

BMW
GROUP



ROLLS-ROYCE
MOTOR CARS LTD

ELECTRIC

DIGITAL

CIRCULAR



30 SEPTEMBER 2023

QUARTERLY STATEMENT

CONTENTS

3	BMW Group at a Glance
10	Interim Group Management Report
31	Interim Group Financial Statements
41	Other Information

BMW GROUP AT A GLANCE

4 [BMW Group in Figures](#)

BMW GROUP IN FIGURES

KEY PERFORMANCE INDICATORS

		3rd quarter 2023	3rd quarter 2022	Change in %
GROUP				
Profit before tax	€ million	4,063	4,100	- 0.9
AUTOMOTIVE SEGMENT				
Deliveries	units	621,699	587,744	5.8
Share of all-electric vehicles in deliveries	%	15.1	8.9	69.7
EBIT margin *	%	9.8	8.9	10.1
MOTORCYCLES SEGMENT				
Deliveries	units	52,037	51,778	0.5
EBIT margin *	%	- 0.6	10.6	-

* Profit before financial result as percentage of segment revenues.

FURTHER PERFORMANCE FIGURES

		3rd quarter 2023	3rd quarter 2022	Change in %
AUTOMOTIVE SEGMENT				
Deliveries				
BMW	units	549,941	517,638	6.2
MINI	units	70,384	68,596	2.6
Rolls-Royce	units	1,374	1,510	-9.0
Total	units	621,699	587,744	5.8
Production volume				
Total	units	638,524	613,047	4.2
FINANCIAL SERVICES SEGMENT				
New contracts with retail customers		383,509	362,838	5.7

OTHER PERFORMANCE FIGURES

		3rd quarter 2023	3rd quarter 2022	Change in %
Free cash flow Automotive segment	€ million	2,618	2,106	24.3
Group revenues	€ million	38,458	37,176	3.4
Automotive	€ million	32,096	32,290	- 0.6
Motorcycles	€ million	650	822	- 20.9
Financial Services	€ million	9,102	8,785	3.6
Other Entities	€ million	3	3	-
Eliminations	€ million	- 3,393	- 4,724	- 28.2
Group profit / loss before financial result (EBIT)	€ million	4,352	3,682	18.2
Automotive	€ million	3,135	2,873	9.1
Motorcycles	€ million	- 4	87	-
Financial Services	€ million	740	679	9.0
Other Entities	€ million	- 8	- 13	- 38.5
Eliminations	€ million	489	56	-
Group profit / loss before tax (EBT)	€ million	4,063	4,100	- 0.9
Automotive	€ million	3,043	2,963	2.7
Motorcycles	€ million	- 2	89	-
Financial Services	€ million	747	691	8.1
Other Entities	€ million	- 5	296	-
Eliminations	€ million	280	61	-
Group income taxes	€ million	- 1,132	- 925	22.4
Group net profit / loss	€ million	2,931	3,175	- 7.7
Earnings per share of common stock¹	€	4.20	4.25	- 1.2
Earnings per share of preferred stock¹	€	4.20	4.25	- 1.2
Group pre-tax return on sales²	%	10.6	11.0	- 3.6

¹ Shares of 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 four quarters of the corresponding financial year.

² Group profit before tax as a percentage of Group revenues.

KEY PERFORMANCE INDICATORS

		1 January to 30 September 2023	1 January to 30 September 2022	Change in %
GROUP				
Profit before tax	€ million	13,414	20,256	- 33.8
AUTOMOTIVE SEGMENT				
Deliveries ¹	units	1,836,563	1,747,838	5.1
Share of all-electric vehicles in deliveries	%	13.4	7.3	83.6
EBIT margin ²	%	10.3	8.7	18.4
MOTORCYCLES SEGMENT				
Deliveries	units	164,908	159,333	3.5
EBIT margin ²	%	12.0	13.0	- 7.7

¹ Deliveries including BMW Brilliance Automotive Ltd., also for the period prior to that entity's full consolidation in the BMW Group Financial Statements (1 January to 10 February 2022: 96,133 units).

² Profit before financial result as percentage of segment revenues.

OTHER PERFORMANCE FIGURES

		1 January to 30 September 2023	1 January to 30 September 2022	Change in %
AUTOMOTIVE SEGMENT				
Deliveries				
BMW ¹	units	1,621,267	1,533,866	5.7
MINI	units	210,741	209,271	0.7
Rolls-Royce	units	4,555	4,701	-3.1
Total¹	units	1,836,563	1,747,838	5.1
Production volume				
Total²	units	1,979,456	1,771,701	11.7
FINANCIAL SERVICES SEGMENT				
New contracts with retail customers		1,112,817	1,178,286	-5.6

¹ Deliveries including BMW Brilliance Automotive Ltd., also for the period prior to that entity's full consolidation in the BMW Group Financial Statements (1 January to 10 February 2022: 96,133 units).

² Production including BMW Brilliance Automotive Ltd., also for the period prior to that entity's full consolidation in the BMW Group Financial Statements (1 January to 10 February 2022: 58,507 units).

OTHER PERFORMANCE FIGURES

		1 January to 30 September 2023	1 January to 30 September 2022	Change in %
Free cash flow Automotive segment	€ million	5,759	9,876	- 41.7
Group revenues	€ million	112,530	103,088	9.2
Automotive	€ million	94,994	89,031	6.7
Motorcycles	€ million	2,571	2,485	3.5
Financial Services	€ million	26,723	26,036	2.6
Other Entities	€ million	9	6	50.0
Eliminations	€ million	- 11,767	- 14,470	- 18.7
Group profit / loss before financial result (EBIT)	€ million	14,070	10,499	34.0
Automotive	€ million	9,810	7,703	27.4
Motorcycles	€ million	308	322	- 4.3
Financial Services	€ million	2,449	2,627	- 6.8
Other Entities	€ million	- 13	- 187	- 93.0
Eliminations	€ million	1,516	34	-
Group profit / loss before tax (EBT)	€ million	13,414	20,256	- 33.8
Automotive	€ million	9,611	15,909	- 39.6
Motorcycles	€ million	311	326	- 4.6
Financial Services	€ million	2,451	2,672	- 8.3
Other Entities	€ million	112	1,258	- 91.1
Eliminations	€ million	929	91	-
Group income taxes	€ million	- 3,863	- 3,849	0.4
Group net profit / loss	€ million	9,551	16,407	- 41.8
Earnings per share of common stock¹	€	13.90	23.88	- 41.8
Earnings per share of preferred stock¹	€	13.91	23.89	- 41.8
Group pre-tax return on sales²	%	11.9	19.6	- 39.3

¹ Shares of 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 four quarters of the corresponding financial year.

² Group profit before tax as a percentage of Group revenues.

INTERIM GROUP MANAGEMENT REPORT

11 **Financial Performance**

11 General Economic Environment

12 Group Overview

16 Automotive Segment

23 Financial Services Segment

25 Other Entities Segment and Eliminations

26 **Outlook, Risk and Opportunity Management**

26 Outlook

30 Risk and Opportunity Management

11 General Economic Environment

12 Group Overview

16 Automotive Segment

23 Financial Services Segment

25 Other Entities Segment and Eliminations

26 Outlook

30 Risk and Opportunity Management

FINANCIAL PERFORMANCE

GENERAL ECONOMIC ENVIRONMENT

The global economy continued to show further signs of recovery during the first nine months of 2023, whilst still lagging behind the previous year's growth rate. In the USA and Europe, higher interest rates and gradually falling inflation had a dampening effect on consumption. In China, falling prices on the real estate market and potential defaults by real estate companies, as well as the weak labour market, all held down consumer spending.

International automobile markets

The world's largest automobile markets performed well between January and September. Supply chains continued to ease during the period under report, making it easier for manufacturers to meet market demand.

During the nine-month period from January to September 2023, the world's largest automobile markets performed as follows:

	Change compared to prior year in %
EU 27	+ 16
thereof Germany	+ 14
thereof France	+ 16
thereof Italy	+ 21
thereof Spain	+ 18
United Kingdom (UK)	+ 20
USA	+ 14
China	+ 2
Japan	+ 16
South Korea	+ 6
Total	+ 8

11 General Economic Environment

12 Group Overview

16 Automotive Segment

23 Financial Services Segment

25 Other Entities Segment and Eliminations

26 Outlook

30 Risk and Opportunity Management

GROUP OVERVIEW

BMW Group maintains leading position in premium segment worldwide

The BMW Group performed well during the first nine months of 2023. Robust demand for BMW, MINI and Rolls-Royce brand vehicles continued to be reflected in high order book levels, with all technological drive variants proving popular with customers worldwide. The BMW Group's broad and attractive product portfolio remained the underlying factor for the solid sales volume growth recorded in the period under report. Overall, the BMW Group delivered 621,699 units to customers between July and September (2022: 587,744 units; +5.8%), bringing the total for the nine-month period to 1,836,563 units (2022: 1,747,838¹ units; +5.1%). This excellent performance enabled the BMW Group to maintain its global lead in the premium segment.

Sales of the BMW Group's all-electric vehicles (BEVs) continued to develop particularly dynamically. The number of BEV models delivered during the period from July and September totalled 93,931 units (2022: 52,305 units; +79.6%), accounting for 15.1% of total deliveries in the third quarter (2022: 8.9%; +69.7%). Deliveries of all-electric vehicles between January and September rose to 246,867 units (2022: 128,195² units; +92.6%), driven in particular by a 119.3% rise in deliveries of BMW brand BEVs. The share of all-electric vehicles in total deliveries increased accordingly to 13.4% for the nine-month period (2022: 7.3%; +83.6%).

In the Financial Services segment, the number of new contracts signed with retail customers in the third quarter 2023 increased by 5.7% to 383,509 contracts (2022: 362,838 contracts), in line with the sales volume growth recorded by the Automotive segment. The corresponding figure for the nine-month period was 1,112,817 new contracts (2022: 1,178,286; – 5.6%). At 30 September 2023, a total of 4,974,979 credit financing and leasing contracts were in place with retail customers (31 December 2022: 5,210,246 contracts; – 4.5%).

Strong third quarter confirms progress towards successful full year

Group revenues in the third quarter totalled € 38,458 million, slightly up on the previous year (2022: € 37,176 million; +3.4%), mainly reflecting the higher sales volume and favourable product mix effects benefiting the Automotive segment. At the same time, Financial Services segment revenues went up on the back of higher interest rates as well as increased income generated in the area of dealership financing in light of improved vehicle availability. Due to lower expected volume of new leasing business, the amount of revenues required to be eliminated was also lower. By contrast, unfavourable currency effects, primarily relating to the Chinese renminbi and the US dollar, had a negative impact on revenues.

Group cost of sales in the third quarter totalled € 31,535 million (2022: € 30,947 million; +1.9%), whereby volume-related increases in manufacturing costs were partially offset by positive currency effects.

Selling and administrative expenses increased year on year to € 2,615 million (2022: € 2,549 million; +2.6%), partly due to higher expenses incurred for IT projects.

Driven by the various factors described above, profit before financial result increased by 18.2% in the third quarter to € 4,352 million (2022: € 3,682 million).

The financial result came in at a net negative amount of € 289 million (2022: net positive amount of € 418 million), mainly reflecting fair value measurement losses arising on interest rate hedges. Furthermore, in the previous year, interest and similar expenses also included income arising on the change in interest rates in connection with the measurement of provisions. At the same time, the increase in interest rates also resulted in higher interest income, partially offsetting the rise in interest expense.

Profit before tax for the three-month period fell to € 4,063 million due to the deterioration in the financial result (2022: € 4,100 million; – 0.9%).

¹ Deliveries including BMW Brilliance Automotive Ltd., also for the period prior to that entity's full consolidation in the BMW Group Financial Statements (1 January to 10 February 2022: 96,133 units).

² Including BMW Brilliance Automotive Ltd., also for the period prior to that entity's full consolidation in the BMW Group Financial Statements.

11 General Economic Environment

12 Group Overview

16 Automotive Segment

23 Financial Services Segment

25 Other Entities Segment and Eliminations

26 Outlook

30 Risk and Opportunity Management

Good nine-month performance by BMW Group

When comparing figures with the previous year, it should be noted that BMW Brilliance Automotive Ltd. (BMW Brilliance) has been fully consolidated as a subsidiary since 11 February 2022, whereas up to that date it had been accounted for using the equity method. Consequently, BMW Brilliance is included in the figures reported for the whole of the first nine months of 2023, but only for the relevant part of the previous year's nine-month period.

Group revenues generated between January and September represented a solid year-on-year increase to € 112,530 million (2022: € 103,088 million; +9.2 %). Compared to the previous year, revenues for the nine-month period benefited from the combined effect of higher sales volumes, favourable product mix effects and the consolidation of BMW Brilliance. In light of the lower expected volume of new leasing business, the amount of revenues required to be eliminated was also lower. Group revenues went up on the back of higher interest rates as well as increased income generated in the area of dealership financing in light of improved vehicle availability. However, unfavourable currency effects, primarily relating to the Chinese renminbi and the US dollar, had a negative impact on nine-month Group revenues.

Group cost of sales in the period from January to September amounted to € 90,705 million (2022: € 85,346 million; +6.3 %). As with revenues, the fact that BMW Brilliance is now fully consolidated contributed to the rise in cost of sales. In addition, the year-on-year increase reflected sales volume growth as well as higher expenses for materials and warranty obligations. In the previous year, expenses recognised in conjunction with the first-time consolidation of BMW Brilliance had the effect of increasing cost of sales.

Group research and development expenditure amounted to € 5,223 million, representing a solid increase compared to the previous year's corresponding nine-month period (2022: € 4,894 million; +6.7 %). At 4.6 %, the research and development expenditure ratio was slightly down on one year earlier. Research and development expenditure related partly to new models, including the new BMW 5 Series and the NEUE KLASSE. Further significant areas of expenditure included the electrification and digitalisation of the vehicle fleet as well as automated driving. The proportion of development

costs recognised as assets between January and September was 30.1% (2022: 33.7 %).

Selling and administrative expenses rose by 4.7 % to € 7,604 million (2022: € 7,261 million). The principal reasons for the increase were the larger workforce size and the selling expenses of BMW Brilliance (only included in the previous year as from the date of full consolidation). In addition, costs for IT-related projects caused administrative expenses to rise.

Overall, profit before financial result for the period from January to September 2023 increased significantly to € 14,070 million (2022: € 10,499 million; +34.0 %).

The financial result for the nine-month period was a net negative amount of € 656 million and therefore significantly down on the previous year (2022: net positive amount of € 9,757 million). The exceptionally high figure reported one year earlier included a gain of € 7.7 billion recognised in conjunction with the remeasurement of the BMW Group's at-equity interest in BMW Brilliance. The financial result for the nine-month period was adversely impacted by fair value measurement losses on interest rate hedges. Although still rising slightly, the upward curve in interest rates was flatter than one year earlier. At the same time, changes in the derivatives portfolio had a negative impact on earnings. Moreover, in the previous year, interest and similar expenses also included income arising on the change in interest rates in connection with the measurement of provisions. At the same time, the increase in interest rates also resulted in higher interest income, partially offsetting the rise in interest expense.

Group profit before tax for the nine-month period amounted to € 13,414 million (2022: € 20,256 million; -33.8 %), giving a Group EBT margin of 11.9 % (2022: 19.6 %).

11 General Economic Environment

12 Group Overview

16 Automotive Segment

23 Financial Services Segment

25 Other Entities Segment and Eliminations

26 Outlook

30 Risk and Opportunity Management

BMW Group research and development expenses

in € million	3rd quarter 2023	3rd quarter 2022	Change in %	1 January to 30 Septem- ber 2023	1 January to 30 Septem- ber 2022	Change in %
Research and development expenditure ¹	1,827	1,952	- 6.4	5,223	4,894	6.7
Amortisation	569	600	- 5.2	1,805	1,641	10.0
Capitalised development costs	- 589	- 795	- 25.9	- 1,570	- 1,650	- 4.8
Research and development expenses	1,807	1,757	2.8	5,458	4,885	11.7
in %	3rd quarter 2023	3rd quarter 2022	Change in %-pts.	1 January to 30 Septem- ber 2023	1 January to 30 Septem- ber 2022	Change in %-pts.
Research and development expenditure ratio ²	4.8	5.3	- 0.5	4.6	4.7	- 0.1
Capitalisation rate ³	32.2	40.7	- 8.5	30.1	33.7	- 3.6

Share buyback programme

At the Annual General Meeting of BMW AG held on 11 May 2022, the shareholders authorised the Board of Management to acquire treasury shares via the stock exchange up to a maximum of 10 % of the share capital in place at the date of the resolution and to redeem those shares without any further resolution by the Annual General Meeting. The buyback authorisation remains valid until 10 May 2027.

In July 2022, on the basis of this authorisation, BMW AG resolved an initial share buyback programme with a volume of up to € 2.0 billion (total purchase price excluding incidental acquisition costs), comprising up to € 1.85 billion for shares of common stock and up to € 0.15 billion for shares of preferred stock. The programme was launched on 1 July 2022 and ran until 30 June 2023. BMW AG repurchased a total of 22,199,529 shares of common stock for € 1,850 million and 1,923,871 shares of preferred stock for € 150 million. On 18 July 2023, the Board of Management resolved to redeem all of the shares repurchased in conjunction with the initial buyback

programme. The redemption of the shares was completed during the third quarter 2023.

Based on the authorisation of the Annual General Meeting of 11 May 2022, on 3 May 2023 the Board of Management resolved to initiate a further share buyback programme, which duly began on 3 July 2023. The programme, with a volume of up to € 2 billion (total purchase price excluding incidental acquisition costs), relates to shares of common and preferred stock, the latter of which is limited to a maximum of € 350 million. In the period since 3 July 2023, BMW AG has repurchased 2,659,869 shares of common stock for € 269 million and 530,588 shares of preferred stock for € 50 million, all of which are reported as treasury shares. The programme will be completed by no later than 31 December 2025.

¹ Research and development expenditure comprises the sum of research and non-capitalised development costs (excluding the associated scheduled amortisation) as well as investments in capitalised development costs.

² Research and development expenditure as a percentage of Group revenues.

³ Capitalised development costs as a percentage of research and development expenditure.

11 General Economic Environment

12 Group Overview

16 Automotive Segment

23 Financial Services Segment

25 Other Entities Segment and Eliminations

26 Outlook

30 Risk and Opportunity Management

Financing activities

During the nine-month period ended 30 September 2023, the BMW Group issued bonds totalling approximately € 8.3 billion, refinancing itself via a variety of instruments, including two euro benchmark bonds, a sterling benchmark bond, a US dollar-denominated 144A bond, a Canadian dollar-denominated bond and a Panda bond issued in China. In addition, ABS transactions with a total volume of approximately € 11.0 billion were either newly concluded or prolonged in the following countries: the USA, Germany, the UK, Canada, China, Korea, Japan and Australia.

Group liquidity stood at approximately € 25.5 billion at 30 September 2023, well up on the corresponding figure at the end of the previous financial year (31 December 2022: € 20.3 billion).

11 General Economic Environment

12 Group Overview

16 Automotive Segment

23 Financial Services Segment

25 Other Entities Segment and Eliminations

26 Outlook

30 Risk and Opportunity Management

AUTOMOTIVE SEGMENT

		3rd quarter 2023	3rd quarter 2022	Change in %
Deliveries ¹	units	621,699	587,744	5.8
Production volume	units	638,524	613,047	4.2
Revenues	€ million	32,096	32,290	-0.6
Profit before financial result (EBIT)	€ million	3,135	2,873	9.1
Profit before tax	€ million	3,043	2,963	2.7
EBIT margin ¹	%	9.8	8.9	10.1

		1 January to 30 September 2023	1 January to 30 September 2022	Change in %
Deliveries ^{1, 2}	units	1,836,563	1,747,838	5.1
Production volume ³	units	1,979,456	1,771,701	11.7
Revenues	€ million	94,994	89,031	6.7
Profit before financial result (EBIT)	€ million	9,810	7,703	27.4
Profit before tax	€ million	9,611	15,909	-39.6
EBIT margin ¹	%	10.3	8.7	18.4

BMW Group records solid sales growth worldwide

The BMW Group can look back on a successful third quarter 2023. It was able to meet an unchanged robust level of customer demand with an attractive product range and a variety of drive systems – from all-electric and plug-in hybrids (PHEV) through to highly efficient combustion engines – that are ideally suited to meet individual customer requirements. In total, 621,699 BMW, MINI and Rolls-Royce brand vehicles were delivered to customers between July and September 2023, thereby achieving a solid year-on-year sales volume growth of 5.8 % (2022: 587,744 units). In the first nine months of the year, the BMW Group delivered a total of 1,836,563 units (2022: 1,747,838² units; +5.1 %) to customers worldwide, ensuring its pole position at the head of the global premium segment.

The BMW brand recorded a solid increase (+6.2 %) in the third quarter 2023, with deliveries rising to 549,941 units (2022: 517,638 units). The corresponding figure for the nine-month period was 1,621,267 units (2022: 1,533,866² units; +5.7 %). Deliveries of MINI brand vehicles rose slightly in the third quarter to 70,384 units (2022: 68,596 units; +2.6 %), bringing the cumulative total for the period from January to September to 210,741 units, similar to the figure recorded one year earlier (2022: 209,271 units; +0.7 %). The number of Rolls-Royce vehicles delivered to customers between July and September decreased to 1,374 units (2022: 1,510 units; -9.0 %), in line with expectations. This moderate decrease is a consequence of the fact that the brand is currently preparing for the approaching market launch of the new all-electric Rolls-Royce Spectre⁴, due to take place following the scheduled

¹ Key performance indicator.

² Deliveries including BMW Brilliance Automotive Ltd., also for the period prior to that entity's full consolidation in the BMW Group Financial Statements (1 January to 10 February 2022: 96,133 units).

³ Production including BMW Brilliance Automotive Ltd., also for the period prior to that entity's full consolidation in the BMW Group Financial Statements (1 January to 10 February 2022: 58,507 units).

⁴ ↗ Consumption and Carbon Disclosures.

11 General Economic Environment

12 Group Overview

16 Automotive Segment

23 Financial Services Segment

25 Other Entities Segment and Eliminations

26 Outlook

30 Risk and Opportunity Management

end of production of the Rolls-Royce Dawn¹ and the Rolls-Royce Wraith¹ models. During the nine-month period under report, Rolls-Royce delivered 4,555 units of its ultra-luxury vehicles to customers (2022: 4,701 units; –3.1%).

Continued dynamic upward trend in business with all-electric vehicles

The dynamic ramp-up of electric mobility and the associated systematic electrification across the product range is a key factor driving the BMW Group's positive business performance. Business with all-electric vehicles continued to grow strongly in the third quarter, with deliveries rising to 93,931 units (2022: 52,305 units; +79.6%), while nine-month BEV deliveries almost doubled to 246,867 units (2022: 128,195² units; +92.6%). The increase in the proportion of electrified vehicles to total deliveries was equally pronounced, climbing to 15.1% (2022: 8.9%; +69.7%) for the third quarter and 13.4% (2022: 7.3%; +83.6%) over the nine-month period. In total, deliveries of electrified vehicles (PHEV and BEV) totalled 139,943 units during the third quarter (2022: 98,816 units; +41.6%) and 385,411 units (2022: 283,284² units; +36.1%) during the first nine months of the year.

One of the most successful all-electric vehicle models continues to be the BMW i4¹ Sports Coupé which, together with the highly innovative BMW iX¹, made an excellent contribution to sales volume growth. The successful BMW iX3¹ and BMW iX1¹ models as well as the all-electric BMW i7¹ Luxury Sedan also continued to sell well. Moreover, the MINI Cooper SE¹ performed well during the period under report and remained the MINI brand's most successful model. The BMW i5¹ Business Sedan, which was unveiled to the public during the first half of 2023, met with an extremely positive response from the international trade press. Following the launch of the BMW i5¹, the BMW Group now has an all-electric offering in each of its core segments. The systematic electrification of models across the entire Group portfolio continued with the autumn unveiling of the new BMW iX2¹. With the fast-approaching launch of the new Rolls-Royce Spectre¹, the BMW Group will finally be able to offer all-electric models across all three brands.

BMW Group – deliveries of electrified models

in units	1 January to 30 September 2023	1 January to 30 September 2022	Change in %
BEV	246,867	128,195	92.6
BMW	217,138	99,004	119.3
MINI	29,729	29,191	1.8
PHEV	138,544	155,089	–10.7
BMW	125,891	143,928	–12.5
MINI	12,653	11,161	13.4
Total²	385,411	283,284	36.1

Significant third-quarter growth in Europe

Business developed positively during the third quarter of the current financial year, in contrast to one year earlier, when supply bottlenecks and other factors had held down the Group's sales performance. European markets in particular saw significant growth for the BMW Group in the third quarter 2023, with deliveries rising by 12.9% to 221,735 units (2022: 196,459 units). The total number of vehicles delivered within Europe in the first nine months of the year rose to 670,999 units (2022: 630,694 units; +6.4%). The third quarter also saw significant growth in Germany, with deliveries up by 12.4% to 68,569 units (2022: 60,987 units). Between January and September, a total of 192,649 units (2022: 182,767 units; +5.4%) were delivered to customers in Germany.

The BMW Group also continued to perform well in the Americas, with deliveries up to 113,823 units (2022: 104,636 units; +8.8%) for the third quarter and to 339,468 units (2022: 309,411 units; +9.7%) for the nine-month period, in both cases representing solid year-on-year increases. The picture was similar in the USA, with solid growth achieved between July and September with 92,218 units delivered (2022: 85,631 units; +7.7%) and a significant rise of 10.9% recorded for the nine-month period (2023: 278,340 units; 2022: 251,094 units).

¹ ↗ Consumption and Carbon Disclosures.

² Including BMW Brilliance Automotive Ltd., also for the period prior to that entity's full consolidation in the BMW Group Financial Statements.

11 General Economic Environment

12 Group Overview

16 Automotive Segment

23 Financial Services Segment

25 Other Entities Segment and Eliminations

26 Outlook

30 Risk and Opportunity Management

In Asia, third-quarter deliveries totalled 272,255 units and were therefore at a similar level to one year earlier (2022: 274,474 units; – 0.8 %). The region's sales markets continued to recover from the downturns that had arisen in the previous year due to general covid-related restrictions. The improving situation was reflected in the fact that the total number of vehicles delivered by the BMW Group between January and September rose to 785,424 units (2022: 770,033 * units; +2.0 %). Deliveries to customers in China totalled 210,659 units in the third quarter (2022: 214,565 units; –1.8 %) and 603,920 units during the period from January to September (2022: 594,089 * units; +1.7 %).

Automotive segment – deliveries of vehicles by region and market

in units	3rd quarter 2023	3rd quarter 2022	Change in %	1 January to 30 Septem- ber 2023	1 January to 30 Septem- ber 2022	Change in %
Europe	221,735	196,459	12.9	670,999	630,694	6.4
thereof Germany	68,569	60,987	12.4	192,649	182,767	5.4
thereof UK	36,161	36,077	0.2	111,201	113,861	–2.3
Americas	113,823	104,636	8.8	339,468	309,411	9.7
thereof USA	92,218	85,631	7.7	278,340	251,094	10.9
Asia *	272,255	274,474	–0.8	785,424	770,033	2.0
thereof China *	210,659	214,565	–1.8	603,920	594,089	1.7
Other markets	13,886	12,175	14.1	40,672	37,700	7.9
Total *	621,699	587,744	5.8	1,836,563	1,747,838	5.1

* Deliveries including BMW Brilliance Automotive Ltd., also for the period prior to that entity's full consolidation in the BMW Group Financial Statements (1 January to 10 February 2022: 96,133 units).

11 General Economic Environment

12 Group Overview

16 Automotive Segment

23 Financial Services Segment

25 Other Entities Segment and Eliminations

26 Outlook

30 Risk and Opportunity Management

BMW brand: deliveries of all-electric vehicles doubled yet again

The core BMW brand achieved solid year-on-year growth in both the third quarter and the nine-month period with 549,941 units (2022: 517,638 units; +6.2 %) and 1,621,267 units (2022: 1,533,866¹ units; +5.7 %) delivered in the respective periods. Looking at the brand's all-electric vehicle models, the pace of growth was particularly dynamic. In the first nine months of 2023, BEV deliveries more than doubled yet again (+119.3 %), driven in particular by demand for the BMW i4² and the BMW iX². Within the X model family, growth was powered in particular by the popularity of the BMW X1. At the same time, luxury class models such as the BMW 7 Series also enjoyed high demand. The BMW XM², launched by BMW M at the beginning of the year as the first PHEV in the high-performance class, has got off to a flying start.

Deliveries of BMW vehicles by model variant

in units	1 January to 30 September 2023	1 January to 30 September 2022	Change in %
BMW 1 Series / 2 Series	164,596	147,901	11.3
BMW 3 Series / 4 Series	405,280	344,262	17.7
BMW 5 Series / 6 Series	198,543	237,286	- 16.3
BMW 7 Series / 8 Series	41,885	36,318	15.3
BMW Z4	9,015	9,865	- 8.6
BMW X1 / X2	216,444	182,822	18.4
BMW X3 / X4	295,242	298,687	- 1.2
BMW X5 / X6	207,335	194,016	6.9
BMW X7	42,703	41,336	3.3
BMW iX	35,088	21,604	62.4
BMW XM	4,450	-	-
BMW i3 / i8	686	19,769	- 96.5
BMW total¹	1,621,267	1,533,866	5.7
thereof BEV	217,138	99,004	119.3
thereof PHEV	125,891	143,928	- 12.5

¹ Deliveries including BMW Brilliance Automotive Ltd., also for the period prior to that entity's full consolidation in the BMW Group Financial Statements (1 January to 10 February 2022: 96,133 units).

² ↗ Consumption and carbon emissions data.

11 General Economic Environment

12 Group Overview

16 Automotive Segment

23 Financial Services Segment

25 Other Entities Segment and Eliminations

26 Outlook

30 Risk and Opportunity Management

MINI: electrified driving pleasure

Deliveries of MINI brand vehicles to customers during the third quarter totalled 70,384 units (2022: 68,596 units; +2.6 %). Between January and September a total of 210,741 units were delivered to customers, similar to the figure achieved one year earlier (2022: 209,271 units; +0.7 %). The all-electric MINI Cooper SE * was again the most popular model in the third quarter. Electrified models therefore accounted for more than 20 % of the premium compact brand's total deliveries. The limited edition MINI Cooper SE Convertible * also enjoyed great popularity with its promise of electrified open-air driving pleasure and was sold out within a short space of time.

Rolls-Royce starts countdown for electric mobility in the ultra-luxury class

Third-quarter sales volumes achieved by Rolls-Royce were influenced in particular by preparations for the new, all-electric Rolls-Royce Spectre *. In light of the planned discontinuation of production of the Rolls-Royce Dawn * and Rolls-Royce Wraith * models, deliveries finished well below the previous year's high figure and in line with expectations to 1,374 units (2022: 1,510 units; -9.0 %). In the period from January to September 2023, the ultra-luxury brand delivered a total of 4,555 units to customers (2022: 4,701 units; -3.1 %). The most sought-after models during the nine-month period were the Rolls-Royce Cullinan * and the Rolls-Royce Ghost *. Interest in the Rolls-Royce Spectre * is already extremely high, with advance orders stretching well into the coming year. The first all-electric Super Coupé in the ultra-luxury class will be launched towards the end of 2023.

Solid increase in Automotive segment's third-quarter EBIT

Third-quarter revenues totalled € 32,096 million (2022: € 32,290 million; -0.6 %). Unfavourable currency effects, primarily relating to the Chinese renminbi and the US dollar, had a negative impact on segment revenues. Adjusted for currency effects, revenues grew by 6.5 %.

Segment cost of sales totalling € 26,841 million was lower than in the same quarter one year earlier (2022: € 27,338 million; -1.8 %). While the higher number of vehicles sold contributed to an increase in cost of sales, favourable currency effects had an offsetting impact. In addition, depreciation and amortisation amounting to approximately € 0.3 billion arising on the purchase price allocation was included in cost of sales in the third quarter (2022: € 0.4 billion).

In the third quarter, selling and administrative expenses went up by € 56 million to € 2,145 million (2022: € 2,089 million; +2.7 %), mainly due to expenses incurred for IT projects.

Segment EBIT for the three-month period totalled € 3,135 million, 9.1% up on the previous year (2022: € 2,873 million). The EBIT margin came in at 9.8 %, an improvement of 0.9 percentage points compared to the same quarter one year earlier (2022: 8.9 %).

The financial result was a net negative amount of € 92 million (2022: net positive amount of € 90 million). The deterioration was mainly due to the expense arising on the unwinding of interest on discounted provisions. In the previous year, interest and similar expenses also included income arising on the change in interest rates in connection with the measurement of provisions.

Third-quarter segment profit before tax increased slightly to € 3,043 million (2022: € 2,963 million; +2.7 %).

* ↗ Consumption and Carbon Disclosures.

[11 General Economic Environment](#)

[12 Group Overview](#)

[16 Automotive Segment](#)

[23 Financial Services Segment](#)

[25 Other Entities Segment and Eliminations](#)

[26 Outlook](#)

[30 Risk and Opportunity Management](#)

Good nine-month period for Automotive segment

As with the year-on-year comparison for the BMW Group as a whole, when comparing figures reported for the Automotive segment with those of the previous year, it should be noted that BMW Brilliance Automotive Ltd. (BMW Brilliance) has been fully consolidated as a subsidiary since 11 February 2022 and was therefore – in contrast to 2023 – only included for a part of the first nine months of 2022.

Segment revenues climbed to € 94,994 million (2022: € 89,031 million; +6.7%, currency-adjusted: +10.9%). Alongside the impact of the full consolidation of BMW Brilliance, nine-month revenue growth was also influenced by higher sales volumes in the current financial year, partly reflecting the fact that the limited availability of semiconductors and wiring harnesses as well as pandemic-related lockdowns had resulted in production cutbacks in 2022.

Segment cost of sales amounted to € 78,731 million and was slightly higher than in the previous year (2022: € 75,431 million; +4.4%). The main factor arising during the nine-month period was higher material costs. Furthermore, cost of sales increased due to higher vehicle sales and warranty expenses. The larger share of electrified vehicles in total deliveries was a further factor for the rise in cost of sales. Increased research and development expenses – particularly relating to higher depreciation and amortisation as well as expenses for the further digitalisation of the vehicle fleet and for automated driving – also contributed to the rise in cost of sales for the nine-month period.

In the previous year, cost of sales was negatively impacted by higher expenses recognised in conjunction with the first-time consolidation of BMW Brilliance, such as the expense for depreciation and amortisation arising on the purchase price allocation and the elimination of intragroup profits totalling approximately € 2.7 billion. In the first nine months of 2023, cost of sales included purchase price allocation-related depreciation and amortisation amounting to approximately € 1 billion.

Selling and administrative expenses went up by € 313 million (2023: € 6,295 million; 2022: € 5,982 million; +5.2%). The principal reasons for the increase were the larger workforce size, expenses incurred for IT projects and the selling expenses of BMW Brilliance (only included in the previous year as from the date of full consolidation).

Profit before financial result for the nine-month period was a net positive amount of € 9,810 million (2022: € 7,703 million; +27.4%). The segment EBIT margin improved by 1.6 percentage points to 10.3% (2022: 8.7%).

The financial result for the segment was a net negative amount of € 199 million (2022: net positive amount of € 8,206 million). The main contributing factor for the deterioration in the first nine months of 2023 was the gain of € 7.7 billion recognised in the previous year in connection with the remeasurement of the segment's previous at-equity interest in BMW Brilliance, reported within other financial result. The result from at-equity accounted investments decreased compared with the previous year, mainly due to the fact that earnings from BMW Brilliance on an at-equity basis were still included until 10 February 2022. Moreover, in the previous year, interest and similar expenses also included income arising on the change in interest rates in connection with the measurement of provisions. The increase in interest rates in 2023 resulted in higher interest income and gave rise therefore to a partial offsetting effect.

Segment profit before tax for the nine-month period amounted to € 9,611 million (2022: € 15,909 million; –39.6%).

11 General Economic Environment

12 Group Overview

16 Automotive Segment

23 Financial Services Segment

25 Other Entities Segment and Eliminations

26 Outlook

30 Risk and Opportunity Management

Automotive segment – free cash flow for the period from 1 January to 30 September

Free cash flow generated by the Automotive segment between January and September totalled € 5,759 million (2022: € 9,876 million). The increase in net cash inflows from operating activities mainly reflected the segment's improved profit before tax (excluding the impact of the remeasurement of the BMW Group's at-equity interest in BMW Brilliance in the previous year). The net changes arising in the area of working capital had an offsetting effect. Strong global demand resulted in higher levels of inventories to help secure supply chains across the various markets. At the same time, procurement cost rises for bought-in components and raw materials had a negative impact on working capital, offset in part by the associated increase in trade payables as well as a reduction in trade receivables since the beginning of the year.

The change in the net cash outflow from investing activities was mainly due to the full consolidation of BMW Brilliance with effect from 11 February 2022 and the related positive impact of € 5,011 million recorded in the previous year. Furthermore, increased investments in intangible assets and property, plant and equipment, particularly in conjunction with the transformation to electric mobility, resulted in a higher net cash outflow from investing activities.

in € million	2023	2022	Change
Cash inflow (+) / outflow (-) from operating activities	12,533	9,872	2,661
Cash inflow (+) / outflow (-) from investing activities	- 5,616	322	- 5,938
Adjustment for net investment in marketable securities and investment funds	- 1,158	- 318	- 840
Free cash flow Automotive segment	5,759	9,876	- 4,117

Automotive segment – net financial assets

In the Automotive segment, net financial assets comprised the following:

in € million	30.9.2023	31.12.2022	Change
Cash and cash equivalents	19,275	13,109	6,166
Marketable securities and investment funds	1,989	3,031	- 1,042
Intragroup net financial assets	3,035	11,197	- 8,162
Financial assets	24,299	27,337	- 3,038
Less: external financial liabilities *	- 3,118	- 2,734	- 384
Net financial assets Automotive segment	21,181	24,603	- 3,422

* Excluding derivative financial instruments.

11 General Economic Environment

12 Group Overview

16 Automotive Segment

23 Financial Services Segment

25 Other Entities Segment and Eliminations

26 Outlook

30 Risk and Opportunity Management

FINANCIAL SERVICES SEGMENT

		3rd quarter 2023	3rd quarter 2022	Change in %
New contracts with retail customers		383,509	362,838	5.7
Revenues	€ million	9,102	8,785	3.6
Profit before financial result (EBIT)	€ million	740	679	9.0
Profit before tax	€ million	747	691	8.1

		1 January to 30 September 2023	1 January to 30 September 2022	Change in %
New contracts with retail customers		1,112,817	1,178,286	-5.6
Revenues	€ million	26,723	26,036	2.6
Profit before financial result (EBIT)	€ million	2,449	2,627	-6.8
Profit before tax	€ million	2,451	2,672	-8.3

		30.9.2023	31.12.2022	Change in %
Contract portfolio with retail customers		4,974,979	5,210,246	-4.5
Business volume in balance sheet terms *	€ million	135,131	135,689	-0.4

Solid increase in new business with retail customers in third quarter

The third quarter saw a solid year-on-year increase in credit financing and leasing business with 383,509 new contracts signed (2022: 362,838 contracts; +5.7%), mainly reflecting the strong sales figures reported by the Automotive segment. In addition, the number of new contracts relating to pre-owned BMW Group brand vehicles increased by 5.1% year on year to

82,900 contracts (2022: 78,909 contracts). Accordingly, the volume of new leasing and credit financing business grew by 17.3% and 0.6% respectively. As a proportion of new business, leasing accounted for 33.7% and credit financing for 66.3% in the third quarter.

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

11 General Economic Environment

12 Group Overview

16 Automotive Segment

23 Financial Services Segment

25 Other Entities Segment and Eliminations

26 Outlook

30 Risk and Opportunity Management

Compared to the same quarter one year earlier, the total volume of new credit financing and leasing contracts with retail customers increased by 7.3 % (2023: € 14,176 million; 2022: € 13,214 million). In the third quarter 2023, 38.0 %¹ of new BMW Group vehicles were either leased or financed by the Financial Services segment (2022: 38.3 %; – 0.3 percentage points).

Third-quarter earnings up on previous year

Profit before tax for the third quarter improved by 8.1 % to € 747 million (2022: € 691 million). In the same quarter one year earlier, the credit risk provisioning expense was impacted by impairment allowances recognised in light of less favourable macroeconomic prospects.

Moderate decline in new business with retail customers during nine-month period

A total of 1,112,817 new credit financing and leasing contracts were concluded with retail customers during the nine-month period under report (2022: 1,178,286 contracts; – 5.6 %). The main reasons for the decrease were the rise in interest rates (which perceptibly increased financing costs for retail consumers) and the continued high level of competition within the financial services sector.

The volume of new leasing business grew by 2.1 % year on year, whereas credit financing business contracted by 8.9 %. Leasing accounted for 32.7 % and credit financing for 67.3 % of new business concluded between January and September 2023.

New contracts signed included 241,835 credit financing and leasing contracts relating to pre-owned BMW Group brand vehicles (2022: 249,630 contracts; – 3.1 %).

Compared to the first nine months of the previous year, the total volume of new credit financing and leasing contracts with retail customers fell slightly to € 40,973 million (2022: € 41,656 million; – 1.6 %). An improved product mix in the Automotive segment gave rise to a higher average financing volume per vehicle for the Financial Services segment, partially offsetting the impact of the lower overall number of new contracts signed. During the

first nine months of 2023, 37.7 %¹ of new BMW Group vehicles were either leased or financed by the Financial Services segment (2022: 42.4 %; – 4.7 percentage points).

At 30 September 2023, the Financial Services segment's portfolio of credit financing and leasing contracts with retail customers comprised 4,974,979 contracts (31 December 2022: 5,210,246 contracts; – 4.5 %), with a downward trend observable in all regions (EU Bank² – 4.9 %; Europe – 3.1 %; Americas – 2.9 %; Asia/Pacific/Middle East/Africa – 2.0 %; China – 12.3 %).

Fleet business at previous year's level

Under the brand name Alphabet, the Financial Services segment's fleet management business offers leasing and financing arrangements as well as a range of related services, primarily to commercial customers. Out of the total portfolio of credit financing and leasing contracts with retail customers, this line of business accounted for 716,064 contracts at 30 September 2023 (31 December 2022: 714,630³ contracts; +0.2 %).

Dealership financing up on previous year

The total volume of dealership financing at the end of the reporting period amounted to € 16,963 million and was therefore significantly higher than at the end of the previous financial year (31 December 2022: € 15,209 million; +11.5 %), mainly reflecting the improved availability of vehicles.

Nine-month earnings of Financial Services down on previous year

The Financial Services segment recorded a profit before tax for the nine-month period amounting to € 2,451 million (2022: € 2,672 million; – 8.3 %). The deterioration was mainly due to higher refinancing costs in light of rising interest rates on the one hand and the reduced size of the contract portfolio on the other. By contrast, high remarketing proceeds from lease returns continued to have a positive impact on earnings.

The credit loss ratio on the total credit portfolio remained at a low level, finishing at 0.15 % for the nine-month period (2022: 0.11 %). In balance sheet terms, business volume remained at a similar level to the end of the previous financial year (31 December 2022: € 135,689 million; – 0.4 %).

¹ The calculation only includes automobile markets in which the Financial Services segment is represented by a consolidated entity.

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

³ Previous year's figure adjusted due to brand name change for contracts relating to non-BMW Group brands.

11 General Economic Environment

12 Group Overview

16 Automotive Segment

23 Financial Services Segment

25 Other Entities Segment and Eliminations

26 Outlook

30 Risk and Opportunity Management

OTHER ENTITIES SEGMENT AND ELIMINATIONS

Sharp deterioration in pre-tax earnings reported for Other Entities segment in the third quarter

The Other Entities segment reported a loss before tax of € 5 million for the third quarter (2022: profit before tax of € 296 million). The financial result was adversely impacted by fair value measurement losses on interest rate hedges. Although still rising slightly, the upward curve in interest rates in the third quarter was flatter than one year earlier. At the same time, changes in the composition of the derivatives portfolio had a negative impact on earnings. In the previous year, earnings of the Other Entities segment benefited from favourable interest rate developments.

Third-quarter earnings benefit from higher profit arising on lower eliminations

At the level of profit/loss before tax for the third quarter, eliminations gave rise to a positive amount of € 280 million (2022: € 61 million). The year-on-year change was mainly impacted by lower eliminations required in the third quarter in connection with leasing business.

Market development of interest rate hedges negatively impacts nine-month profit of Other Entities

The Other Entities segment generated profit before tax for the nine-month period amounting to € 112 million (2022: € 1,258 million; – 91.1%), whereby the financial result was adversely impacted by fair value measurement losses on interest rate hedges. Although still rising slightly, the upward curve in interest rates during the first nine months of 2023 was flatter than one year earlier. At the same time, changes in the composition of the derivatives portfolio had a negative impact on earnings. In the previous year, earnings of the Other Entities segment had benefited from the favourable market development of interest rate and foreign currency hedges.

Improvement in nine-month profit before tax from eliminations

Eliminations increased earnings at the level of Group profit before tax by € 929 million (2022: € 91 million). The year-on-year change was mainly impacted by lower eliminations required in the nine-month period under report in connection with leasing business.

11	General Economic Environment
12	Group Overview
16	Automotive Segment
23	Financial Services Segment
25	Other Entities Segment and Eliminations
26	Outlook
30	Risk and Opportunity Management

OUTLOOK, RISK AND OPPORTUNITY MANAGEMENT

The outlook presented in this Quarterly Statement as well as the comments on risk and opportunity management show the expected development of the BMW Group, including significant risks and opportunities, from a Group management perspective for the remainder of the financial year 2023. The forward-looking statements contained therein are based on expectations and assessments that may be influenced by unanticipated future events. As a result, the actual course of business could differ – either positively or negatively – from the assumptions described below. Currently, the main areas of uncertainty with respect to the economic, political and legal situation include a global rise in interest rates and high inflation rates, both of which are having an impact on consumer, as well as increasing (geo)political tensions. Further information is provided in the [Outlook](#) and [Risks and Opportunities](#) chapters of the BMW Group Report 2022.

OUTLOOK

International automobile markets

The International Monetary Fund (IMF) slightly raised its spring forecast for the global economy and now projects a growth rate of 3.0 % for the current year as a whole. So far, the economy has held up better than initially expected in the face of rising interest rates. However, uncertainties affecting the world's geopolitical trouble spots are likely to continue having an adverse impact on the global economy.

Despite the somewhat subdued economic outlook, automobile markets are nevertheless expected to grow overall year on year. The core regional markets are likely to develop at varying rates. Markets in Europe and the USA are forecast to grow robustly in 2023. The most optimistic forecast for China, however, is that its automobile market will grow slightly year on year in light of the currently prevailing tense macroeconomic situation.

BMW Group – assumptions used and outlook

The following outlook relates to the financial year 2023 as a whole and is based on the expected composition of the BMW Group during that period.

All major sales markets provided a favourable environment for new vehicle sales during the first nine months of the year. Europe and the USA in particular continued to benefit from high demand for BMW vehicles in the third quarter.

In the fourth and final quarter of the year, the BMW Group expects the upward trend in deliveries to gain further momentum, driven by the market launch of new models such as the BMW 5 Series and the BMW X2. The stabilisation of interest rates and the gradually declining rate of inflation in some countries are also likely to help underpin this positive trend. The BMW Group expects competition to remain intense on the Chinese market.

11 General Economic Environment

12 Group Overview

16 Automotive Segment

23 Financial Services Segment

25 Other Entities Segment and Eliminations

26 Outlook

30 Risk and Opportunity Management

Selling prices continue to be at high levels on the world's new and pre-owned vehicle markets. In recent months, however, the first signs of a return to more normal pricing have been noticeable and this trend is expected to continue during the fourth quarter.

Global supply chains have recovered well, resulting in a greatly improved supply situation. Despite a few sporadic bottlenecks still affecting the supplier network, no significant disruptions are currently expected during the remainder of the year.

The situation on raw materials markets also continues to normalise. In this context, the upward pressure on purchase prices is also expected to ease further during the final quarter of the year.

Despite these developments, however, manufacturing costs are likely to continue on their upward trajectory, given the unchanged high cost of the battery-related raw materials required to continue ramping up electric mobility production. Costs are expected to remain at a high level across all supply chains.

Due to the high rate of inflation seen in the prior year, personnel-related costs are likely to continue rising for the remainder of the current year.

The war in Ukraine and its potential impact on the BMW Group's business performance are being closely monitored. All applicable restrictive measures, in particular those resulting from international sanctions, have been factored into the outlook. However, a further intensification of the conflict between Russia and Ukraine, combined with a possible spillover, has not been taken into account.

The conflict between Israel and Palestine does not currently have any material impact on the BMW Group's business, given that it does not have any direct business activities in the region. However, any escalation of the conflict or an increase in political uncertainties in the region could lead to a general economic downturn, which could also have an impact on the BMW Group and its business activities. The BMW Group is monitoring developments in the region closely.

Uncertainties also exist in conjunction with legal and warranty risks. Further information is provided in the comments on contingent liabilities in [note 19](#) to the Interim Group Financial Statements for the Half-year to 30 June 2023.

The Covid-19 pandemic is no longer expected to have a significant impact on the results of operations, financial and net assets position of BMW AG and the Group as a whole.

In view of the unpredictability of current political scenarios, actual macro-economic developments in some regions may deviate from expected trends and outcomes. Potential sources of uncertainty include policies affecting trade and customs tariffs, security developments and a possible deterioration of international trade conflicts.

Outlook for the BMW Group – key performance indicators

Despite the prevailing highly competitive environment and the geopolitical as well as macroeconomic volatility, we expect business to develop on a stable basis during the rest of the year and confirm our forecast for the financial year 2023 for all segments.

Unchanged from the previous quarter's updated outlook, the Automotive segment is expected to record a solid year-on-year increase in the number of BMW, MINI and Rolls-Royce brand vehicles delivered to customers.

The Automotive segment's EBIT margin is set to come in within a range between 9.0 and 10.5 %, and its RoCE between 18 and 22 %.

The BMW Group expects to achieve its target of slightly reducing the carbon emissions generated by its EU new vehicle fleet by continuously improving the overall fuel consumption of its products.

11 General Economic Environment

12 Group Overview

16 Automotive Segment

23 Financial Services Segment

25 Other Entities Segment and Eliminations

26 Outlook

30 Risk and Opportunity Management

In view of the increasing focus on all-electric vehicles, from the financial year 2023 onwards the BMW Group reports the share of all-electric vehicles in total deliveries, which is expected to increase significantly compared to 2022. The previous key performance indicator "share of electrified vehicles in deliveries" is no longer reported.

Carbon emissions per vehicle produced are expected to decrease slightly.

Motorcycles segment deliveries are predicted to increase slightly. The segment EBIT margin is expected to finish within a range between 8 and 10 % and the segment RoCE between 21 and 26 %.

The RoE in the Financial Services segment is forecast to end the year with in a range between 16 and 19 %.

Group profit before tax will decrease significantly. The underlying reason for this development is the one-time gain of € 7.7 billion recorded in 2022 in conjunction with the remeasurement of the BMW Group's previous at-equity interest in BMW Brilliance. Excluding the one-time gain recognised in 2022, Group profit before tax for the financial year 2023 would be significantly higher than for the preceding twelve-month period.

The aforementioned targets are to be met with a slight growth in the size of the workforce. Likewise, the share of women in management positions in the BMW Group is expected to increase slightly.

The BMW Group's actual business performance may also deviate from current expectations due to the risks and opportunities discussed below in the section on [➤ Risk and Opportunity Management](#).

11 General Economic Environment

12 Group Overview

16 Automotive Segment

23 Financial Services Segment

25 Other Entities Segment and Eliminations

26 Outlook

30 Risk and Opportunity Management

The BMW Group key performance indicators

Based on current knowledge and assessments, the key performance indicators of the BMW Group for the full year 2023 are forecast as follows:

		2022 reported		2023 outlook	
			originally reported		updated
GROUP					
Profit before tax	€ million	23,509	Significant decrease		-
Workforce at year-end		149,475	Slight increase		-
Share of women in management positions in the BMW Group	%	20.2	Slight increase		-
AUTOMOTIVE SEGMENT					
Deliveries ¹	units	2,399,632	Slight increase		Solid increase
Share of all-electric vehicles in deliveries	%	9.0	Significant increase		-
CO ₂ emissions EU new vehicle fleet ^{2,3}	g / km	105.0	Slight reduction		-
CO ₂ emissions per vehicle produced ⁴	tons	0.32	Slight reduction		-
EBIT margin	%	8.6	between 8 and 10		between 9 and 10.5
Return on capital employed (RoCE)	%	18.1	between 15 and 20		between 18 and 22
MOTORCYCLES SEGMENT					
Deliveries	units	202,895	Slight increase		-
EBIT margin	%	8.1	between 8 and 10		-
Return on capital employed (RoCE)	%	24.9	between 21 and 26		-
FINANCIAL SERVICES SEGMENT					
Return on equity (RoE)	%	17.9	between 14 and 17		between 16 and 19

¹ Includes BMW Brilliance Automotive Ltd., also for the period prior to that entity's full consolidation in the BMW Group Financial Statements (1 January to 10 February 2022: 96,133 units).

² EU-27 countries including Norway and Iceland; with effect from 2021, values are calculated on a converted basis in line with WLTP (Worldwide Harmonised Light Vehicles Test Procedure).

³ Includes an allowance for eco-innovations of significantly lower importance.

⁴ Efficiency ratio calculated on the basis of Scope 1 and Scope 2 carbon emissions (i.e. a market-based method according to GHG Protocol Scope 2 guidance; mainly based on the emissions factors for electricity, district heating and fuels of the VDA (each in the most current version: 12/2022) and occasionally using local emissions factors; excluding climate-changing gases other than carbon dioxide) from vehicle production (BMW Group manufacturing sites including BMW Brilliance Automotive Ltd. and Motorrad, but excluding partner plants and contract manufacturers), as well as BMW Group non-manufacturing sites (e.g. research centres, sales centres, offices) divided by the number of vehicles produced (BMW Group manufacturing sites including BMW Brilliance Automotive Ltd. and partner plants, but excluding contract manufacturers).

11 General Economic Environment

12 Group Overview

16 Automotive Segment

23 Financial Services Segment

25 Other Entities Segment and Eliminations

26 Outlook

30 Risk and Opportunity Management

RISK AND OPPORTUNITY MANAGEMENT

Managing risks and making full use of any opportunities that may arise is the cornerstone of the BMW Group's business success. This strategy is based on effective risk and opportunity management, which enables the Group to respond quickly and flexibly to changes in the political, economic, environmental, social, technical or legal situation. The general risk situation is regularly assessed as part of this strategy. Changes are integrated during the year and for long-term planning purposes.

Further information on risks and opportunities as well as on the methods employed to manage them is provided in the chapter [➤ Risks and Opportunities](#) in the BMW Group Report 2022.

INTERIM GROUP FINANCIAL STATEMENTS

32 **Income Statement for Group and Segments
for the period from 1 July to 30 September**

34 **Income Statement for Group and Segments
for the period from 1 January to 30 September**

36 **Balance Sheet for Group and Segments at 30 September 2023**

40 **Condensed Cash Flow Statement for Group and Segments
for the period from 1 January to 30 September**

INCOME STATEMENT FOR GROUP AND SEGMENTS FOR THE PERIOD FROM 1 JULY TO 30 SEPTEMBER

in € million	Group		Automotive		Motorcycles	
	2023	2022	2023	2022	2023	2022
Revenues	38,458	37,176	32,096	32,290	650	822
Cost of sales	-31,535	-30,947	-26,841	-27,338	-577	-666
Gross profit	6,923	6,229	5,255	4,952	73	156
Selling and administrative expenses	-2,615 *	-2,549 *	-2,145	-2,089	-77	-69
Other operating income	276	204	255	199	-	1
Other operating expenses	-232	-202	-230	-189	-	-1
Profit / loss before financial result	4,352	3,682	3,135	2,873	-4	87
Result from equity accounted investments	-11	-109	-11	-109	-	-
Interest and similar income	186	113	373	203	2	1
Interest and similar expenses	-125	85	-356	11	-	1
Other financial result	-339	329	-98	-15	-	-
Financial result	-289	418	-92	90	2	2
Profit / loss before tax	4,063	4,100	3,043	2,963	-2	89
Income taxes	-1,132	-925	-855	-678	2	-19
Net profit / loss	2,931	3,175	2,188	2,285	-	70
Attributable to non-controlling interests	254	394	251	388	-	-
Attributable to shareholders of BMW AG	2,677	2,781	1,937	1,897	-	70
Basic earnings per share of common stock in €	4.20	4.25				
Basic earnings per share of preferred stock in €	4.20	4.25				
Dilutive effects	-	-				
Diluted earnings per share of common stock in €	4.20	4.25				
Diluted earnings per share of preferred stock in €	4.20	4.25				

* Includes administrative expenses amounting to € 1,152 million (2022: € 1,036 million).



INCOME STATEMENT FOR GROUP AND SEGMENTS FOR THE PERIOD FROM 1 JULY TO 30 SEPTEMBER

in € million	Financial Services		Other Entities		Eliminations	
	2023	2022	2023	2022	2023	2022
Revenues	9,102	8,785	3	3	-3,393	-4,724
Cost of sales	-7,975	-7,709	-	-	3,858	4,766
Gross profit	1,127	1,076	3	3	465	42
Selling and administrative expenses	-389	-392	-8	-4	4	5
Other operating income	13	6	-	4	8	-6
Other operating expenses	-11	-11	-3	-16	12	15
Profit / loss before financial result	740	679	-8	-13	489	56
Result from equity accounted investments	-	-	-	-	-	-
Interest and similar income	-	2	905	399	-1,094	-492
Interest and similar expenses	-1	-1	-653	-423	885	497
Other financial result	8	11	-249	333	-	-
Financial result	7	12	3	309	-209	5
Profit / loss before tax	747	691	-5	296	280	61
Income taxes	-216	-148	1	-65	-64	-15
Net profit / loss	531	543	-4	231	216	46
Attributable to non-controlling interests	3	5	-	1	-	-
Attributable to shareholders of BMW AG	528	538	-4	230	216	46
Basic earnings per share of common stock in €						
Basic earnings per share of preferred stock in €						
Dilutive effects						
Diluted earnings per share of common stock in €						
Diluted earnings per share of preferred stock in €						

INCOME STATEMENT FOR GROUP AND SEGMENTS FOR THE PERIOD FROM 1 JANUARY TO 30 SEPTEMBER

in € million	Group		Automotive		Motorcycles	
	2023	2022	2023	2022	2023	2022
Revenues	112,530	103,088	94,994	89,031	2,571	2,485
Cost of sales	-90,705	-85,346	-78,731	-75,431	-2,058	-1,966
Gross profit	21,825	17,742	16,263	13,600	513	519
Selling and administrative expenses	-7,604 *	-7,261 *	-6,295	-5,982	-208	-200
Other operating income	692	943	637	794	4	5
Other operating expenses	-843	-925	-795	-709	-1	-2
Profit / loss before financial result	14,070	10,499	9,810	7,703	308	322
Result from equity accounted investments	-133	28	-133	28	-	-
Interest and similar income	499	283	988	445	6	3
Interest and similar expenses	-369	187	-988	22	-3	1
Other financial result	-653	9,259	-66	7,711	-	-
Financial result	-656	9,757	-199	8,206	3	4
Profit / loss before tax	13,414	20,256	9,611	15,909	311	326
Income taxes	-3,863	-3,849	-2,789	-3,019	-90	-62
Net profit / loss	9,551	16,407	6,822	12,890	221	264
Attributable to non-controlling interests	649	645	629	614	-	-
Attributable to shareholders of BMW AG	8,902	15,762	6,193	12,276	221	264
Basic earnings per share of common stock in €	13.90	23.88				
Basic earnings per share of preferred stock in €	13.91	23.89				
Dilutive effects	-	-				
Diluted earnings per share of common stock in €	13.90	23.88				
Diluted earnings per share of preferred stock in €	13.91	23.89				

* Includes administrative expenses amounting to € 3,404 million (2022: € 3,098 million).



INCOME STATEMENT FOR GROUP AND SEGMENTS FOR THE PERIOD FROM 1 JANUARY TO 30 SEPTEMBER

in € million	Financial Services		Other Entities		Eliminations	
	2023	2022	2023	2022	2023	2022
Revenues	26,723	26,036	9	6	-11,767	-14,470
Cost of sales	-23,130	-22,387	-	-	13,214	14,438
Gross profit	3,593	3,649	9	6	1,447	-32
Selling and administrative expenses	-1,093	-1,077	-27	-23	19	21
Other operating income	26	110	10	15	15	19
Other operating expenses	-77	-55	-5	-185	35	26
Profit / loss before financial result	2,449	2,627	-13	-187	1,516	34
Result from equity accounted investments	-	-	-	-	-	-
Interest and similar income	4	3	2,424	970	-2,923	-1,138
Interest and similar expenses	-7	-4	-1,707	-1,027	2,336	1,195
Other financial result	5	46	-592	1,502	-	-
Financial result	2	45	125	1,445	-587	57
Profit / loss before tax	2,451	2,672	112	1,258	929	91
Income taxes	-717	-509	-33	-239	-234	-20
Net profit / loss	1,734	2,163	79	1,019	695	71
Attributable to non-controlling interests	19	30	1	1	-	-
Attributable to shareholders of BMW AG	1,715	2,133	78	1,018	695	71
Basic earnings per share of common stock in €						
Basic earnings per share of preferred stock in €						
Dilutive effects						
Diluted earnings per share of common stock in €						
Diluted earnings per share of preferred stock in €						

BALANCE SHEET FOR GROUP AND SEGMENTS AT 30 SEPTEMBER 2023

in € million	Group		Automotive		Motorcycles	
	30.9.2023	31.12.2022	30.9.2023	31.12.2022	30.9.2023	31.12.2022
ASSETS						
Intangible assets	20,045	21,776	19,473	21,220	205	185
Property, plant and equipment	33,257	32,126	32,641	31,514	514	491
Leased products	42,663	42,820	-	-	-	-
Investments accounted for using the equity method	409	420	409	420	-	-
Other investments	1,313	1,351	14,764	14,775	-	-
Receivables from sales financing	49,691	50,368	-	-	-	-
Financial assets	1,935	3,073	923	1,522	-	-
Deferred tax	2,463	1,758	3,399	3,340	-	-
Other assets	1,382	1,030	2,244	2,612	18	25
Non-current assets	153,158	154,722	73,853	75,403	737	701
Inventories	26,058	20,005	24,677	18,679	894	802
Trade receivables	3,921	4,127	3,630	3,869	142	143
Receivables from sales financing	35,506	35,340	-	-	-	-
Financial assets	4,021	5,164	2,776	3,841	-	-
Current tax	1,076	1,096	654	547	-	-
Other assets	8,378	9,602	21,287	31,576	6	4
Cash and cash equivalents	23,115	16,870	19,275	13,109	33	21
Current assets	102,075	92,204	72,299	71,621	1,075	970
Total assets	255,233	246,926	146,152	147,024	1,812	1,671



BALANCE SHEET FOR GROUP AND SEGMENTS AT 30 SEPTEMBER 2023

in € million	Financial Services		Other Entities		Eliminations	
	30.9.2023	31.12.2022	30.9.2023	31.12.2022	30.9.2023	31.12.2022
ASSETS						
Intangible assets	366	370	1	1	-	-
Property, plant and equipment	102	121	-	-	-	-
Leased products	49,804	49,867	-	-	-7,141	-7,047
Investments accounted for using the equity method	-	-	-	-	-	-
Other investments	28	28	23,058	23,020	-36,537	-36,472
Receivables from sales financing	49,821	50,482	-	-	-130	-114
Financial assets	418	481	675	1,191	-81	-121
Deferred tax	522	517	23	23	-1,481	-2,122
Other assets	1,954	2,325	36,574	38,315	-39,408	-42,247
Non-current assets	103,015	104,191	60,331	62,550	-84,778	-88,123
Inventories	487	524	-	-	-	-
Trade receivables	148	114	1	1	-	-
Receivables from sales financing	35,506	35,340	-	-	-	-
Financial assets	629	560	627	766	-11	-3
Current tax	99	134	323	415	-	-
Other assets	4,351	5,020	53,500	54,857	-70,766	-81,855
Cash and cash equivalents	3,371	3,530	436	210	-	-
Current assets	44,591	45,222	54,887	56,249	-70,777	-81,858
Total assets	147,606	149,413	115,218	118,799	-155,555	-169,981



BALANCE SHEET FOR GROUP AND SEGMENTS AT 30 SEPTEMBER 2023

in € million	Group		Automotive		Motorcycles	
	30.9.2023	31.12.2022	30.9.2023	31.12.2022	30.9.2023	31.12.2022
EQUITY AND LIABILITIES						
Subscribed capital	639	663				
Capital reserves	2,456	2,432				
Revenue reserves	86,959	85,425				
Accumulated other equity	- 1,333	- 117				
Treasury shares	- 319	- 1,278				
Equity attributable to shareholders of BMW AG	88,402	87,125				
Non-controlling interests	4,567	4,163				
Equity	92,969	91,288	65,088	67,234	-	-
Pension provisions	220	339	130	233	-	9
Other provisions	8,279	8,445	8,070	8,206	73	83
Deferred tax	3,207	2,765	3,215	2,786	-	-
Financial liabilities	52,389	53,469	2,499	2,730	2	2
Other liabilities	6,924	6,199	7,218	6,840	792	721
Non-current provisions and liabilities	71,019	71,217	21,132	20,795	867	815
Other provisions	8,323	7,316	7,615	6,668	126	123
Current tax	1,630	1,224	1,116	886	-	-
Financial liabilities	45,122	40,727	2,075	1,646	-	-
Trade payables	16,575	14,120	14,865	12,763	568	494
Other liabilities	19,595	21,034	34,261	37,032	251	239
Current provisions and liabilities	91,245	84,421	59,932	58,995	945	856
Total equity and liabilities	255,233	246,926	146,152	147,024	1,812	1,671



BALANCE SHEET FOR GROUP AND SEGMENTS AT 30 SEPTEMBER 2023

in € million	Financial Services		Other Entities		Eliminations	
	30.9.2023	31.12.2022	30.9.2023	31.12.2022	30.9.2023	31.12.2022
EQUITY AND LIABILITIES						
Subscribed capital						
Capital reserves						
Revenue reserves						
Accumulated other equity						
Treasury shares						
Equity attributable to shareholders of BMW AG						
Non-controlling interests						
Equity	17,063	17,737	52,782	48,894	- 41,964	- 42,577
Pension provisions	12	20	78	77	-	-
Other provisions	136	156	-	-	-	-
Deferred tax	2,827	3,447	65	315	- 2,900	- 3,783
Financial liabilities	15,995	16,343	33,974	34,515	- 81	- 121
Other liabilities	37,920	39,654	653	1,185	- 39,659	- 42,201
Non-current provisions and liabilities	56,890	59,620	34,770	36,092	- 42,640	- 46,105
Other provisions	576	519	6	6	-	-
Current tax	240	123	274	215	-	-
Financial liabilities	27,657	25,718	15,401	13,366	- 11	- 3
Trade payables	1,125	852	17	11	-	-
Other liabilities	44,055	44,844	11,968	20,215	- 70,940	- 81,296
Current provisions and liabilities	73,653	72,056	27,666	33,813	- 70,951	- 81,299
Total equity and liabilities	147,606	149,413	115,218	118,799	- 155,555	- 169,981

CONDENSED CASH FLOW STATEMENT FOR GROUP AND SEGMENTS FOR THE PERIOD FROM 1 JANUARY TO 30 SEPTEMBER

in € million	Group		Automotive		Financial Services	
	2023	2022	2023	2022	2023	2022
Profit / loss before tax	13,414	20,256	9,611	15,909	2,451	2,672
Depreciation and amortisation of tangible, intangible and investment assets	6,733	6,126	6,624	6,030	24	22
Change in provisions	1,046	550	980	775	4	- 115
Change in leased products and receivables from sales financing	- 89	5,291	-	-	- 185	5,776
Changes in working capital	- 3,198	- 582	- 3,449	- 539	271	16
Other	- 2,166	- 12,589	- 1,233	- 12,303 *	1,050	411
Cash inflow / outflow from operating activities	15,740	19,052	12,533	9,872	3,615	8,782
Total investment in intangible assets and property, plant and equipment	- 6,744	- 5,198	- 6,611	- 5,118	- 5	- 5
Expenditure for acquisitions, net of cash acquired	-	3,587	-	5,011	-	-
Net investment in marketable securities and investment funds	1,175	420	1,158	318	16	26
Other	- 168	120	- 163	111	1	11
Cash inflow / outflow from investing activities	- 5,737	- 1,071	- 5,616	322	12	32
Cash inflow / outflow from financing activities	- 3,216	- 9,743	- 357	- 2,101	- 3,638	- 8,539
Effect of exchange rate on cash and cash equivalents	- 569	200	- 421	244	- 148	69
Effect of changes in composition of Group on cash and cash equivalents	27	-	27	-	-	-
Change in cash and cash equivalents	6,245	8,438	6,166	8,337	- 159	344
Cash and cash equivalents as at 1 January	16,870	16,009	13,109	12,009	3,530	3,471
Cash and cash equivalents as at 30 September	23,115	24,447	19,275	20,346	3,371	3,815

* Includes the elimination of the non-cash revaluation effect of the investment in BMW Brilliance amounting to € 7,649 million.

OTHER INFORMATION

42 [Consumption and Carbon Disclosures](#)

44 [Contacts](#)

CONSUMPTION AND CARBON DISCLOSURES

Figures according to WLTP

Model	Fuel consumption in l / 100 km (combined / weighted combined) max / min	CO ₂ emissions in g / km (combined / weighted combined) max / min	Electricity power consumption in kWh / 100 km (combined / weighted combined) max / min	Electric range (combined / weighted combined)
BMW				
BMW i4 eDrive40	-	-	19.1 – 16.1	493 – 590
BMW i4 M50	-	-	22.5 – 18.0	416 – 520
BMW i5 eDrive40	-	-	18.9 – 15.9	497 – 582
BMW i5 M60 xDrive	-	-	20.6 – 18.2	455 – 516
BMW i7 xDrive50	-	-	20.3 – 19.1	575 – 611
BMW i7 xDrive60	-	-	19.6 – 18.4	591 – 625
BMW i7 M70 xDrive	-	-	23.7 – 20.8	490 – 559
BMW iX xDrive40	-	-	21.1 – 19.5	394 – 422
BMW iX xDrive50	-	-	21.5 – 20.7	587 – 607
BMW iX M60	-	-	24.5 – 22.5	502 – 549
BMW iX1 xDrive20	-	-	17.2 – 15.4	430 – 474
BMW iX1 xDrive30	-	-	18.4 – 17.3	413 – 438
BMW iX2 xDrive30	-	-	17.7 – 16.3	417 – 449
BMW iX3	-	-	18.9 – 18.5	453 – 461
BMW XM	1.9 – 1.5	43 – 35	33.6 – 32.5	76 – 83
BMW XM Label Red	2.0 – 1.6	45 – 35	33.5 – 32.5	76 – 82



CONSUMPTION AND CARBON DISCLOSURES

Figures according to WLTP

Model	Fuel consumption in l / 100 km (combined / weighted combined) max / min	CO ₂ emissions in g / km (combined / weighted combined) max / min	Electricity power consumption in kWh / 100 km (combined / weighted combined) max / min	Electric range (combined / weighted combined)
MINI				
MINI Cooper SE	-	-	17.6 – 15.4	203 – 232
MINI Cooper SE Cabrio	-	-	17.2	201
Rolls-Royce				
Rolls-Royce Cullinan	16.5 – 16.1	377 – 368	-	-
Rolls-Royce Ghost	15.8 – 15.2	359 – 347	-	-
Rolls-Royce Dawn	16.9 – 16.2	381 – 367	-	-
Rolls-Royce Wraith	16.3 – 15.8	369 – 357	-	-
Rolls-Royce Spectre *	-	-	21.5	520

* Values are preliminary.

CONTACTS

BUSINESS AND FINANCE PRESS

Telephone +49 89 382-2 45 44

E-mail presse@bmwgroup.com

INVESTOR RELATIONS

Telephone + 49 89 382-2 53 87

Telefax +49 89 382-1 46 61

E-mail ir@bmwgroup.com

THE BMW GROUP ON THE INTERNET

Further information about the BMW Group is available online at:

➤ www.bmwgroup.com

Investor Relations information is available directly at:

➤ www.bmwgroup.com/ir

Information about the various BMW Group brands is available at:

➤ www.bmw.com

➤ www.mini.com

➤ www.rolls-roycemotorcars.com

➤ www.bmw-motorrad.com

PUBLISHED BY

Bayerische Motoren Werke
Aktiengesellschaft
80788 Munich
Germany
Telephone +49 89 382-0
