

STATEMENT OF THE CHAIRMAN OF THE BOARD OF MANAGEMENT

Strong today – strong tomorrow.

**DEAR SHAREHOLDERS,
LADIES AND GENTLEMEN:**

You know your Company: we always think ahead.

We deliver what we say we are going to do – systematically, without making excuses, consistently and reliably. Becoming a little bit better every day – that is what I expect from the Company and from myself. That is how we move forward – bringing ambitious goals closer and gradually turning them into reality. Society likes to talk about the transformation of mobility and the automotive industry.

At the BMW Group, we call it continuous progress.

That is what the BMW Group stands for, like no other company. It is one of the reasons why you, our shareholders, continue to stand by us.



Oliver Zipse
Chairman of the
Board of Management

You lend us your support and give us the latitude we need to make decisions with a long-term perspective. Entrepreneur Herbert Quandt laid the foundation for this many years ago. His family's next generation and all of us who work at the Company are following his legacy. In his spirit, the Company and its employee representatives work together – negotiating firmly, but always focused on finding solutions for the future. That, too, is our lived BMW culture.

All these things make your Company strong and resilient. This is especially true in the current conditions, where we face a variety of extremely demanding requirements in individual regions of the world, with geopolitical uncertainty and entirely new challenges constantly emerging. We provide a substantial response to all these things.

More than 150,000 associates worldwide carry your Company forwards through their hard work and dedication every day. They all value your commitment and your loyalty to the BMW Group as shareholders.

Your Company intends to stay on track for success.

Our business model – individual premium mobility in its different forms and in line with regional requirements – continues to offer substantial potential for achieving profitable growth and gaining market share.

We are taking advantage of these opportunities in our rolling strategic approach and our long-term corporate planning. What sets us apart is that we make conscious decisions, that are consistently based on facts, empirical findings and well-founded analysis – not driven by the current "zeitgeist" or short-term hypes. And, of course, it takes experience and sometimes also common sense.

Our BMW, MINI, Rolls-Royce and BMW Motorrad brands enjoy an excellent reputation worldwide. Our products don't just get people from A to B; they touch hearts and spark emotions. Our customers experience their mobility in a very individual way. To achieve this, we are making mobility more human, more intelligent and more sustainable.

A glance in the rear-view mirror shows that we are certainly capable of doing this: BMW has overcome difficult situations many times in the past. This certainty has shaped our self-confidence for 108 years. Your Company has constantly reinvented itself – taking bold leaps in innovation at exactly the right time.

Timing is key in whether innovations gain traction and the Company stays relevant, but it is also clear that:

The future is always ahead of us. And we are prepared!

We know where we are headed at all times and we know what we need. Our consistent behaviour shapes the image of your Company in the eyes of the public and among our stakeholders. People expect us to consider things carefully and to come up with practical solutions. We "walk the talk" – people know that we take big leaps, but that we also deliver. All electric vehicles are projected to account for half of our global deliveries before 2030. We are right on track.

Your investment in the BMW Group must be worth it.

Your Company is robust and financially strong. Our Automotive EBIT margin for financial year 2023 was within our upwardly adjusted target range of 9.0 to 10.5%. As you know, we are still targeting a range of 8 to 10% in the long term. At Group level, our EBT margin for 2023 of 11% exceeded our strategic target of 10%.

Our profitability puts us in a position where we can once again pay you an attractive dividend. We are making major investments in our future. The same applies to 2023 as well as to the current financial year. Our R&D spending focus on our products, further electrification and digitalisation of our line-up and automated driving. At the same time, we are investing in the NEUE KLASSE mega-project, our modular kits, construction of high-voltage battery production facilities in various markets, and the new plant in Debrecen, to name just a few examples. Your Company is going to profit noticeably from all this in the coming years.

"We make conscious decisions, that are consistently based on facts."

Strong products generate strong demand.

We delivered a total of 2.55 million vehicles to customers in 2023. As anticipated, we not only posted solid year-on-year growth, but also achieved a new all-time high at Group level. Our brands performed very well individually, too, with new all-time highs for BMW, BMW M, Rolls-Royce and BMW Motorrad. Despite the model changeover due to the extensive realignment of the brand, MINI reported higher sales than the previous year.

Our core BMW brand maintains its leading position in the global premium segment. In March 2024, BMW was ranked number one in the US by the consumer portal "Consumer Reports". This independent platform compared test ratings, reliability, customer satisfaction and safety criteria among 34 automotive manufacturers. Four BMW models even earned the "Green Choice" environmental seal for being among the vehicles in the United States with the lowest emissions.

Dynamic growth for our all-electric models.

In addition to significant growth in the luxury class and upper premium segment, the strongest impetus for growth last year came from our all-electric vehicles. We sold over 375,000 BEVs – which is about 75% more than the previous year. This means that, by the end of 2023, all-electric vehicles made up around 15% of our total sales.

This is also reflected in our share of the global BEV market: at 4.1%, it is already significantly higher than our share of the total global market, which remains stable at 3.3%.

By the end of 2024, we will have more than 15 all-electric models in our line-up across all brands, from MINI to BMW to Rolls-Royce. All of this speaks for our fresh and highly attractive product range – across all brands, all segments and all drive technologies.

In 2023, all our new vehicles went into production or were released onto the market, as planned, including the new BMW 5 Series and the new BMW X2 with the all-electric variants, the i5 and iX2. MINI also presented two models from the all-new MINI family at the IAA MOBILITY: the Cooper 3-door and the Countryman.

BMW Motorrad celebrated its centenary in late September of last year, with Federal Chancellor Olaf Scholz attending the anniversary celebrations at the Berlin-Spandau plant. There were two main highlights: the inauguration of the BMW Motorrad Welt – the counterpart to our BMW Welt in Munich, as a delivery and visitor centre – and the premiere of the R 1300 GS. Fans all over the world have been eagerly awaiting this leap in the next GS generation. All I have to say is: pure high-tech on two wheels – earning extremely positive feedback from the trade press.

Our technological expertise is delivering results.

Our broad, yet centred, approach, with systematic further development of all drive technologies, reflects BMW's typical self-belief, as well as the effectiveness of our strategy. General recognition of our strategy keeps on growing since we continue to present measurable successes in decarbonisation.

Your Company outperformed the EU CO₂ fleet target by 20%.

As in previous years, we not only met the EU CO₂ fleet target for the use phase in 2023, but significantly overfulfilled it: the BMW Group's numbers came in at 26.5 grams significantly below the applicable limit for the reporting year of 128.6 grams of CO₂ per kilometre. We therefore ended up below the CO₂ limit set for BMW by more than 20%.

As you can see, we are continuing the positive trend of recent years, through further electrification of our vehicle portfolio and by using innovative Efficient Dynamics technologies throughout our entire fleet.

Technology openness in BMW 5 Series and 5 Series Touring.

Following on from the new BMW 5 Series Sedan, which has been available since late 2023, the new BMW 5 Series Touring is another perfect example of how our comprehensive technological expertise works in practice.

The Touring, which will be launched this spring, is especially popular in Europe. Here, also, customers will have four drive concepts to choose from: all-electric, plug-in hybrid or highly efficient diesel and petrol engines with 48-volt mild-hybrid technology. BMW is where Touring meets e-drive. No one else in this segment offers a vehicle like the all-electric BMW i5 Touring, with an electric range of over 500 kilometres.

We also haven't forgotten the fans of the BMW M brand: they can look forward to a new edition of the M5 this year – as both Sedan and Touring variants. Both M variants come with an impressive partially electrified drivetrain.

Our plug-in hybrid models remain an important element of our drivetrain portfolio. Current Gen5 battery technology already enables an attractive range. Plug-in hybrids also provide a boost to e-mobility that should not be underestimated. Many customers discover the advantages of electric driving for the first time this way.

Early in 2024, we passed the milestone of two million electrified vehicles sold. This includes both pure electric vehicles and plug-in hybrids.

We are already testing hydrogen drivetrains in everyday situations.

We have been testing the BMW iX5 Hydrogen on the road in selected countries under everyday conditions since last year. Our pilot fleet's world tour has raised awareness of the role hydrogen can play in the energy transition – not just for mobility, but industry-wide. We see hydrogen as a possible alternative drive technology in the mid to long term.

Our vehicles performed well under various climate and traffic conditions – and the public response has been overwhelmingly positive. This is understandable, since hydrogen fuel cell drivetrains combine the best of both worlds: the advantages of an emissions-free e-drive, with the fast refuelling people are used to. We also demonstrated this at the COP28 UN Climate Change Conference in Dubai. Your Company is supporting the growth of the hydrogen economy worldwide, as well as locally, including expansion of infrastructure networks for hydrogen filling stations.

"We are steering the e-mobility ramp-up smartly and precisely in line with demand in all regions of the world."

We aim to continue our profitable growth.

All our brands and drivetrain variants help assure the continued profitable growth of your Company. We expect to see significant double-digit growth in sales of our BEV models again in 2024. We continue to steer the e-mobility ramp-up smartly and precisely in line with differentiated demand in all regions of the world.

We presented our latest models to members of the international media in Portugal in February 2024. Shortly afterwards, we invited 1,500 retailers from 30 European countries to Amsterdam for a glimpse of the future, including the new BMW 1 Series and the latest edition of one of our top-selling individual models, the BMW X3.

The new MINI models for 2024 include the next member of the new MINI family, the Aceman, which will celebrate its world premiere in April 2024. This electric-only crossover in the premium compact-car segment will also bring a massive leap in digitalisation. MINI has a devoted community and creates a unique sense of life and community spirit. The new MINI family is produced at our Chinese joint venture, Spotlight, in Oxford, UK, and, for the first time, in Germany, at the Leipzig plant. At Rolls-Royce, Spectre is the first battery-electric model to become available. Rolls-Royce has long been a standout and unrivalled in the ultra-luxury class with exclusive models.

With the CE02, BMW Motorrad is already releasing its second all-electric model onto the market, as well as the second M motorcycle model, the M 1000 XR, and the R 1300 GS Adventure. That means there will be no fewer than three new top models at BMW Motorrad. They all illustrate the breadth of the product line-up. Everyone – and that also applies to me as a motorcycle rider – can find the right bike for their needs at BMW Motorrad.

NEW RETAIL: direct sales as win-win for everyone involved.

In January 2024, we sold and delivered our first vehicle, a MINI, through our new sales system. We have already switched the MINI brand to a direct sales model in Poland, Italy and Sweden, with other European markets to follow. In China, we have been successfully using this approach for MINI since 2023.

For the BMW brand, we are also setting ourselves up for direct sales access to customers in the future and will be launching NEW RETAIL for BMW in Europe from 2026 onwards.

We aim to digitalise and simplify the car-buying process for customers, with transparent, consistent pricing nationwide. This will create a win-win situation for everyone involved. Our retail partners and their profitable business model will remain an essential pillar of these new arrangements.

Automated driving: the car as digital companion.

It goes without saying that we offer our customers the newest innovations and the latest, state-of-the-art technology. Over-the-air upgrades ensure that every one of our vehicles is always digitally up to date. The art lies in mastering this process: we anticipate far in advance what our customers are going to need and want in five to ten years' time. That is how we ensure they get the best overall package from us. This is our aspiration.

And that is why we keep setting benchmarks:

The BMW 5 Series Sedan is the first car in Germany to be approved for partially automated driving at speeds up to 130 km/h on motorways. The BMW Highway Assistant allows the driver to take their hands off the steering wheel while driving longer distances. We also added a completely new feature: Active Lane Change Assistant with eye confirmation. This allows the vehicle to make an automated lane change without a steering intervention: a glance in the exterior mirror is all that is required.

Taking your hands off the steering wheel and even being able to temporarily turn your attention away from the road – that is Level 3 highly automated driving. From March 2024 onwards, our customers will be able to do precisely this in the models of the new BMW 7 Series. BMW Personal Pilot L3 is the name of this new function, which takes over driving in certain defined traffic situations and manages speed, distance and lane tracking autonomously.

For us, the highest level of premium functionality goes hand in hand with maximum safety for our customers and all road users. We therefore opened the Future Mobility Development Centre in Sokolov in the Czech Republic in summer 2023, where we are testing automated driving and parking functions, up to and including fully automated driving (Level 4). At this location, we are able to simulate virtually all situations that occur in road traffic and thus ensure the maturity of our technical solutions.

NEUE KLASSE – vision becomes reality.

With its spectacular Vision Vehicles, your Company showcases time and again indicates the direction in which we are taking mobility, in line with the major global topics of the future – through bold leaps in innovation and responsible action. This is what our NEUE KLASSE mega-project represents in a unique way.

Last year, there were two major milestones: at the CES in Las Vegas at the start of the year, we unveiled our BMW i Vision Dee, full of digital innovations. Then, in September, at the IAA MOBILITY, we presented our BMW VISION Neue Klasse. No other car at the IAA MOBILITY received as much media coverage and attention as the BMW VISION Neue Klasse.

We also presented this Vision Vehicle to our associates at an exclusive evening event. The interest was huge. Up to 700 associates from across Germany were selected by lottery to attend the event live with a companion. Another 25,000 watched the live stream or the recording of the event. That is a sixth of our global workforce. I see that as genuine interest in our joint future project, the NEUE KLASSE.

“We anticipate far in advance what our customers want. That is how we ensure they get the best overall package from us.”

The NEUE KLASSE is so much more than just a single car; it is an entirely new generation of BMW models – all of them developed with an all-electric heart, fully digitalised and with a clear focus on sustainability. The innovations of the NEUE KLASSE will benefit all future BMW models.

We are preparing to launch the NEUE KLASSE onto the market at an unprecedented pace from 2025 onwards, with six models within just 24 months of the start of production. We showed the scope of the NEUE KLASSE in a very concrete way for the first time at the BMW Group Annual Conference on 21 March 2024. Its offering ranges from sporty sedan to X model. The BMW VISION Neue Klasse and our newest Vision Vehicle – the BMW VISION Neue Klasse X – represent these two bookends.

I can promise you that both Vision Vehicles will be on the market soon in a very similar form. In-between these two models, there is plenty of room for everything that will define the BMW brand in the future.

The Board of Management members already had the chance to drive prototypes of the NEUE KLASSE. What a fantastic driving experience! The first camouflaged prototypes are already being tested on the roads and we will be building the first pre-production vehicles before the end of the year.

After the official start of production, in 2025, at our newest BMW plant in Debrecen, Hungary, the NEUE KLASSE will also come off the production line at our oldest plant in Munich from 2026, with other locations worldwide to follow. Incidentally, one out of every two BMWs leaving the Munich production line is already fully electric today. From 2027 onwards, our more than 100-year-old main plant will build only electric vehicles.

“The NEUE KLASSE is much more than just a single car. It is an entirely new generation of BMW models – all of them developed with an all-electric heart, fully digitalised and with a clear focus on sustainability.”

Mobility is movement – and movement requires energy and functioning supply chains.

We are talking here about powerful, innovative and sustainably produced battery cells – in other words, high-voltage batteries. In the models of the NEUE KLASSE, we will be using our newly developed round lithium-ion battery cells, which have been optimised for the new architecture, for the very first time.

Our sixth-generation BMW eDrive technology represents an enormous leap in technology, compared to the previous generation: we are increasing energy density by more than 20%, improving charging speed by up to 30% and boosting range by around 30% – at the same time as lowering costs. We are also reducing CO₂ emissions from cell production by up to 60%.

For both basic research and development of mass-manufacturing processes for high-voltage batteries, your Company is relying on in-house expertise. We want to understand every aspect of the high-voltage battery. To do so, we have created the necessary conditions for this with the Battery Cell Competence Centre in Munich and the Cell Manufacturing Competence Centre in Parsdorf, Bavaria, enabling us to span all value creation processes involved in cell production; this is a crucial step for us.

The Gen6 batteries for our plants in Bavaria will be supplied from our planned new location in Irlbach-Straßkirchen from 2026 onwards. Before embarking on the building project, we sought frank and open dialogue with local residents. We were very pleased that they voted strongly in favour of our site and see this as confirmation of our efforts.

Your Company is building production facilities for BMW high-voltage batteries not just in Lower Bavaria, but all over the world – always in close proximity to our vehicle plants in Hungary, the US, Mexico, China and Thailand. Our strategic “local for local” approach also guarantees short transport distances for high-voltage batteries and secures our supply against unforeseen events in different regions of the world.

With our “i Supply Chain” strategy, we are ensuring resilient, excellent and digital supply chains in all areas. Our plants worldwide need supplying with 36 million parts every day – at the right time, in the best quality and in the right quantity. For the digitalisation of our supply chains, we are relying on Catena-X, a shared data ecosystem for automotive manufacturers, suppliers and subcontractors, as well as recycling companies in the future. This digital collaboration increases efficiency and transparency – for example, around the carbon footprint and options for tracing components and raw materials.

People like working for the BMW Group.

Last year, renowned US publication Time Magazine and online platform Statista compared 750 international companies. Your Company did exceptionally well to make it into the top 10, and was, in fact, the highest-ranked automotive manufacturer in the global comparison. Three criteria were decisive for this assessment: revenue growth, sustainability and employee satisfaction. These three are not opposing factors but belong together.

With regard to employees: in autumn 2023, we once again asked our global team to share their opinion. For the first time, all 150,000 associates worldwide were able to take part. 84% took advantage of this opportunity.

The vote was unequivocal: 85% support our strategy – our BMW way. Another very clear majority of 88% said they would recommend our Company as an employer. 93% are proud to work for the BMW Group.

Is there any better foundation for continuing on our successful course together?

2023 was another strong team effort.

Personally, and on behalf of the entire Board of Management, I would like to thank all our associates. Everyone made a valuable contribution. I would also like to thank all our customers worldwide, our retail organisation and our suppliers.

All of us at BMW are united by a can-do spirit: think ahead – perform – succeed!

“Our customers experience their mobility in a very individual way. We therefore are continually laying the foundation for our future success. That is continuous progress.”

Dear Shareholders,

Our business environment will again be dominated by a great many challenges this financial year, including weak economic development in several markets, the price development in the automotive sector, high interest rates and the uncertainty created by geopolitical shifts.

That is why it is so decisive that we recognise and systematically exploit our opportunities. It is important to me that all of us at the BMW Group approach our tasks with self-belief, confidence and the necessary grit. I travel the world a lot, visiting our markets and facilities. Everywhere I go, I see how valuable and important individual mobility is in many people's everyday lives.

Courage, pride in performance and resilience.

That is what makes your Company different. We dare to chart our own course, even in turbulent times; we are able to withstand the headwinds, as long as we are convinced that we are on the right path.

Your Company is a high-performance organisation. That is why we once again have ambitious plans for 2024: on the automotive side, 14 new models will go into production and BMW Motorrad will release a further 12 new models – not to mention numerous model updates and engine variants. We have never postponed a launch and we will not waver from this.

All of this shows that we are continually laying the foundation for our future success. That is continuous progress. In other words: [➤ DRIVING THE NEXT ERA.](#)

That is why the following applies to your Company:
Strong today – strong tomorrow.

*Yours
O. Zipse*

Oliver Zipse

Chairman of the Board of Management