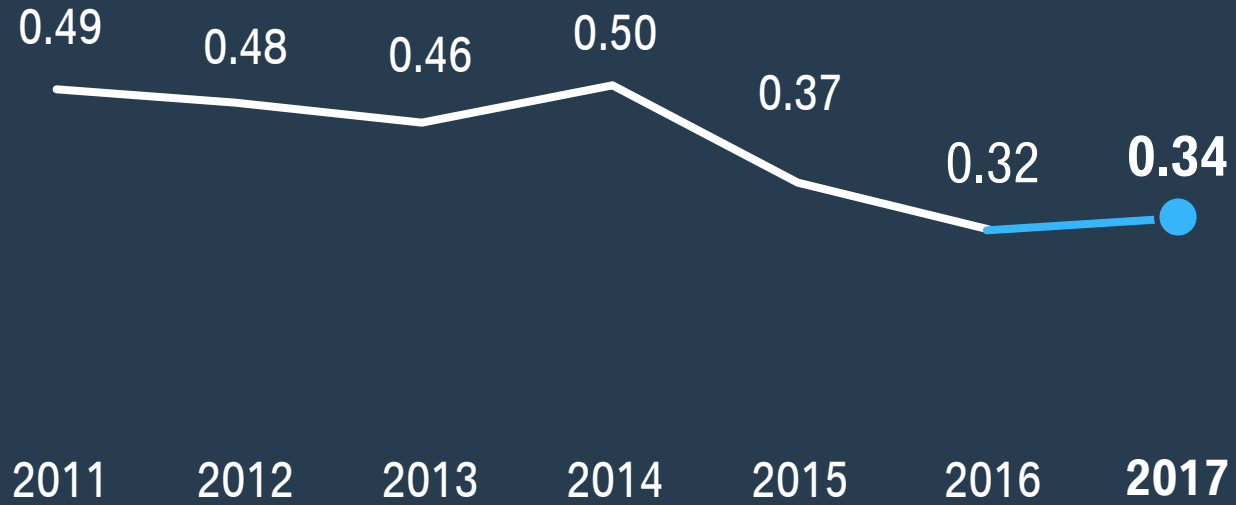
# FINANCIAL SERVICES SEGMENT PERFORMED WELL IN 2017 DESPITE TOUGH COMPETITION.

in m€	2017	2016	Change [%]
Contracts with new customer [units]	<b>1,828,604</b>	1,811,157	+ 1.0
Total volume of new customer contracts	<b>55,049</b>	55,327	- 0.5
Earnings before tax [EBT]	<b>2,207</b>	2,166	+ 1.9
Return on equity [in %]	<b>18.1</b>	21.2	—
Penetration rate [in %]	<b>46.8</b>	49.6	—



# RISK SITUATION FOR ENTIRE PORTFOLIO REMAINS STABLE.

Credit loss ratio per year  
[in %]



# NEW ALL-TIME HIGHS IN **MOTORCYCLES SEGMENT**, THANKS TO STRONG MODEL OFFENSIVE.

in m€	2017	2016	Change [%]
Deliveries [units]	<b>164,153</b>	145,032	+ 13.2
Revenues	<b>2,283</b>	2,069	+ 10.3
Earnings before interest and tax [EBIT]	<b>207</b>	187	+ 10.7
EBIT margin [in %]	<b>9.1</b>	9.0	–
Earnings before tax [EBT]	<b>205</b>	185	+ 10.8



# SLOWER GROWTH IN NEW LEASING BUSINESS HAS POSITIVE IMPACT ON ELIMINATIONS.

in m€	2017	2016	Change [%]
Automotive	8,691	7,916	+ 9.8
Motorcycles	205	185	+ 10.8
Financial Services	2,207	2,166	+ 1.9
Other Entities	80	170	- 52.9
Eliminations	- 528	- 772	+ 31.6
<b>BMW Group</b>	<b>10,655</b>	<b>9,665</b>	<b>+ 10.2</b>

# OUTLOOK FOR 2018: POSITIVE BUSINESS DEVELOPMENT EXPECTED TO CONTINUE IN ALL SEGMENTS.



## BMW GROUP

Pre-tax earnings at least at previous year's level



## AUTOMOTIVE

Slight increase in deliveries and revenues compared to the previous year

EBIT margin in target corridor of 8-10%



## MOTORCYCLES

Solid increase in deliveries compared to the previous year

EBIT margin in target corridor of 8-10%



## FINANCIAL SERVICES

Return on equity of at least 14%, slight decrease



# THE BMW GROUP HAS THE RIGHT FOUNDATION. WE CONTINUE TO FOLLOW OUR OWN PATH.

- EBIT margin within target range for past eight years.
- Clear strategic focus.
- Highest level of investment in company history.



# AGENDA.

OPENING STATEMENT

FINANCIAL YEAR 2017  
Outlook 2018

**PROGRESS**

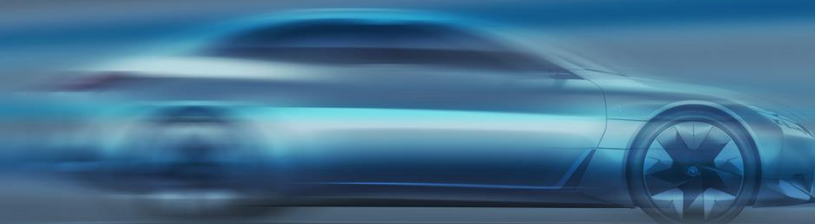
Strategy NUMBER ONE > NEXT



**STRATEGY**  
**NUMBER ONE**



**NEXT**



# BMW GROUP: 30 PRODUCTION SITES IN 14 COUNTRIES.

- Automobile Production Plants
- △ Assembly Plants
- Engines / Components
- BMW Group
- Joint Venture
- Partner Plants / Contract Manufacturing



## USA.

- Spartanburg is our biggest plant.
- 70,000 direct / indirect jobs.
- >70% of vehicles produced are exported.
- Leading automotive exporter by value.
- Second largest purchasing market worldwide.



>350,000  
vehicles sold in 2017

slight growth  
expected in 2018

## CHINA.

- Largest single market.
- Two car production plants and one engine plant.
- Joint Venture with Brilliance: new BMW X3, starting in mid-2018.
- Planned Joint Venture with Great Wall Motor: pure electric MINI vehicles.



>595,000  
vehicles sold in 2017

solid growth  
expected in 2018

## EUROPE.

- 2012 to 2016:  
6 billion euros invested  
in German locations.
- UK will remain an important  
production location.



>1.1 million

vehicles sold in 2017

slight increase  
expected in 2018

**BMW CONCEPT**  
**M8 GRAN COUPÉ.**





**BMW CONCEPT  
8 SERIES.**



**BMW CONCEPT**  
**X7 iPERFORMANCE.**



**ROLLS-ROYCE PHANTOM.**  
**ROLLS-ROYCE CULLINAN.**



**MODEL OFFENSIVE.  
STRONG GROWTH IN THE X FAMILY.**



**BMW X2**



**BMW X3**



**BMW X4**



**BMW Concept X7 iPerformance**

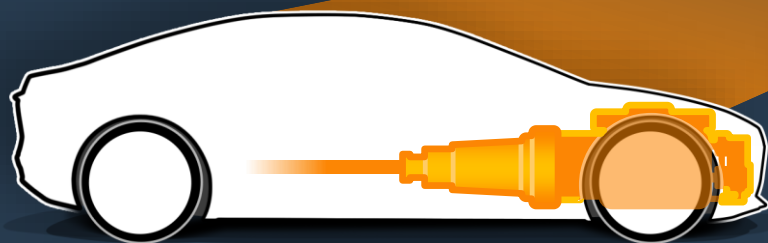


# COMMON ARCHITECTURE FOR ANY TYPE OF DRIVETRAIN.

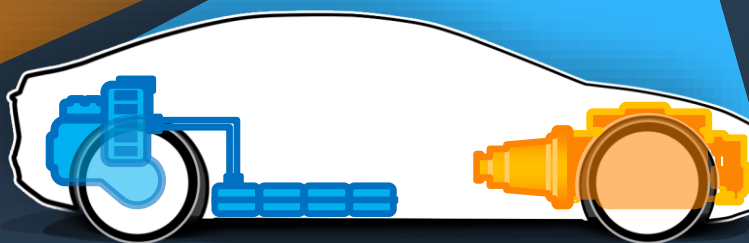
2013



2020  
ONWARDS



Combustion engine



Plug-in hybrid



Pure electric

**MINI ELECTRIC CONCEPT.**  
**MINI COUNTRYMAN PLUG-IN HYBRID.**



**BMW i8 ROADSTER.**  
**BMW i8 COUPÉ.**

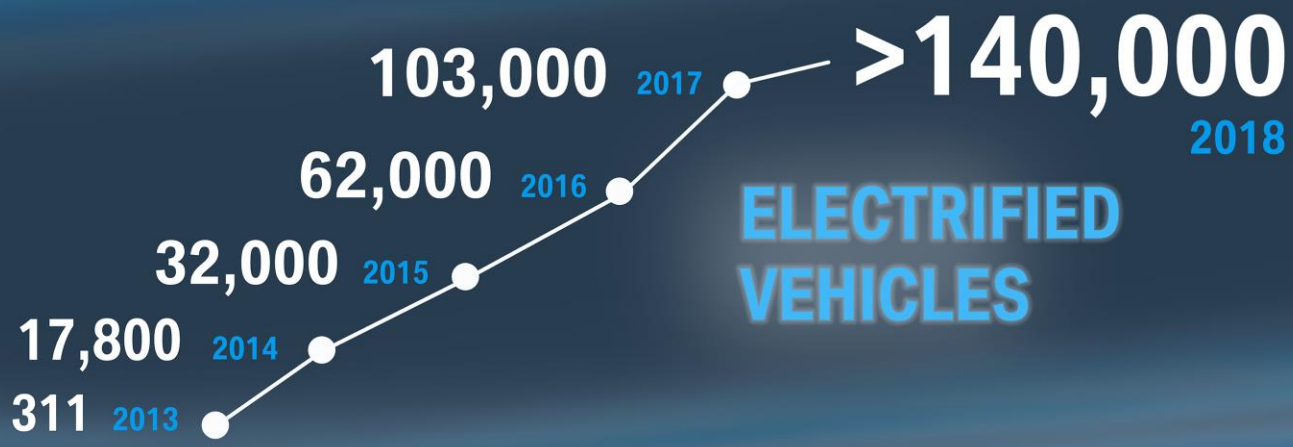


# BMW iNEXT.

- Far more than just a car.
- A future-proof, scalable modular system.
- Enabler of all our brands and our company.
- Combines Autonomous Driving, Connectivity, Electrification and Services.







**500,000**  
BY THE END OF 2019  
ON THE ROAD

# MODERN BMW DIESEL TECHNOLOGY.

- Independent tests: Our diesels are among the best in the world.
- Diesel is important for meeting EU CO<sub>2</sub> targets.
- There are more intelligent solutions than bans.
- Return of our BMW diesels in case of bans in Germany – a promise to our leasing customers.



# AUTONOMOUS DRIVING. OUR GOAL: AN INTELLIGENT, SAFE VEHICLE.



# MOBILITY SERVICES.

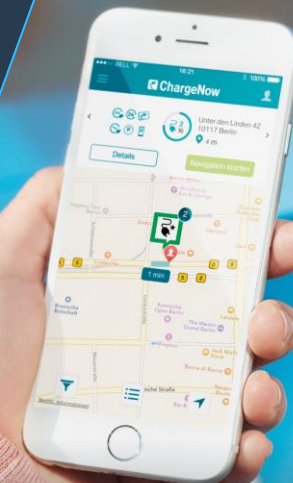
- Options for strategic development.
- 100 million active customers by 2025.
- A complete, all-inclusive ecosystem for our customers.



DriveNow



ChargeNow



ParkNow



ReachNow



## CONCLUSION.

- We intend to make 2018 our ninth record year.
- Phase II: We are pushing forward at top speed.
- Our future will be electric and fully connected.
- The customer is at the heart of everything we do.



# CONSUMPTION AND EMISSION DATA.

BMW i3 (94 Ah): CO2 emissions in g/km (combined): 0; Electric power consumption in kWh/100 km (combined): 13.6-13.1

BMW i8 Roadster: Fuel consumption in l/100 km (combined): 2.1; CO2 emissions in g/km (combined): 46; Electric power consumption in kWh/100 km (combined): 14.5

BMW i8 Coupé: Fuel consumption in l/100 km (combined): 1.9; CO2 emissions in g/km (combined): 42; Electric power consumption in kWh/100 km (combined): 14.0

BMW 225xe iPerformance Active Tourer : Fuel consumption in l/100 km (combined): 2.3-2.5; CO2 emissions in g/km (combined): 57-52

BMW 2er Gran Tourer: Fuel consumption in l/100 km (combined): 6.1-4.4; CO2 emissions in g/km (combined): 140-116

BMW X2: Fuel consumption in l/100 km (combined): 6.2-4.5; CO2 emissions in g/km (combined): 142-119

BMW M3 CS: Fuel consumption in l/100 km (combined): 8.5 CO2 emissions in g/km (combined): 198

BMW X3: Fuel consumption in l/100 km (combined): 8.4-5.3; CO2 emissions in g/km (combined): 193-140

BMW X4: Fuel consumption in l/100 km (combined): 7.3-5.4; CO2 emissions in g/km (combined): 173-142

BMW 530e iPerformance: Fuel consumption in l/100 km (combined): 2.5-2.3; CO2 emissions in g/km (combined): 57-52

BMW M5: Fuel consumption in l/100 km (combined): 10.5; CO2 emissions in g/km (combined): 241

MINI Cooper S E Countryman ALL4: Fuel consumption in l/100 km (combined): 2.3-2.1; CO2 emissions in g/km (combined): 52-49; Electric power consumption in kWh/100 km (combined): 14.0-13.2

MINI 3-door: Fuel consumption in l/100 km (combined): 6.0-4.8; CO2 emissions in g/km (combined): 138-109

MINI Convertible: Fuel consumption in l/100 km (combined): 6.3-5.2; CO2 emissions in g/km (combined): 144-118

Rolls-Royce Phantom: Fuel consumption in l/100 km (combined): 13.9; CO2 emissions in g/km (combined): 318-319

The fuel consumption, CO2 emissions, power consumption and operating range figures were determined according to the European Regulation (EC) 715/2007 in the version applicable. The figures refer to a vehicle with basic configuration in Germany and the range shown considers the different sizes of the selected wheels/tyres and the selected items of optional equipment.

Further information on official fuel consumption figures and specific CO2 emission values of new passenger cars is included in the following guideline: 'Leitfaden über den Kraftstoffverbrauch, die CO2-Emissionen und den Stromverbrauch neuer Personenkraftwagen' (Guideline for fuel consumption, CO2 emissions and electric power consumption of new passenger cars), which can be obtained free of charge from all dealerships and at <https://www.dat.de/en/offers/publications/guideline-for-fuel-consumption.html>.