

BMW BRILLIANCE AUTOMOTIVE LTD.

BANKERS DAY



BBAI July 3rd, 2019

BMW Brilliance Automotive

悦 创造奇迹



之诺
ZINORO

BBA a highly successful automotive JV

Securing high returns to
both Shareholders



BMW Group
Four brands, one vision and
an uncompromising focus on “premium”.



Brilliance Auto Group
The leading enterprise of Liaoning
automobile industry.

BBA's Legal & Corporate Structure

BBA is not consolidated in BMW Group's P&L

BMW Group

BMW N.V. Holding, Netherlands
50%

China Brilliance Auto.

China Brilliance Automotive, Hongkong
50%



AFC

BMW Automotive Finance (China) Co., Ltd.

42%

HIL

Herald International Financial Leasing Co., Ltd.

42%

LingYue

Digital Information Technology Co., Ltd.

100%

THE BUSINESS SCOPE OF BMW-BRILLIANCE AUTOMOTIVE - A FULLY FLEDGED CAR BUSINESS.

**R&D
COMPETENCE**



**CUSTOMER &
SERVICES**



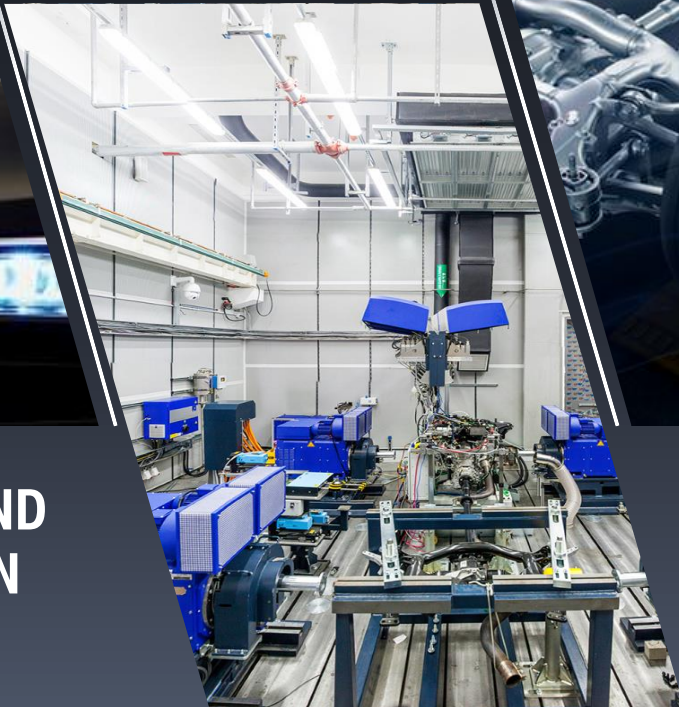
**SOCIAL
RESPONSIBILITY**



**PRODUCTS AND
PRODUCTION**

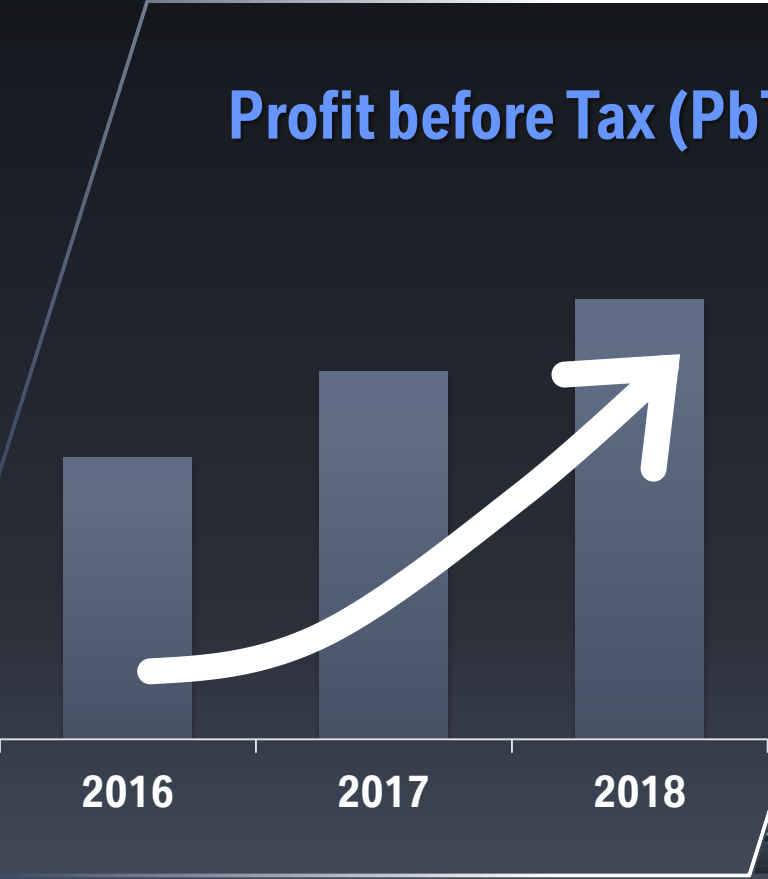


**NEV
DEVELOPMENT**

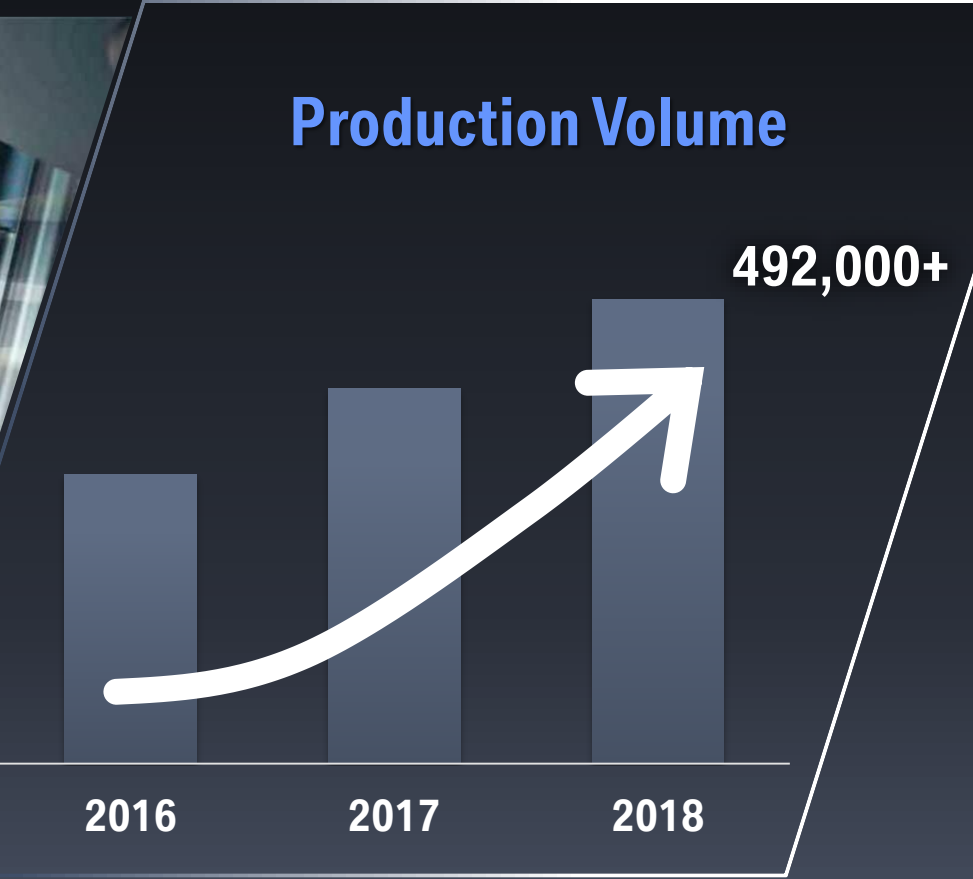


BBA - A HIGHLY PROFITABLE JOINT VENTURE AND GROWTH ENGINE.

Profit before Tax (PbT)



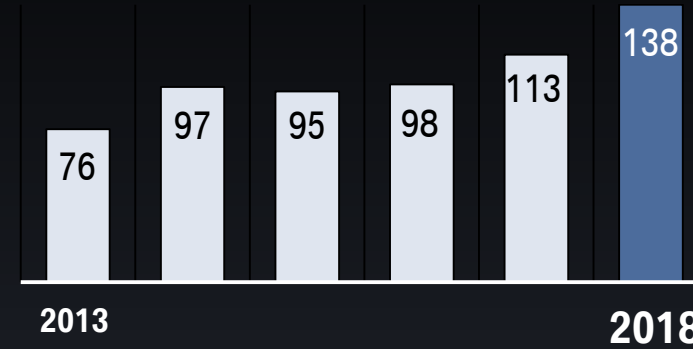
Production Volume



BBA Business KPI's - not consolidated in the BMW Group



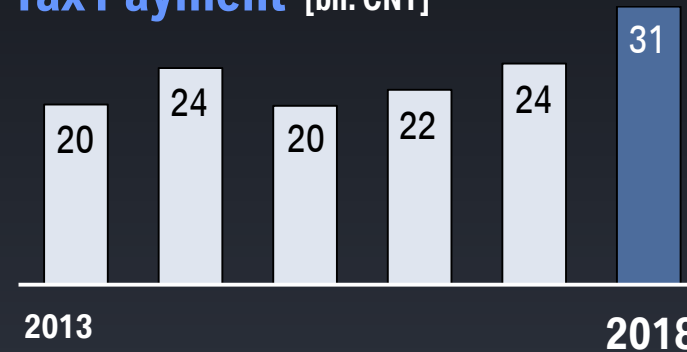
Revenue [bn. CNY]



+ 81%



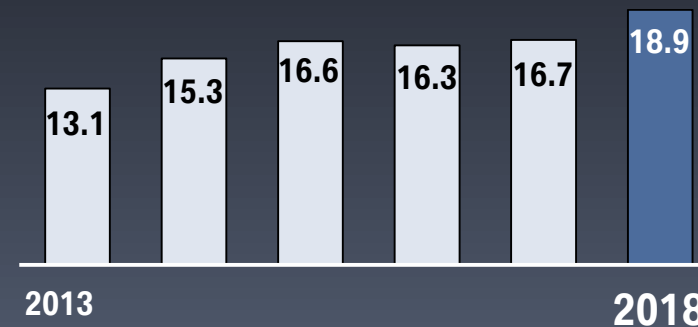
Tax Payment [bn. CNY]



+ 54%



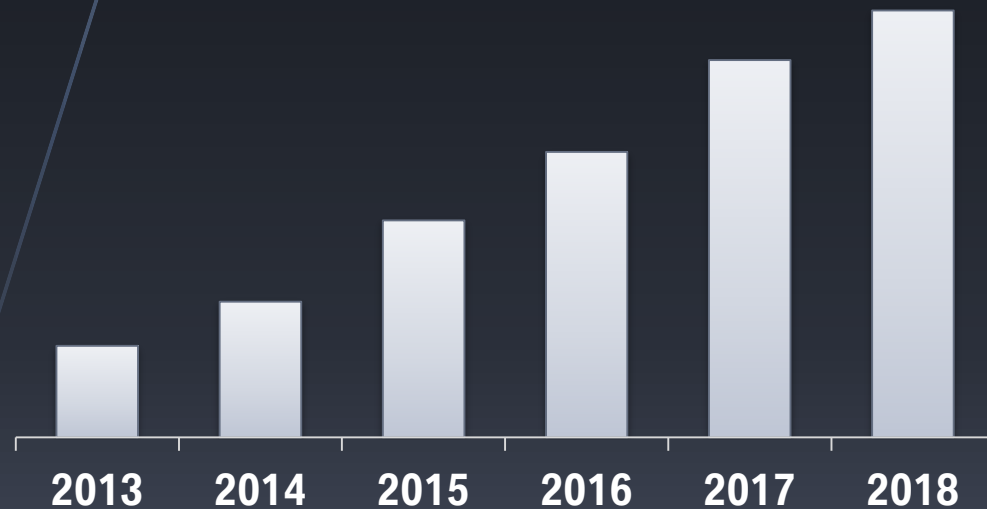
Employment [k headcount]



+ 45%

PROFITABILITY ENABLES A COMPLETE INTERNAL FUNDING OF BMW-BRILLIANCE.

Cash Ending Balance



All operations and all investments are
FINANCED INTERNALLY

DIVIDENDS could be **INCREASED**

BBA IS USING FINANCING AND HEDGING INNOVATIONS - COMMODITY FUTURES BECOME MORE AND MORE IMPORTANT.

BBA adopts **Currency Hedging**
against exchange rate fluctuations



BBA applies **BMW Raw Material Hedging**
to reduce commodity market volatility



Allows to **minimize foreign exchange risks** and a
fair sharing of commodity price risks.



OUR SUCCESS MODEL - COMBINING HIGH MANAGERIAL- AND OPERATIONAL COMPETENCE WITH A CLEAR FOCUS ON COST COMPETITIVENESS.

**BMW Revenue
Strength**

**Cost Advantages
in Shenyang**

**Productivity Growth
at BBA**

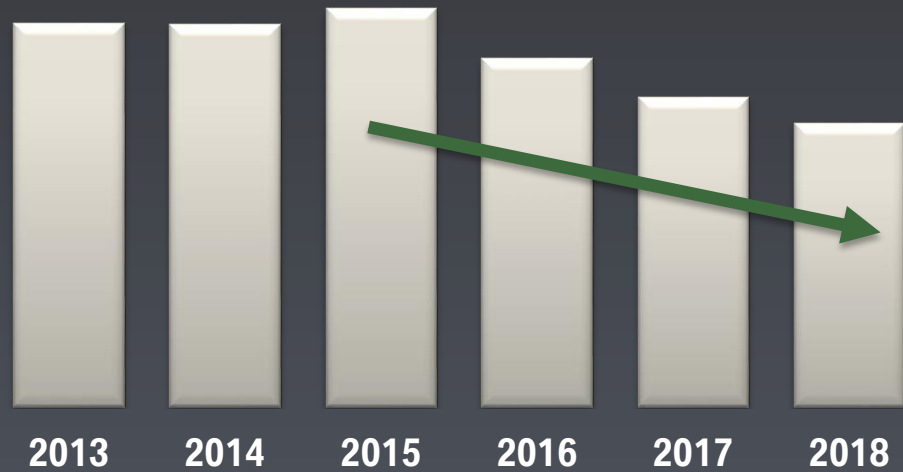
**State-of-the-Art
Technology**

**Highest Quality
Standards**

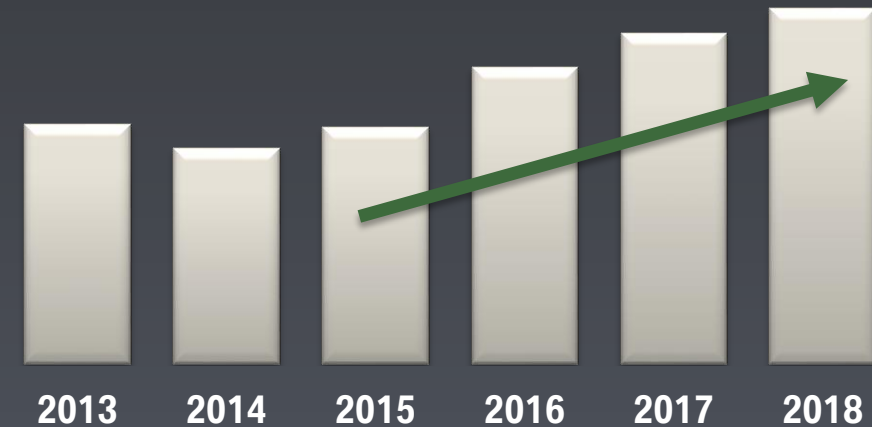


OUR BMW-BRILLIANCE'S COST PRODUCTIVITY ...

BBA is improving cost productivity significantly year by year
(Fix Cost per Unit)



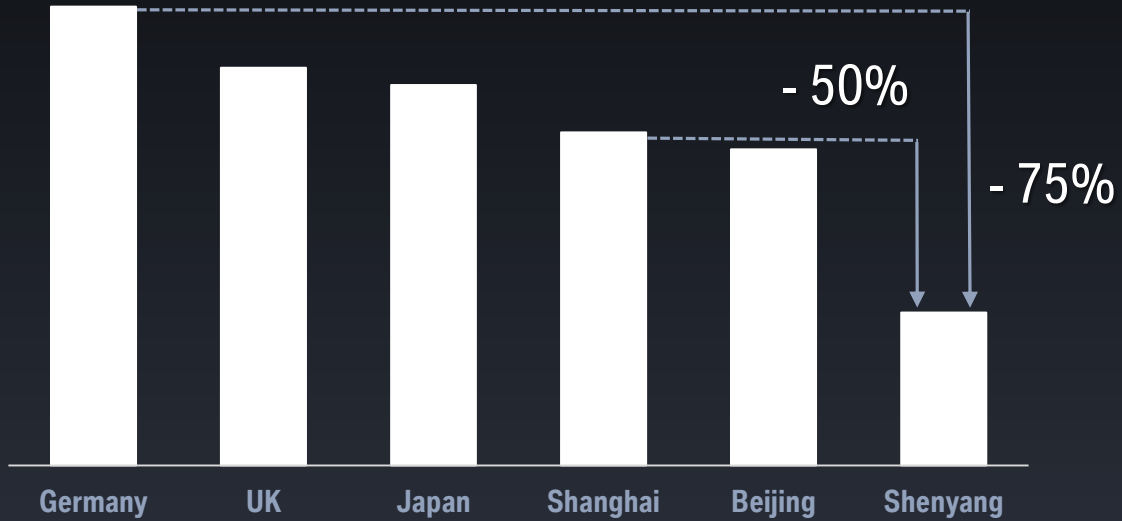
Employee Productivity is improving significantly year-by-year
(Wholesale Units per Employee)



... ALLOWS US TO COMPENSATE INCREASING COMPETITION IN SALES AND INCREASING COSTS OF NEW ENERGY VEHICLES.

SHENYANG IS HIGHLY COST COMPETITIVE.

Labor Cost Differences



BBA is capitalizing on the cost advantage of Liaoning and Shenyang



This secures significant savings vs. Germany



But this also secures significant savings vs. Beijing and Shanghai



**HIGH-QUALITY IS THE CRITICAL SUCCESS FACTOR
FOR PREMIUM VEHICLES SUCCESS IN CHINA.**



A BMW produced in Shenyang has the same quality as a BMW produced in Munich, Dingolfing or Spartanburg.

ALL QUALITY NUMBERS PROVE THIS.



PERFORMING STATE-OF-THE-ART-TECHNOLOGY IN SHENYANG ENABLES OUTSTANDING PROFITABILITY.

STATE-OF-THE-ART-TECHNOLOGY *)

SIGNIFICANT COST ADVANTAGE
+
HIGH PRODUCTIVITY
+
HIGH QUALITY



SECURES BUSINESS SUCCESS FOR BMW-BRILLIANCE.

*) We are the first automotive plants globally to use 5G technology as an enabler for innovation.

Plant Tiexi



Plant Dadong

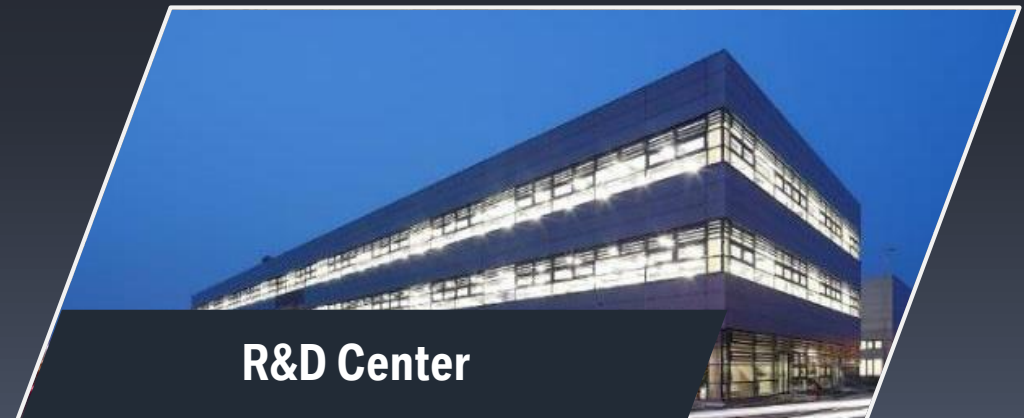


56 BN. CNY INVESTED SINCE 2009 AND ANOTHER
25+ BN. CNY WILL BE INVESTED UNTIL 2022.

Powertrain Plant, HVB Center



R&D Center

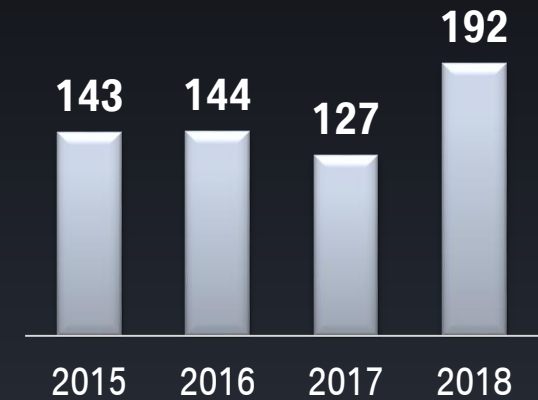


PLANT DADONG

The forerunner of innovative manufacturing technology and visionary industry 4.0 applications.



PRODUCTION VOLUME [in '000 units]



Area: 1,051,000 m²
SoP: 2003
Extension: 2007
Employees: 6.000



142,995



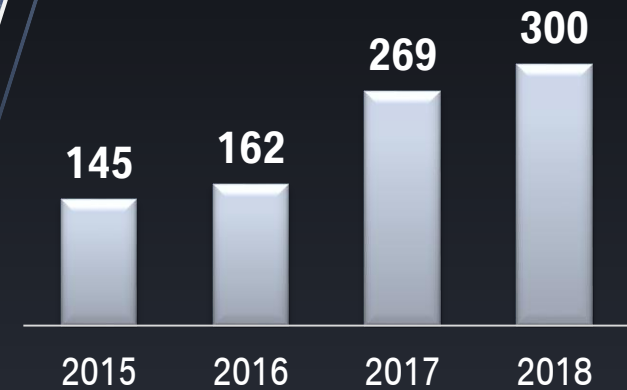
48,893

PLANT TIEXI

One of the most advanced and sustainable premium car manufacturers in the world.



PRODUCTION VOLUME [in '000 units]



Area: 2,070,000 m²
SoP: 2011
Employees: 8.000



42,467



9,460



102,915



144,930



61

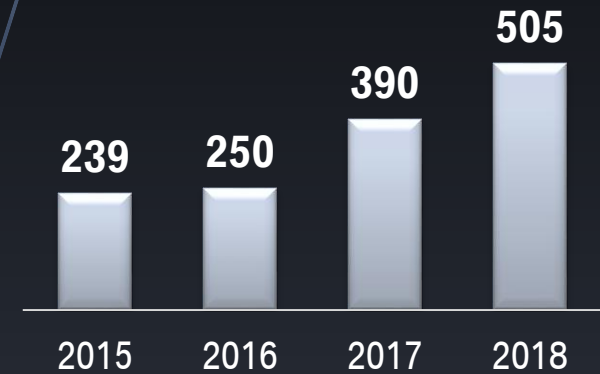
POWERTRAIN PLANT

Latest BMW engines and
high-voltage batteries for BBA's
locally-produced vehicles.

Area: 900,000 m²
SoP: 2016
Employees: 2.030



PRODUCTION VOLUME [in '000 units]



110,665



380,825



13,525

And we understand
LOCALIZATION
as pre-requisite for
our future growth.



**Largest R&D Footprint
outside Germany**

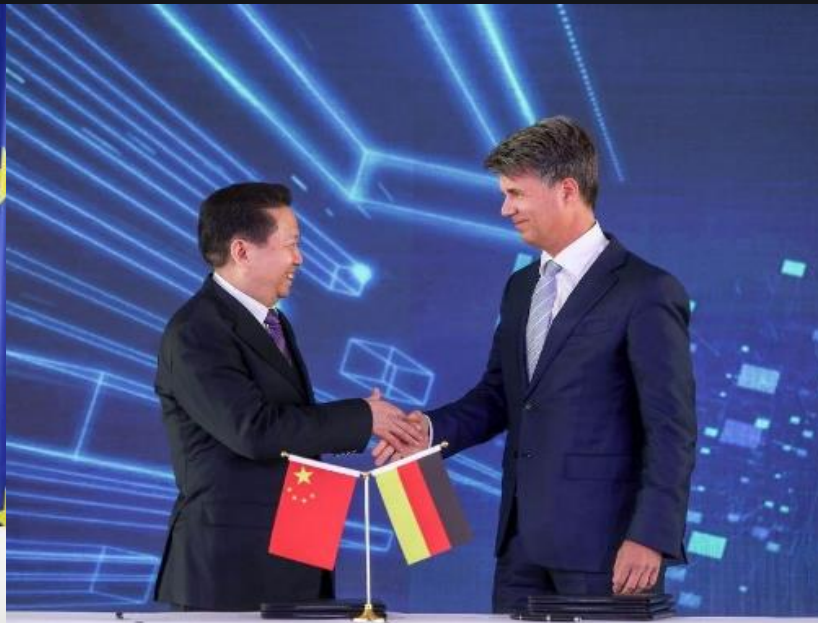
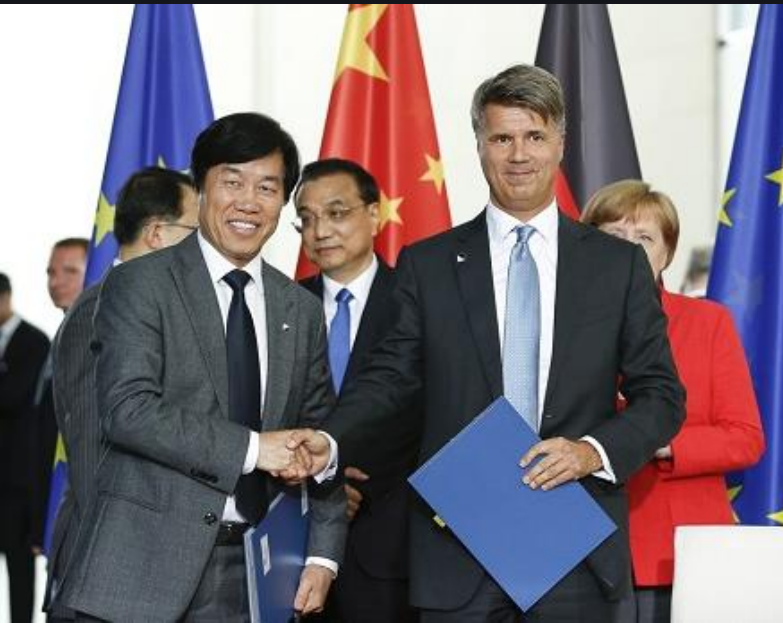


**Development of local partners
to become world-class**



**Qualifying the entire
local value chain.**

DEEPENING OUR ROOTS IN CHINA - BBA'S NEXT PHASE OF HIGH-QUALITY DEVELOPMENT HAS ALREADY STARTED.



BBA's Joint Venture contract extended
UNTIL 2040.

SIGNIFICANT INVESTMENTS
in new and existing plants

THANK YOU!

