

# BMW GROUP CHINA CAPITAL MARKETS DAY 2019.

**BIRGIT BOEHM**

**SENIOR VICE PRESIDENT FINANCE AND GROUP TREASURER OF BMW GROUP.**



Beijing | 03.07.2019



Rolls-Royce  
Motor Cars Limited

**AGENDA.**

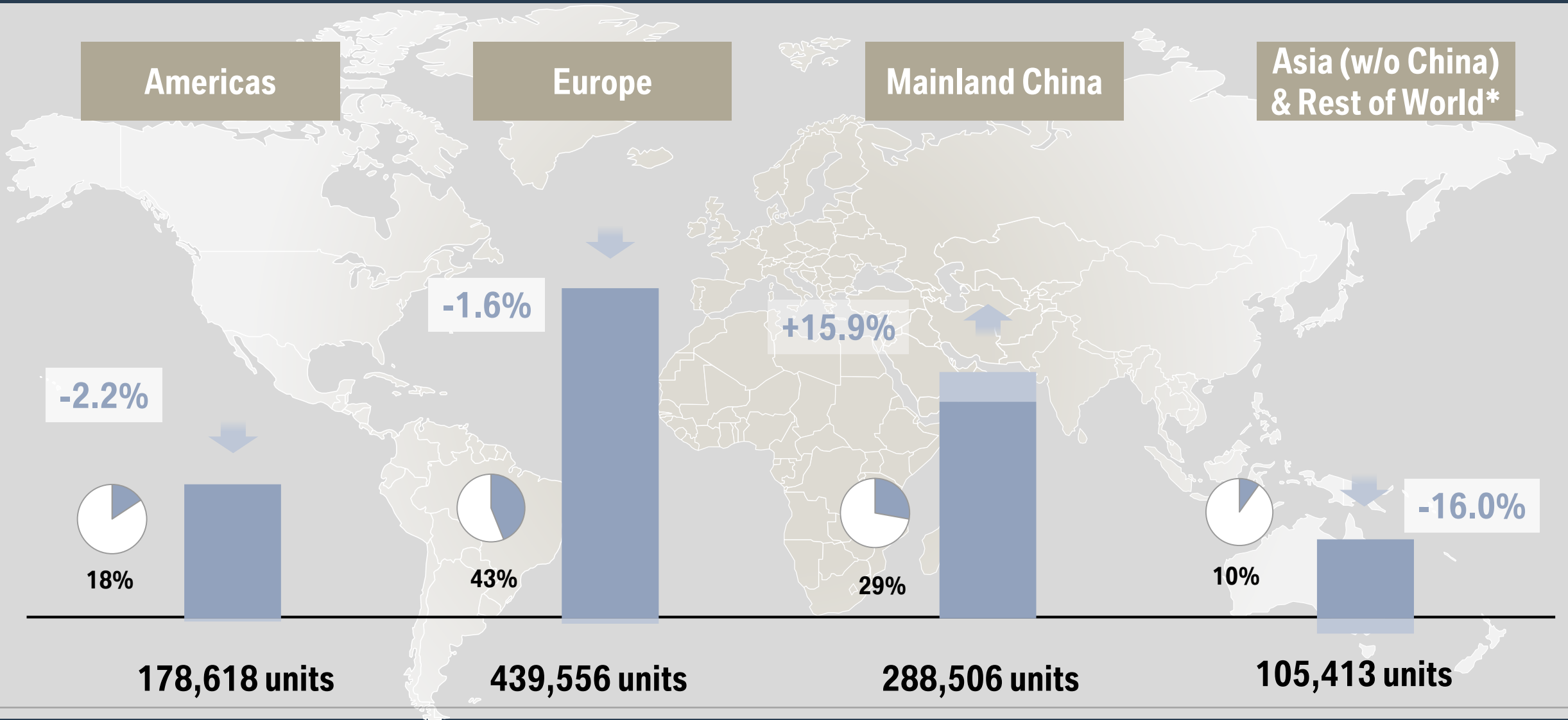
**UPDATE**

**Strategy NUMBER ONE > NEXT**

FINANCIAL PERFORMANCE  
Review and Outlook 2019



# BMW GROUP AUTOMOTIVE: BALANCED SALES DISTRIBUTION AND YTD-05/2019 AT LAST YEAR'S HIGH LEVEL WITH A TOTAL OF 1,012,093 VEHICLES (+0.8%).



Sales figures YTD-05/2019. Figures may not add to 100% due to rounding.  
 \*includes Rolls Royce sales figures

# VERY ATTRACTIVE AND FRESH LINE UP OF THE X FAMILY SUPPORTS GROWTH AND PRODUCT MIX.



**BMW X1**

**BMW X2**

**BMW X3**

**BMW X4**



**BMW X5**

**BMW X6**

**BMW X7**

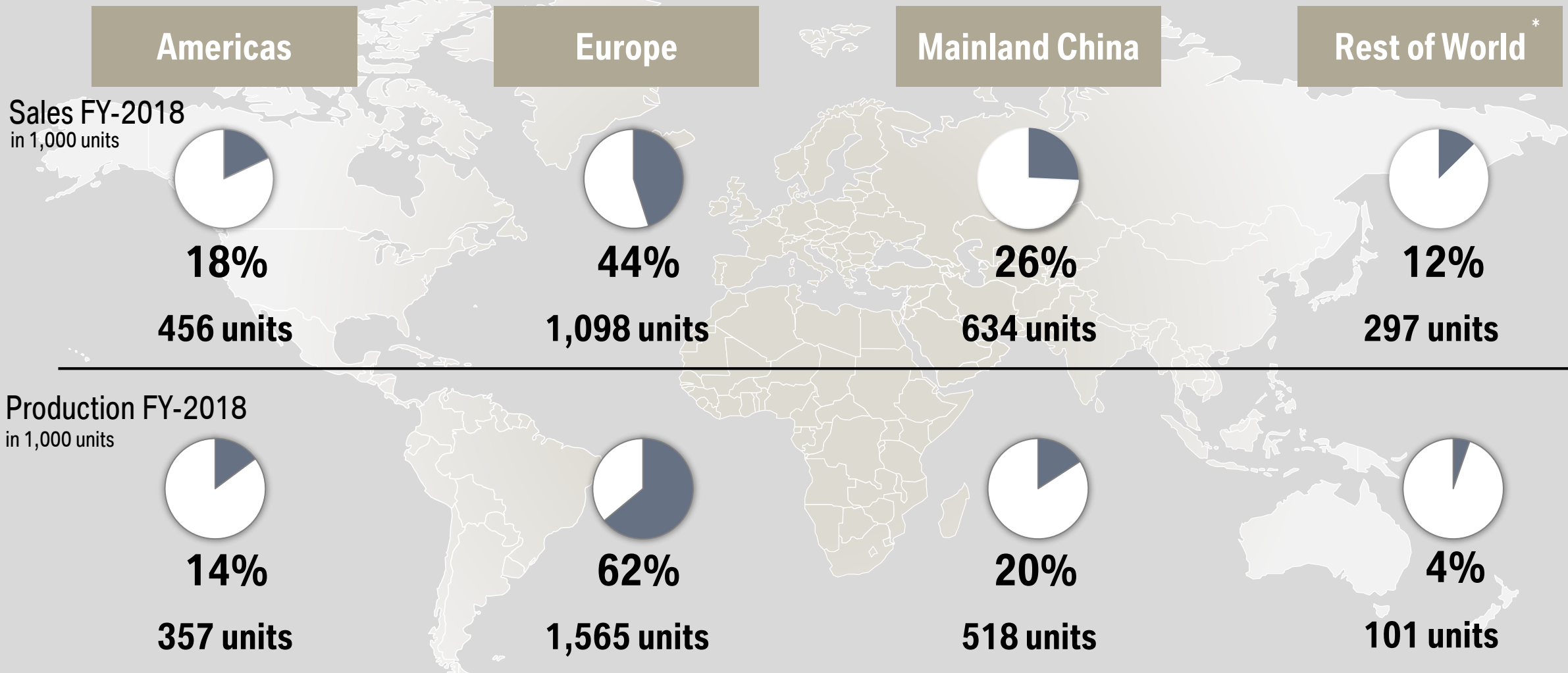
# BMW 8 SERIES COUPÉ , CONVERTIBLE AND GRAN COUPÉ´ . THE PINNACLE OF SPORTS PERFORMANCE AND EXCLUSIVITY.



**THE NEW ROLLS-ROYCE CULLINAN – EFFORTLESS EVERYWHERE.  
LUXURY, PERFORMANCE AND USABILITY NOT SEEN BEFORE IN THE SUV  
MARKET.**



# BMW GROUP AUTOMOTIVE: BALANCED PRODUCTION & SALES DISTRIBUTION AND SOLID FY-2018 GROWTH OF +1.1% TO A NEW RECORD OF 2,490,664. VEHICLES.



\*Rolls Royce is included in "Rest of World", FY - 2018 (figures may not add to 100% due to rounding)

# BMW GROUP CONTINUES TO EXPAND ITS PRODUCTION NETWORK. DECISION FOR NEW PLANTS & EXPANSIONS REAFFIRMS PERSPECTIVE FOR GLOBAL GROWTH.



## Spartanburg Plant in **USA**

Total production capacity increases to **450,000** units per year.



## San Luis Potosí Plant in **Mexico**

The plant will offer production capacity of up to **150,000** units a year.



## Debrecen Plant in **Hungary**

The plant will offer production capacity of up to **150,000** units a year.



## Tiexi / Shenyang Plants in **China**

Total production capacity increases to **650,000** units per year.



# SETTING THE FOUNDATION FOR OUR BMW / MINI BRANDS IN CHINA.



**Brilliance Auto**  
华晨汽车



**75%**

BMW equity share  
from 2022



**NEW**

Spotlight Automotive Ltd.

# ACES ARE A CORE ELEMENT OF STRATEGY NUMBER ONE > NEXT.

**A** AUTONOMOUS

CONNECTED **C**

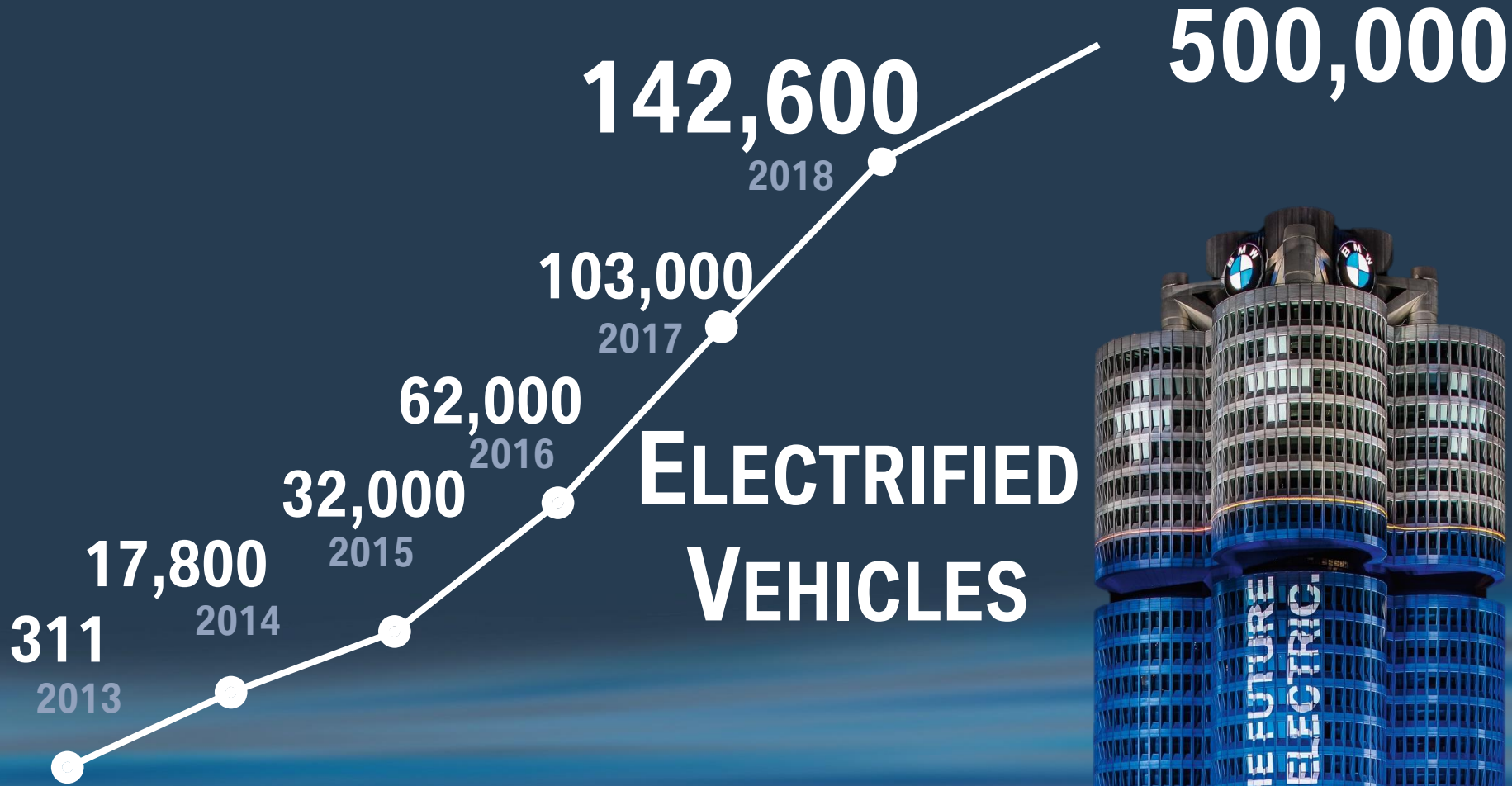


Clear Customer Focus.

**E** ELECTRIFIED

SHARED / SERVICES **S**

# OUR FUTURE IS ELECTRIC. AMBITIOUS TARGETS FOR SALES OF ELECTRIFIED VEHICLES.



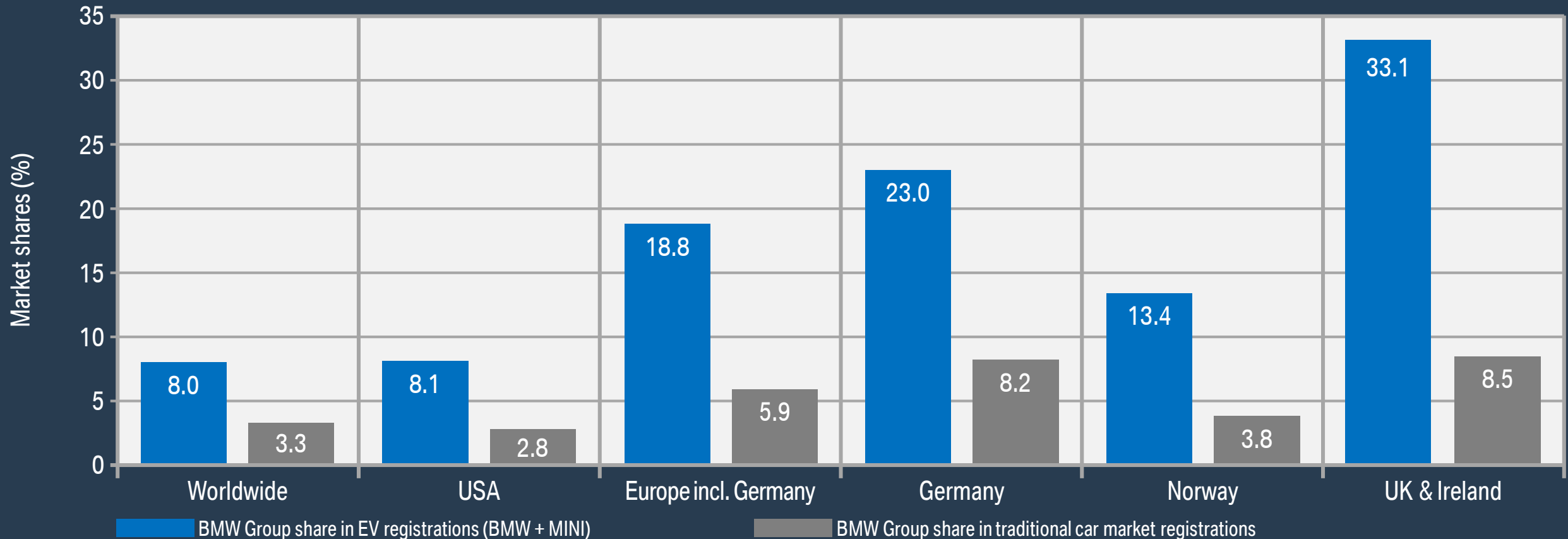
BY THE END OF 2019  
ON THE ROAD

**ELECTRIFIED  
VEHICLES**

YTD-05/2019  
47,900 ELECTRIFIED  
VEHICLES SOLD

# BENEFITS OF BEING AHEAD OF THE CURVE: BMW XEV MARKET SHARES EXCEED THOSE OF “TRADITIONAL” BMW CARS BY FAR.

## BMW Infographic



# OUR CLEAR ROADMAP: AT LEAST 25 ELECTRIFIED MODELS BY 2023, INCLUDING AT LEAST 13 FULLY ELECTRIC CARS.

## Fully electric



## Plug-in hybrid

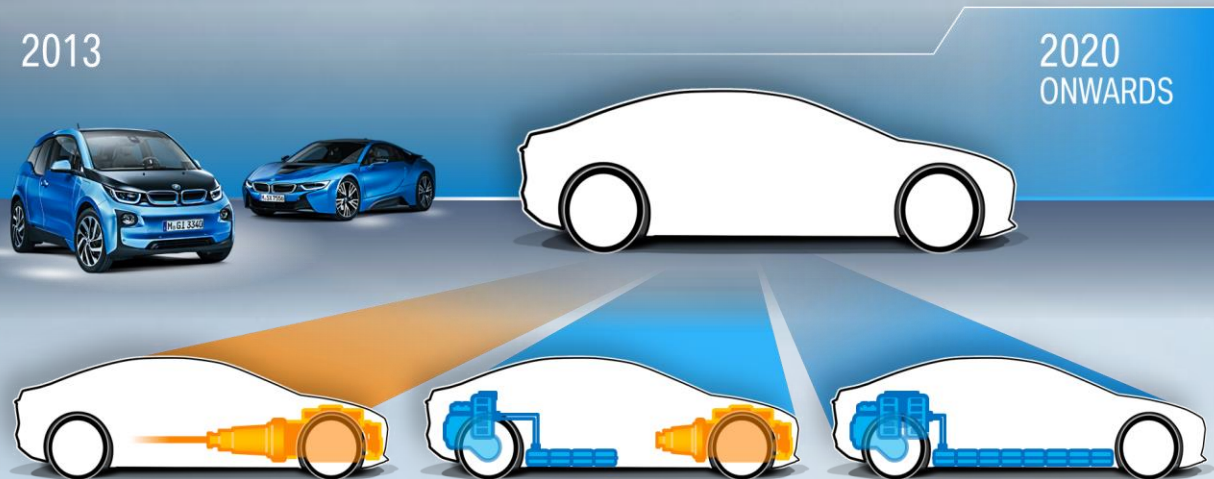
Schematic illustration of future launch dates

\* Not in series production any more

\*\* MINI Battery Electric Vehicle & BMW iX3 Vision are Concept Cars

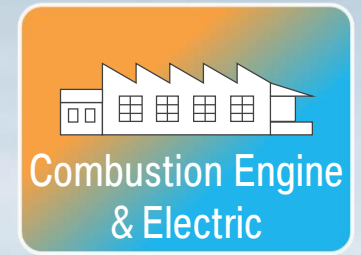
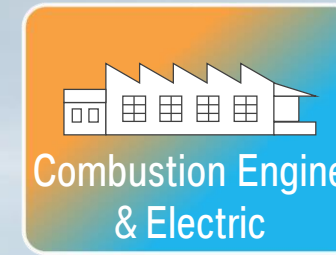
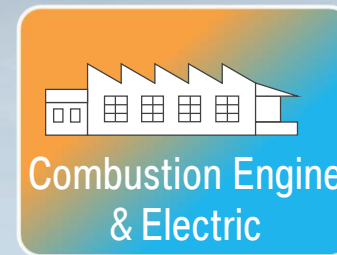
# THIS ALLOWS US TO SET UP OUR PLANTS FLEXIBLY AND TO AVOID A SEPARATION BETWEEN COMBUSTION AND ELECTRIC POWERTRAINS.

## Common Architecture for any Type of drivetrain.



Development of flexible architectures for cars with combustion engines, plug-in hybrids, and pure-electric vehicles.

## Enablement of the plants for all types of powertrains



## Flexibility and utilization



- Flowing technological transition possible
- Exchange Flexibility is guaranteed
- Sustainable future-oriented jobs

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



# THE BMW CONCEPT iX3. ELECTRIC MOBILITY ARRIVES AT THE CORE OF BMW.

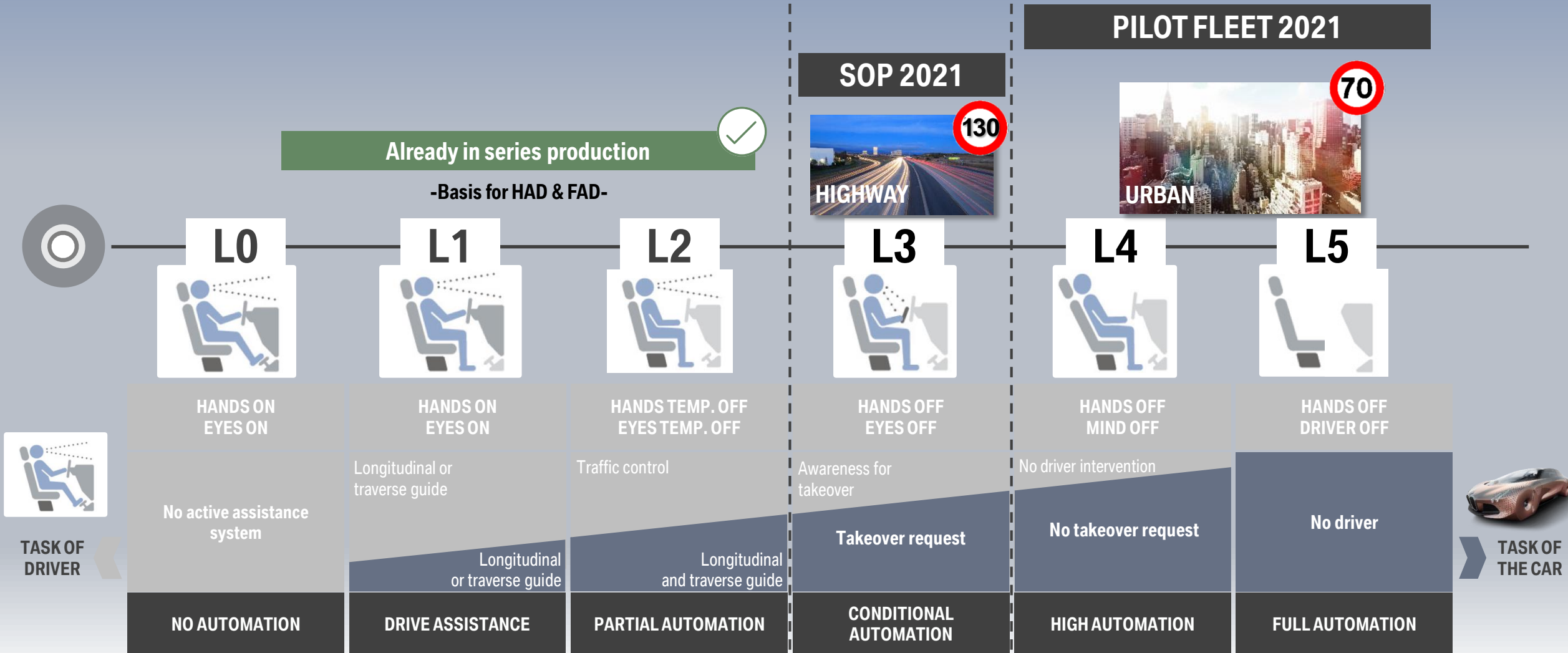




# THE BMW VISION iNEXT. FUTURE FOCUSED. iNEXT— THE BUILDING BLOCKS FOR THE FUTURE.

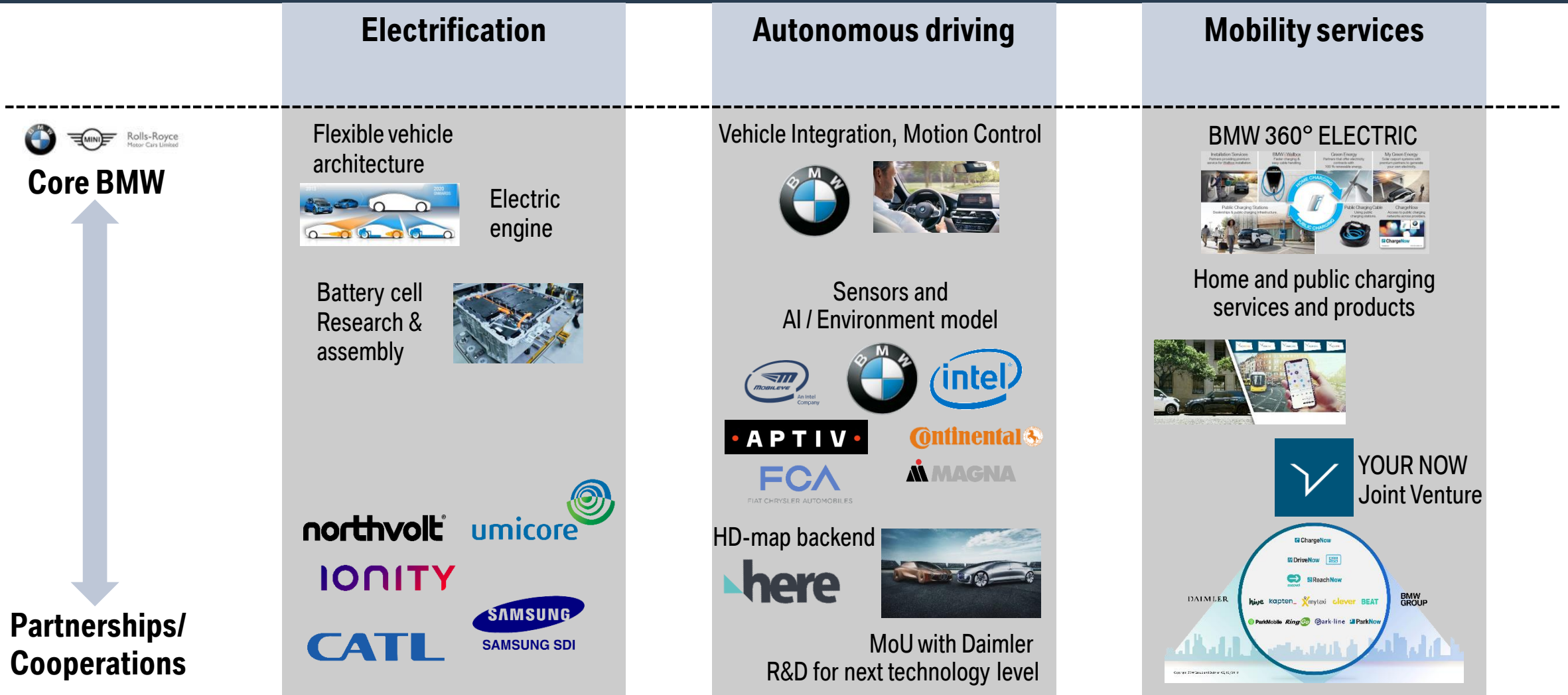


# THE DEVELOPMENT OF TODAY'S ASSISTED FUNCTIONS TO FULL AUTOMATION EQUALS A TECHNOLOGICAL QUANTUM LEAP.



Levels according to SAE (Society of Automotive Engineers) J3016




# THE BMW GROUP USES INDUSTRY AND CROSS-INDUSTRY COOPERATION PREPARE ITSELF FOR FUTURE TECHNOLOGIES AND BUSINESS OPPORTUNITIES.



# YOUR NOW JV. THE "MOBILITY POWERHOUSE" WITH A SIGNIFICANT END CUSTOMER BASE AND COVERAGE WORLDWIDE.

BMW GROUP

DAIMLER

	DriveNow CAR 2GO	mytaxi hive clever	kaptent BEAT	ReachNow moovel	Park-line ParkNow RingGo ParkMobile	ChargeNow DIGITAL CHARGING SOLUTIONS	Overall Q1 2019
 Customers** in millions	>4	24.4		6.7	30.9*	0.02	>66
 Interactions in millions	9.2	53.2		7.7	54.1*	0.06	124.2
 Cities**	30	>110		20	>1,200*	n/a	>1,200
							GMV RR*** in billions € <b>3.2*</b>

\* For the U.S. entity of PARKNOW, the March 2019 figures are estimated.

\*\* Partially, customer data is aggregated and thus, data summation is w/o the consideration of possible redundancies.

\*\*\* Monthly gross merchandise value run rate is based on the previous month's figure.

# AGENDA.

UPDATE

Strategy NUMBER ONE > NEXT

## FINANCIAL PERFORMANCE Review and Outlook 2019



**EXTERNAL CONDITIONS ARE CHANGING FASTER THAN EVER.  
THE ONLY CONSTANT WE CAN RELY ON IS OUR STRATEGIC FOCUS.**



**In volatile times, profitability, flexibility, and a consistent strategic direction are key.**

# FY-2018 RESULTS. SETTING HIGH STANDARDS IN CHALLENGING ENVIRONMENT.

**Group EBIT- Margin : 9.9%**

## AUTOMOTIVE

**EBIT-margin at 7.2%**

**> 2.5m vehicles sold**

## FINANCIAL SERVICES

**RoE >14%**

**50% Penetration Rate**

**Credit Loss Ratio <0.3%**

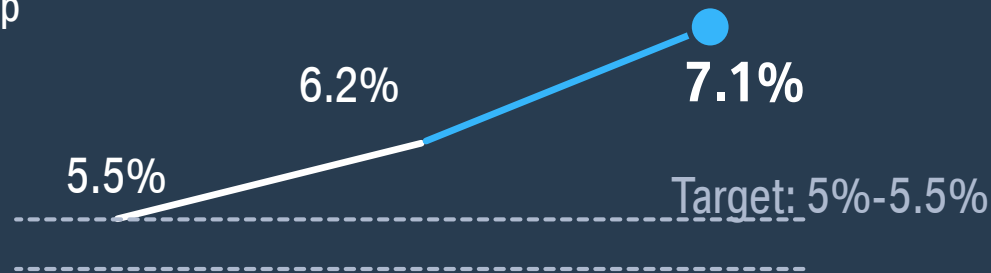
## MOTORCYCLES

**Record year with >165k  
sold vehicles**

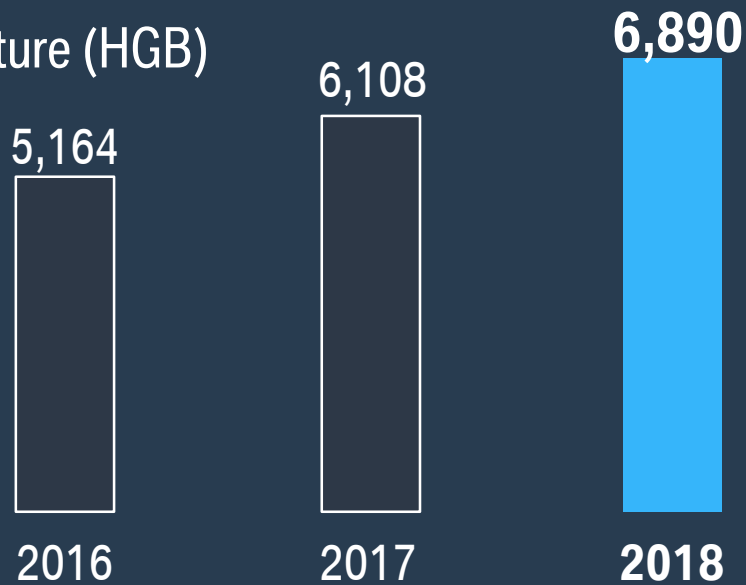
**EBIT-margin at 8.1%**

## R&D RATIO 2018 INCREASES TO 7.1%, AS EXPECTED.

R&D ratio (HGB)  
BMW Group

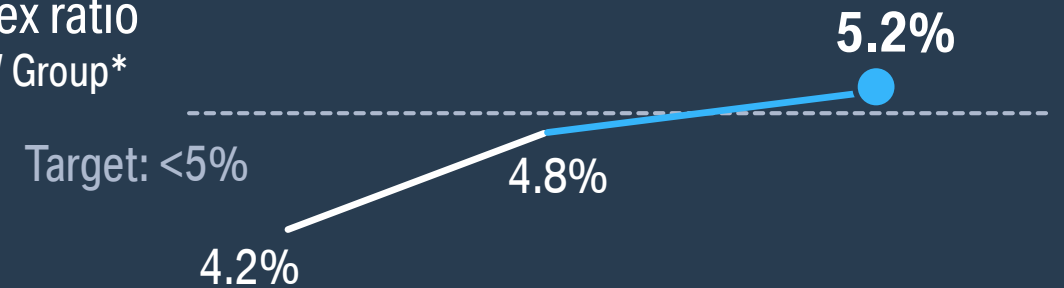


R&D expenditure (HGB)  
[in m€]

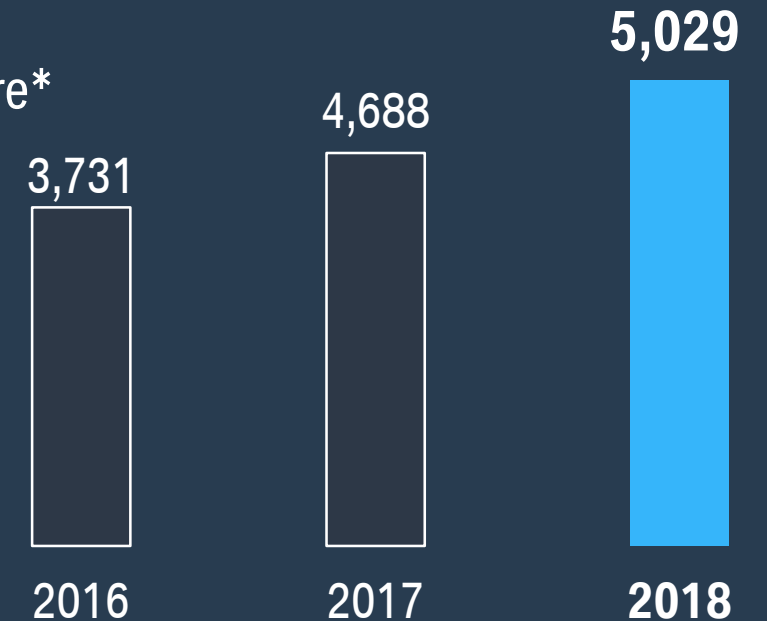


## GROUP CAPITAL EXPENDITURE UP BY ALMOST ONE BILLION EUROS.

Capex ratio  
BMW Group\*



Capital expenditure\*  
[in m€]

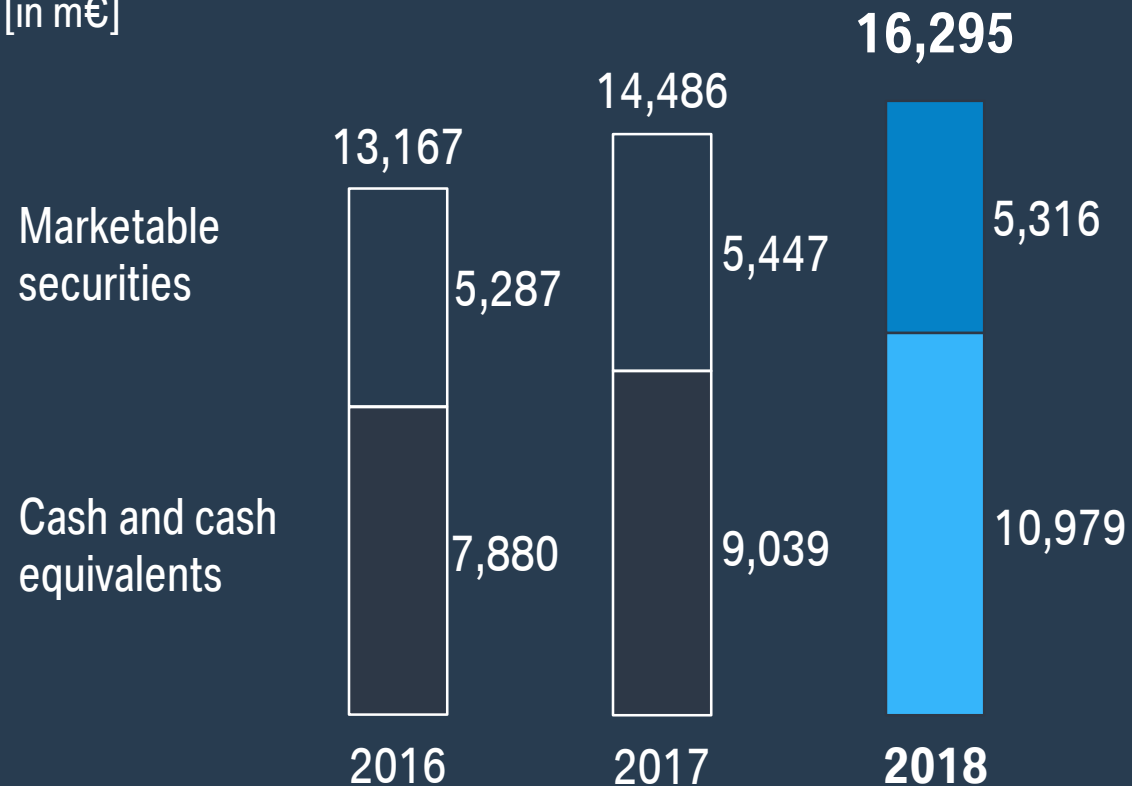


\* Excluding capitalised development costs



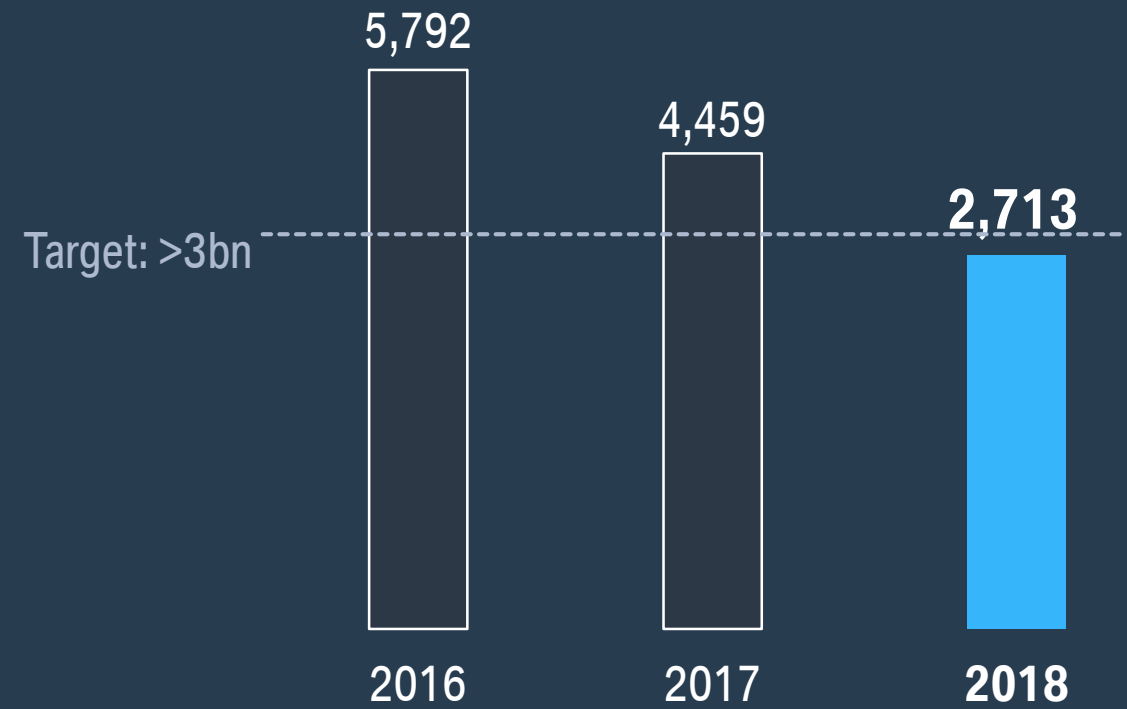
## HIGH GROUP LIQUIDITY ENABLES US TO CHART OUR OWN COURSE.

Liquidity  
[in m€]



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

Free Cash Flow (Automotive)\*  
[in m€]



\* Definition: Free cash flow corresponds to the cash inflow from operating activities of the Automobiles segment less the cash outflow for investing activities of the Automobiles segment adjusted for net investment in marketable securities and term deposits.

# OUTLOOK 2019. SETTING HIGH STANDARDS IN CHALLENGING ENVIRONMENT.

## AUTOMOTIVE



Slight increase in **deliveries**.

**EBIT-margin** between 4.5 and 6.5% \*.

## MOTORCYCLES



Solid increase in **deliveries**.

**EBIT-margin** between 8 and 10%.

## FINANCIAL SERVICES



**Return on Equity** on par with previous year's level.

## BMW GROUP



Significant decrease in **Group earnings before tax**.

**Size of workforce at year-end** on par with previous year's level.

\*Without the effect of the provision for the ongoing antitrust proceedings amounting to approx. € 1.4 billion, the target range for the EBIT margin of 6-8% has not changed.

# PERFORMANCE > NEXT. IMPORTANT DECISIONS ALREADY BEING IMPLEMENTED.



06/2017



now



~EUR 12 bn

2022



2030

»»» New Vehicle Generations

## Customer and Sales

Improvement in sales performance and optimisation of customer interface.

## Vehicle

Intelligent product variation with focus on customer benefit and significant cost reduction.

## Process and Structure

Accelerate Idea-to-Offer Process; optimisation of processes and organisational structure.

**WE ARE NUMBER ONE.  
WE INSPIRE PEOPLE ON THE MOVE: WE SHAPE  
TOMORROW'S INDIVIDUAL PREMIUM MOBILITY.**

- Full commitment to its goal of leading the transformation of the industry.
- Continued strive for sustained high profitability as the foundation of its Strategy NUMBER ONE > NEXT.
- Leverage of opportunities in the global premium markets.
- Flexibility to deal with a challenging and volatile environment.

