

# ANALYST AND INVESTOR CONFERENCE

HARALD KRÜGER  
CHAIRMAN OF THE BOARD OF MANAGEMENT OF BMW AG



**BMW  
GROUP**

THE NEXT  
100 YEARS 



Rolls-Royce  
Motor Cars Limited

# AGENDA.

Introductory remarks.

2016 Financial Statements and Outlook for 2017.

Key decisions within  
Strategy NUMBER ONE > NEXT.

First new products in our model offensive.



# AGENDA.

Introductory remarks:

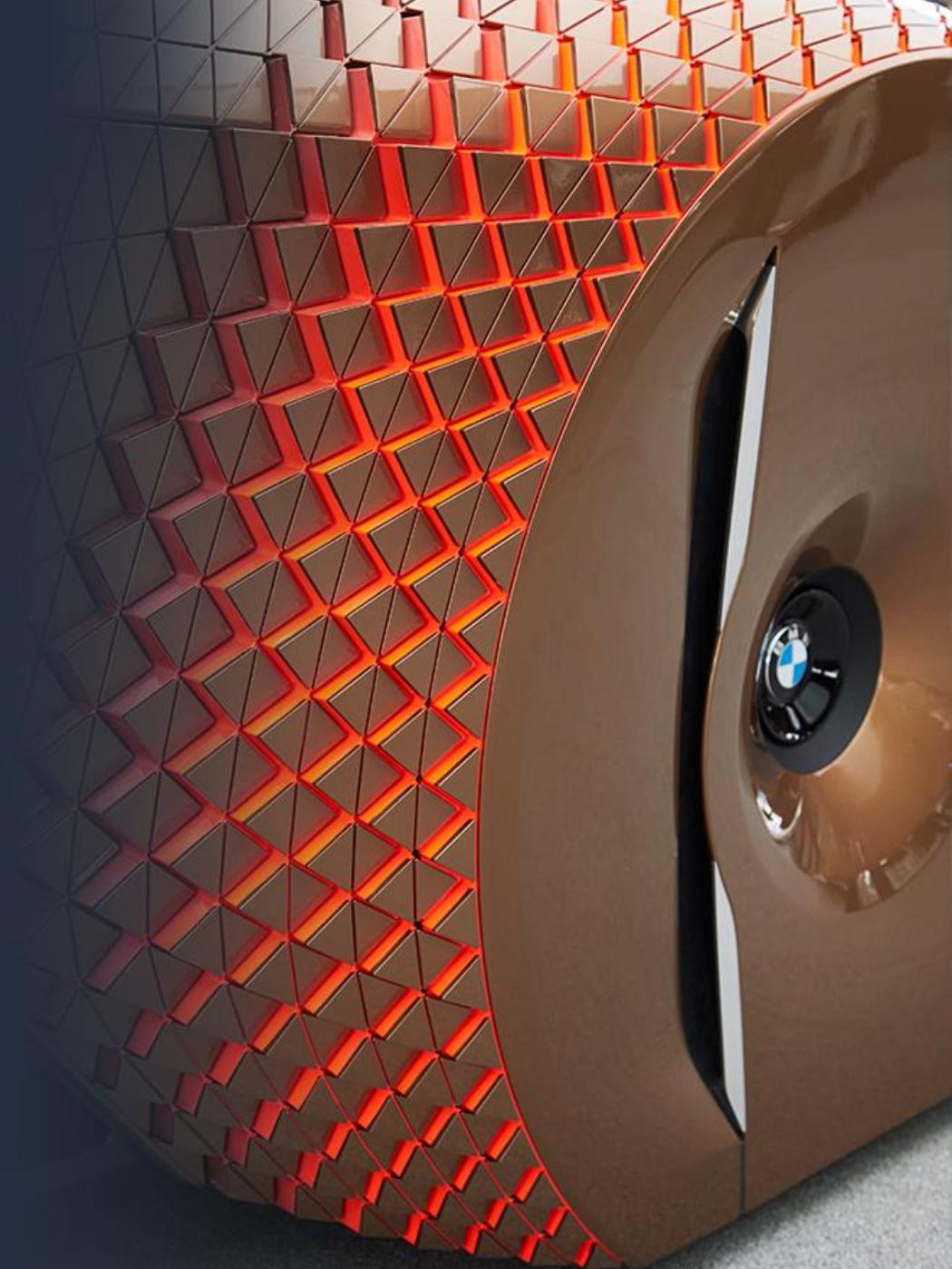
What is important to me?

Where is the BMW Group heading?

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# BMW GROUP. KEY RESULTS FOR THE FINANCIAL YEAR 2016.

in million €

Group revenues	<b>94,163</b>	<b>+ 2.2 %</b>
Group earnings before tax	<b>9,665</b>	<b>+ 4.8 %</b>
Group net profit	<b>6,910</b>	<b>+ 8.0 %</b>
EBIT margin Automotive	<b>8.9 %</b>	

# ANNUAL ACCOUNTS PRESS CONFERENCE

DR. NICOLAS PETER

MEMBER OF THE BOARD OF MANAGEMENT OF BMW AG, FINANCE



**BMW  
GROUP**

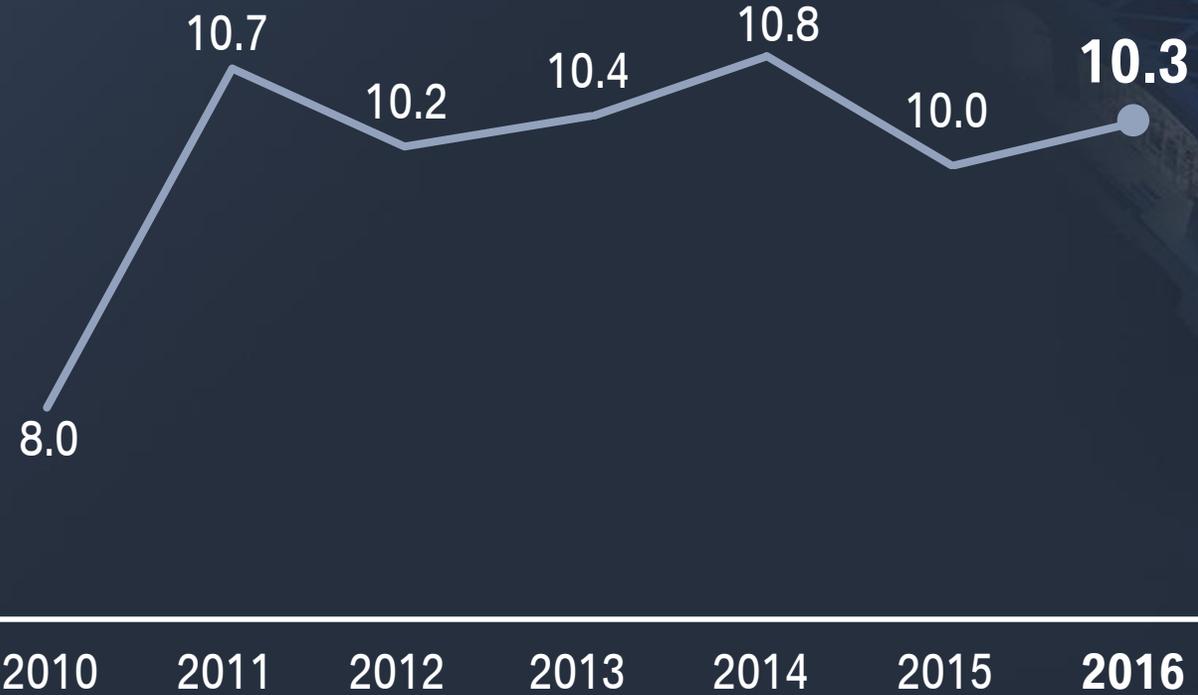
THE NEXT  
100 YEARS 



Rolls-Royce  
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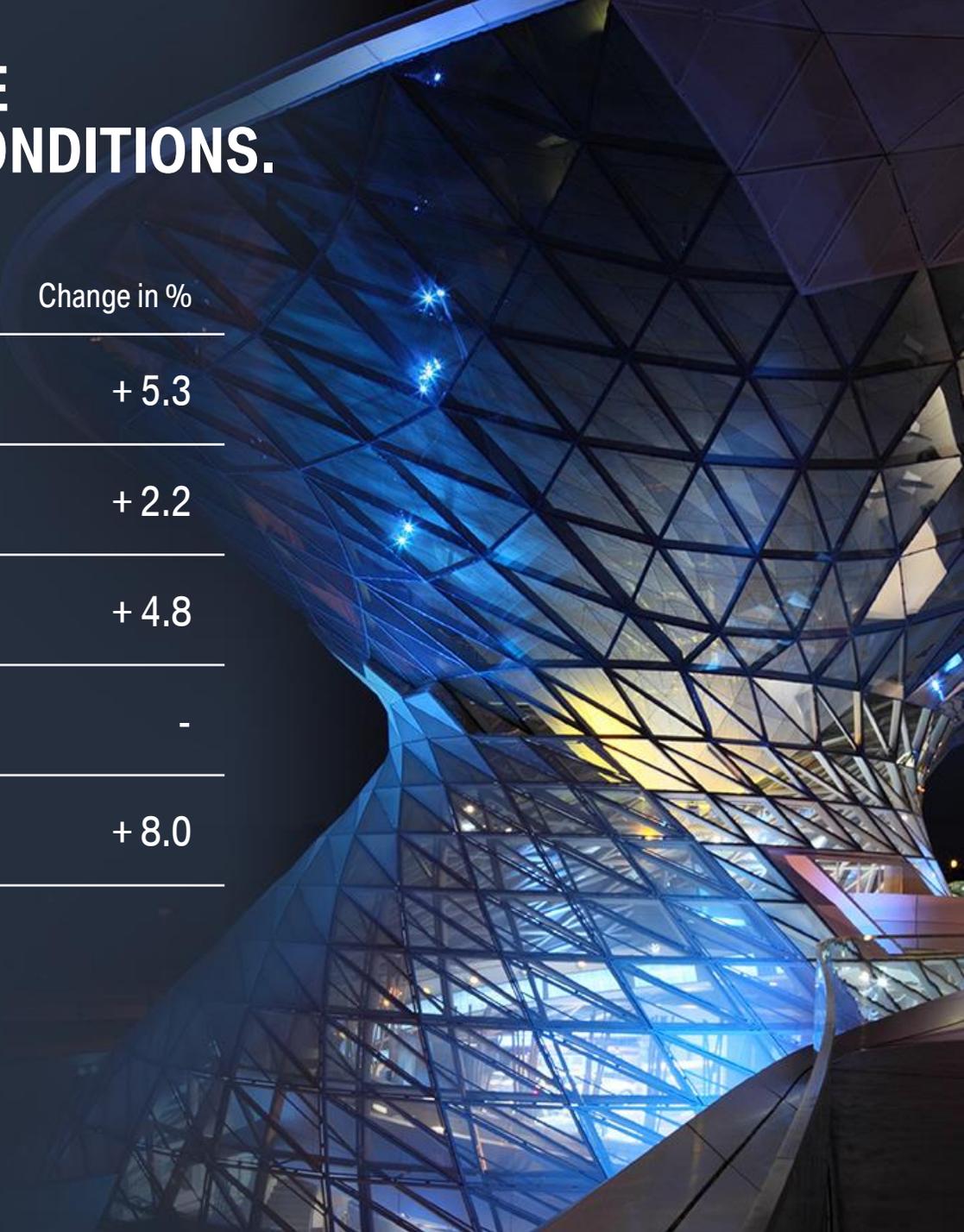
# BMW GROUP. GROUP EBT MARGIN ABOVE 10% SINCE 2011.

EBT margin (in %)



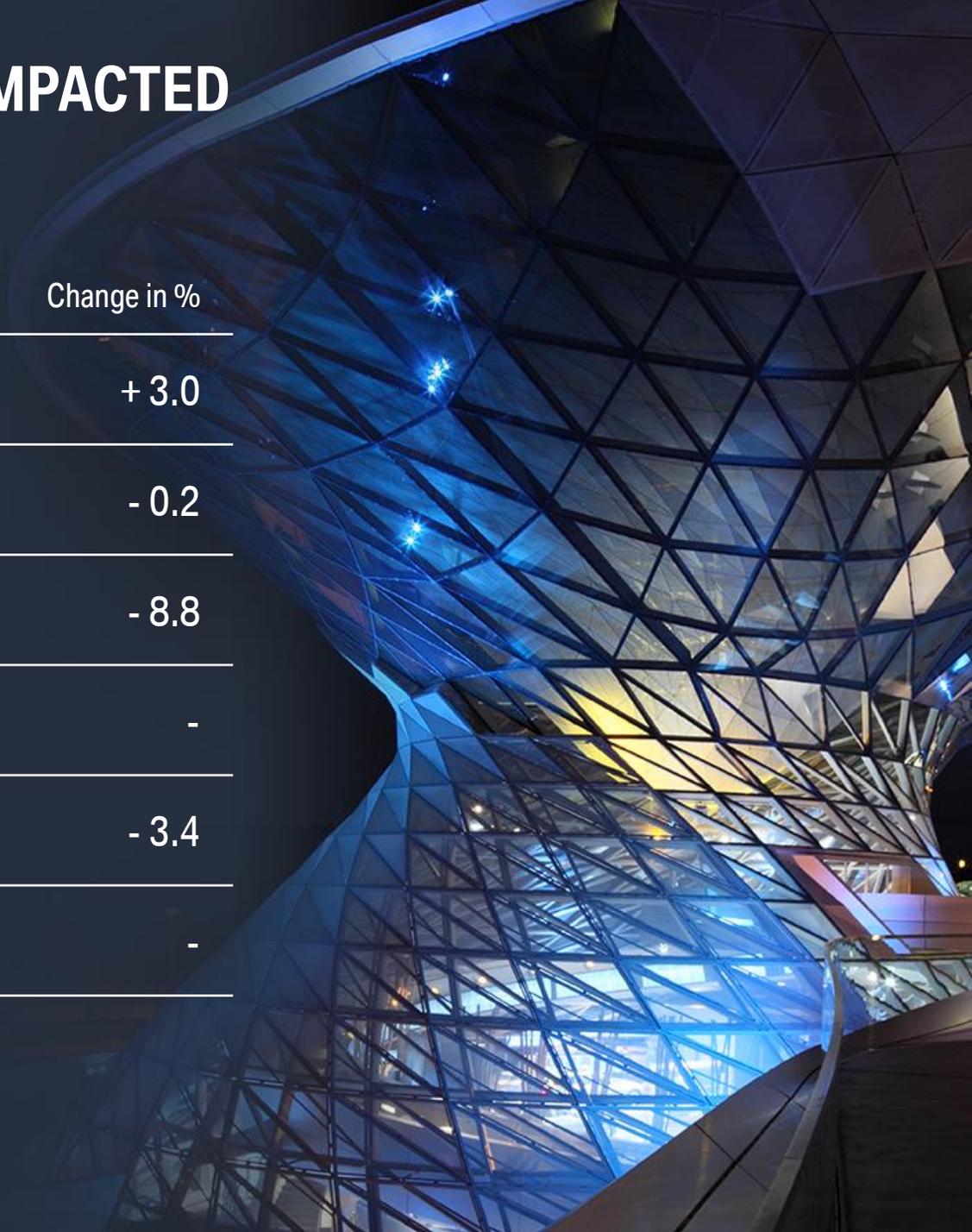
# POSITIVE BUSINESS DEVELOPMENT DESPITE CHALLENGING POLITICAL AND ECONOMIC CONDITIONS.

In m€	2016	2015	Change in %
Automotive deliveries (units)	<b>2,367,603</b>	2,247,485	+ 5.3
Revenues – Group	<b>94,163</b>	92,175	+ 2.2
Earnings before tax – Group	<b>9,665</b>	9,224	+ 4.8
EBT margin (in %) – Group	<b>10.3</b>	10.0	-
Net profit – Group	<b>6,910</b>	6,396	+ 8.0



# AS ANTICIPATED HIGH INVESTMENTS HAVE IMPACTED EARNINGS IN THE 4TH QUARTER 2016.

In m€	2016	2015	Change in %
Automotive deliveries (units)	<b>620,965</b>	602,675	+ 3.0
Revenues – Group	<b>24,934</b>	24,978	- 0.2
Earnings before tax – Group	<b>1,924</b>	2,110	- 8.8
EBT margin (in %) – Group	<b>7.7</b>	8.4	-
Net profit – Group	<b>1,499</b>	1,552	- 3.4
EBIT margin Automotive segment (in %)	<b>8.3</b>	9.6	-

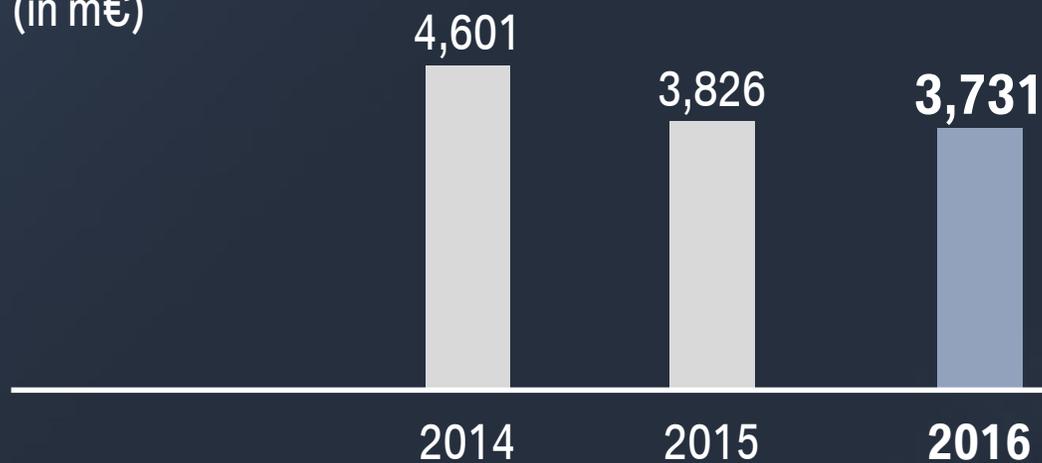


# CAPITAL EXPENDITURE OF € 3.7 BILLION. CAPEX RATIO ON TARGET AT <5%.

## Capex ratio BMW Group\*



## Capital expenditure\* (in m€)

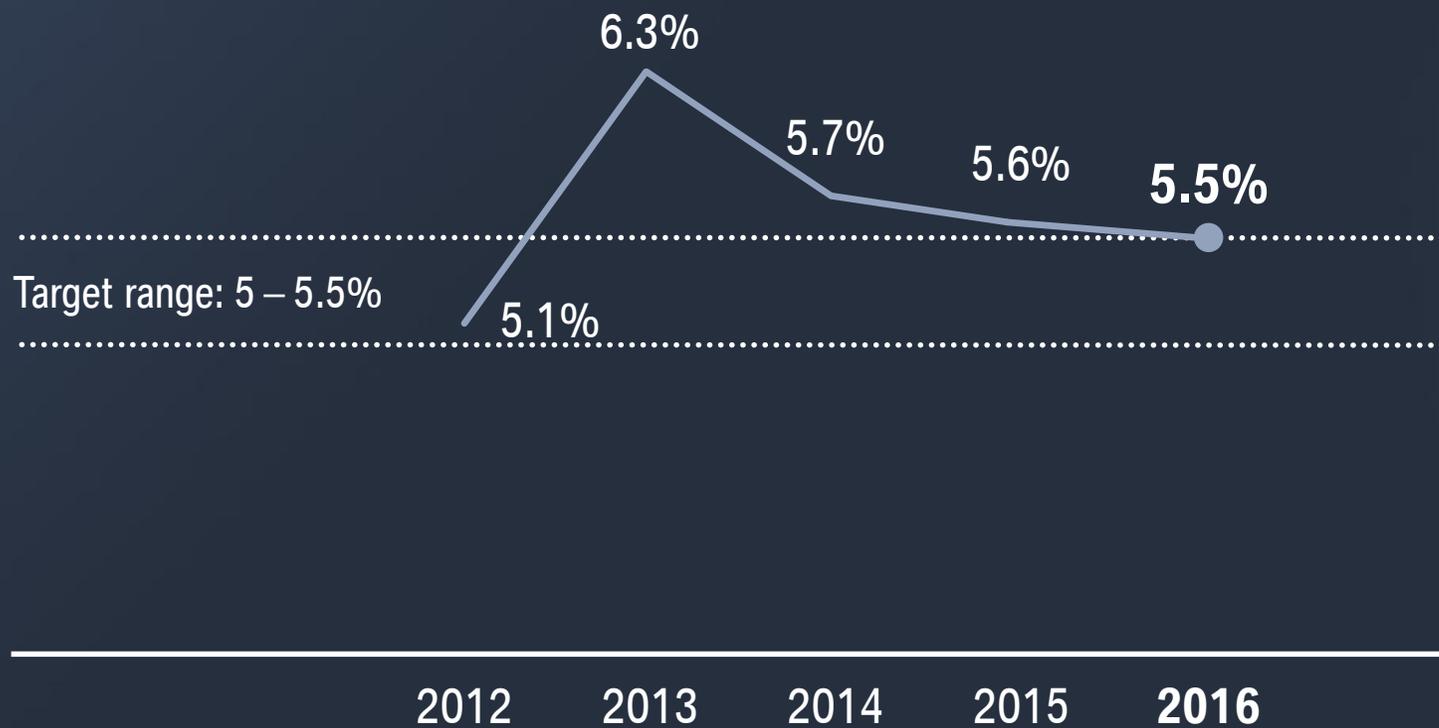


\*excluding capitalised development costs



**R&D EXPENDITURE OF € 5.2 BILLION.  
R&D RATIO AT 5.5% IN TARGET RANGE.**

**R&D ratio (HGB) BMW Group**

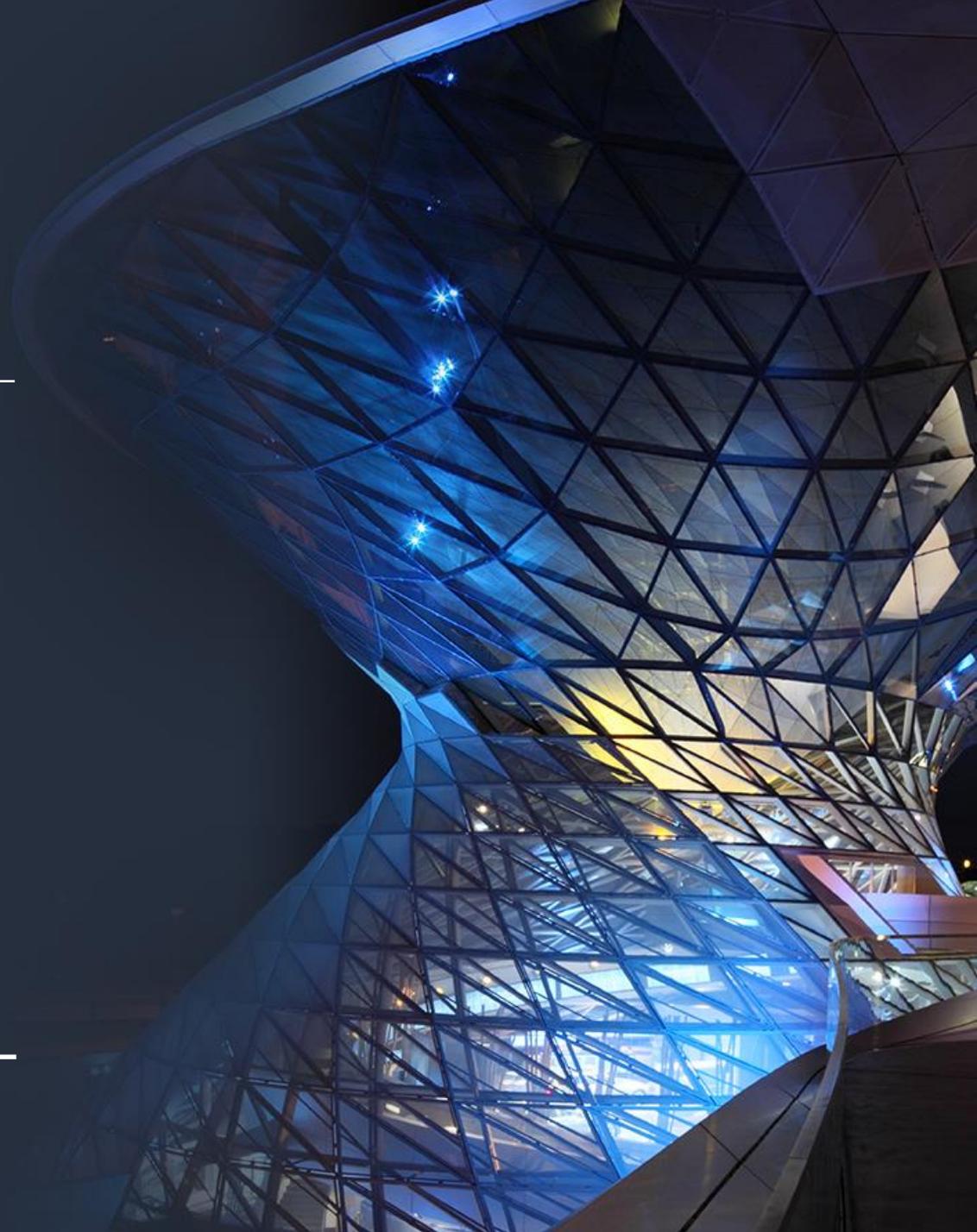
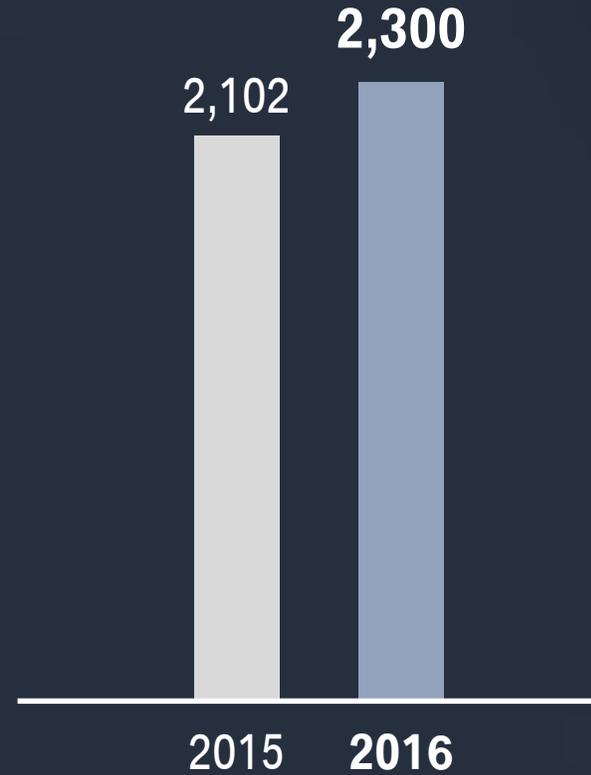


# DIVIDEND INCREASE OF € 0.30 PROPOSED. PAYOUT RATIO OF 33.3%.

Dividend per common share  
(in €)



Total dividend payout  
(in m€)



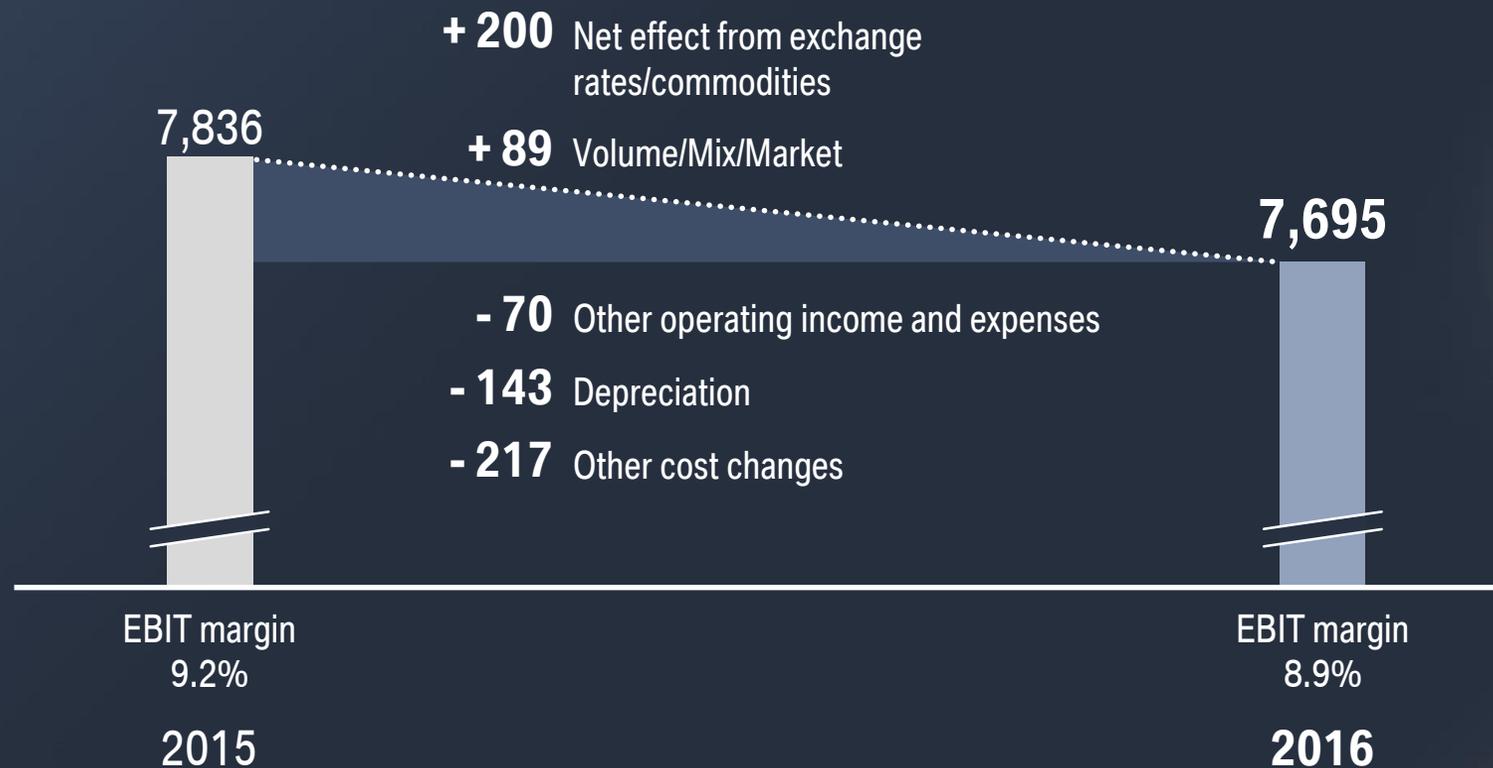
# AUTOMOTIVE SEGMENT. EBIT MARGIN IN TARGET RANGE OF 8-10% AS FORECAST.

In m€	2016	2015	Change in %
Deliveries (units)	<b>2,367,603</b>	2,247,485	+ 5.3
Revenues	<b>86,424</b>	85,536	+ 1.0
Earnings before interest and tax (EBIT)	<b>7,695</b>	7,836	- 1.8
EBIT margin (in %)	<b>8.9</b>	9.2	-
Earnings before tax (EBT)	<b>7,916</b>	7,523	+ 5.2



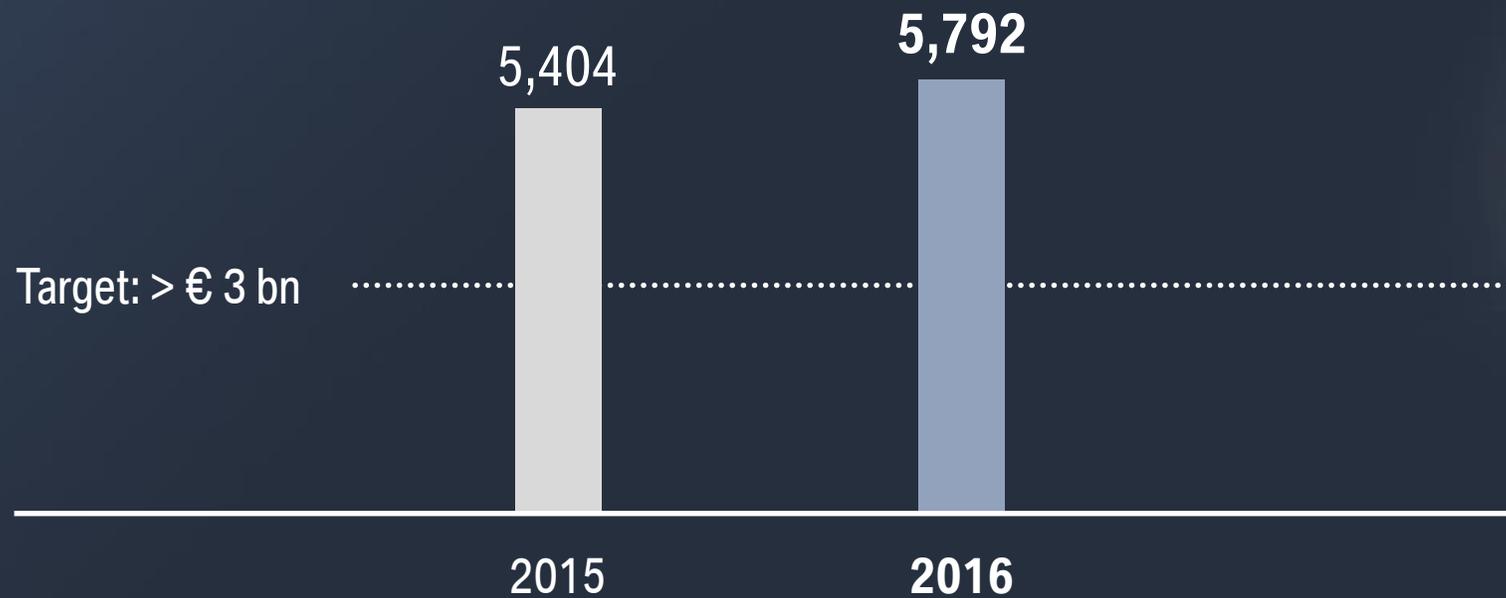
# AUTOMOTIVE SEGMENT: 2015 TO 2016 EBIT BRIDGE.

In m€



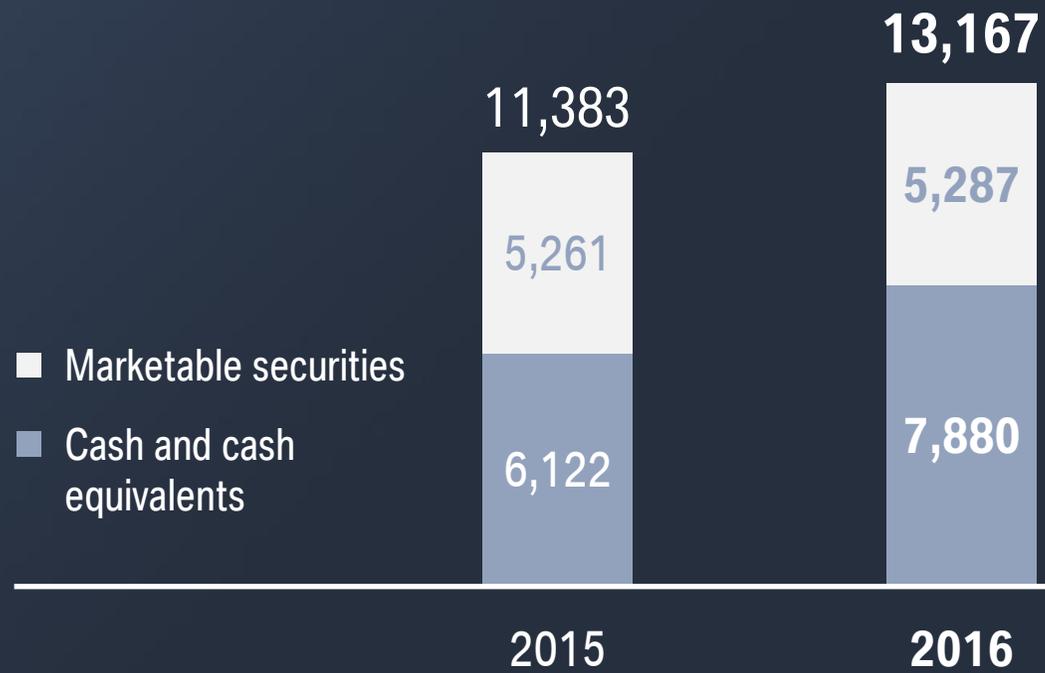
# AUTOMOTIVE SEGMENT FREE CASHFLOW SIGNIFICANTLY ABOVE TARGET OF > € 3 BILLION.

In m€



# STRONG GROUP LIQUIDITY POSITION SUPPORTS FINANCIAL FLEXIBILITY.

In m€



# FINANCIAL SERVICES SEGMENT. SUCCESSFUL FINANCIAL YEAR 2016.

In m€	2016	2015	Change in %
New customer contracts (units)	<b>1,811,157</b>	1,655,961	+ 9.4
Total volume of new customer contracts	<b>55,327</b>	50,606	+ 9.3
Earnings before tax (EBT)	<b>2,166</b>	1,975	+ 9.7
Return on equity (in %)	<b>21.2</b>	20.2	-
Penetration rate (in %)	<b>49.6</b>	46.3	-



# STABLE RISK SITUATION UNCHANGED FROM THE PREVIOUS YEAR. CREDIT LOSS RATIO IMPROVED AT 0.32%.

Credit loss ratio per year (in %)



# MOTORCYCLES SEGMENT. INCREASE IN DELIVERIES, REVENUES AND EARNINGS.

In m€	2016	2015	Change in %
Deliveries (units)	<b>145,032</b>	136,963	+ 5.9
Revenues	<b>2,069</b>	1,990	+ 4.0
Earnings before interest and tax (EBIT)	<b>187</b>	182	+ 2.7
EBIT margin (in %)	<b>9.0</b>	9.1	-
Earnings before tax (EBT)	<b>185</b>	179	+ 3.4



# GROWING FINANCIAL SERVICES BUSINESS INCREASES INTERCOMPANY PROFIT ELIMINATIONS.

In m€	2016	2015	Change in %
Automobiles	7,916	7,523	+ 5.2
Motorcycles	185	179	+ 3.4
Financial Services	2,166	1,975	+ 9.7
Other Entities	170	211	- 19.4
Eliminations	- 772	- 664	- 16.3
<b>BMW Group</b>	<b>9,665</b>	<b>9,224</b>	<b>+ 4.8</b>



# OUTLOOK FOR 2017: POSITIVE BUSINESS DEVELOPMENT EXPECTED.

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## **BMW Group**

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Slight increase in EBT compared with previous year

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## **Automotive Segment**

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Slight increase in deliveries and revenues compared with previous year

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EBIT margin in the target range of 8-10%

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## **Financial Services Segment**

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Return on Equity of at least 18%, slight decrease compared with previous year

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## **Motorcycles Segment**

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Significant increase in deliveries compared with previous year

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EBIT margin in the target range of 8-10%

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**BMW GROUP.  
VISION VEHICLES PROVIDE A GLIMPSE INTO THE FUTURE.**



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

A

AUTONOMOUS

E

ELECTRIFIED



CUSTOMER FOCUS

C

CONNECTED

S

SHARED / SERVICES

# AGENDA.

Introductory remarks.

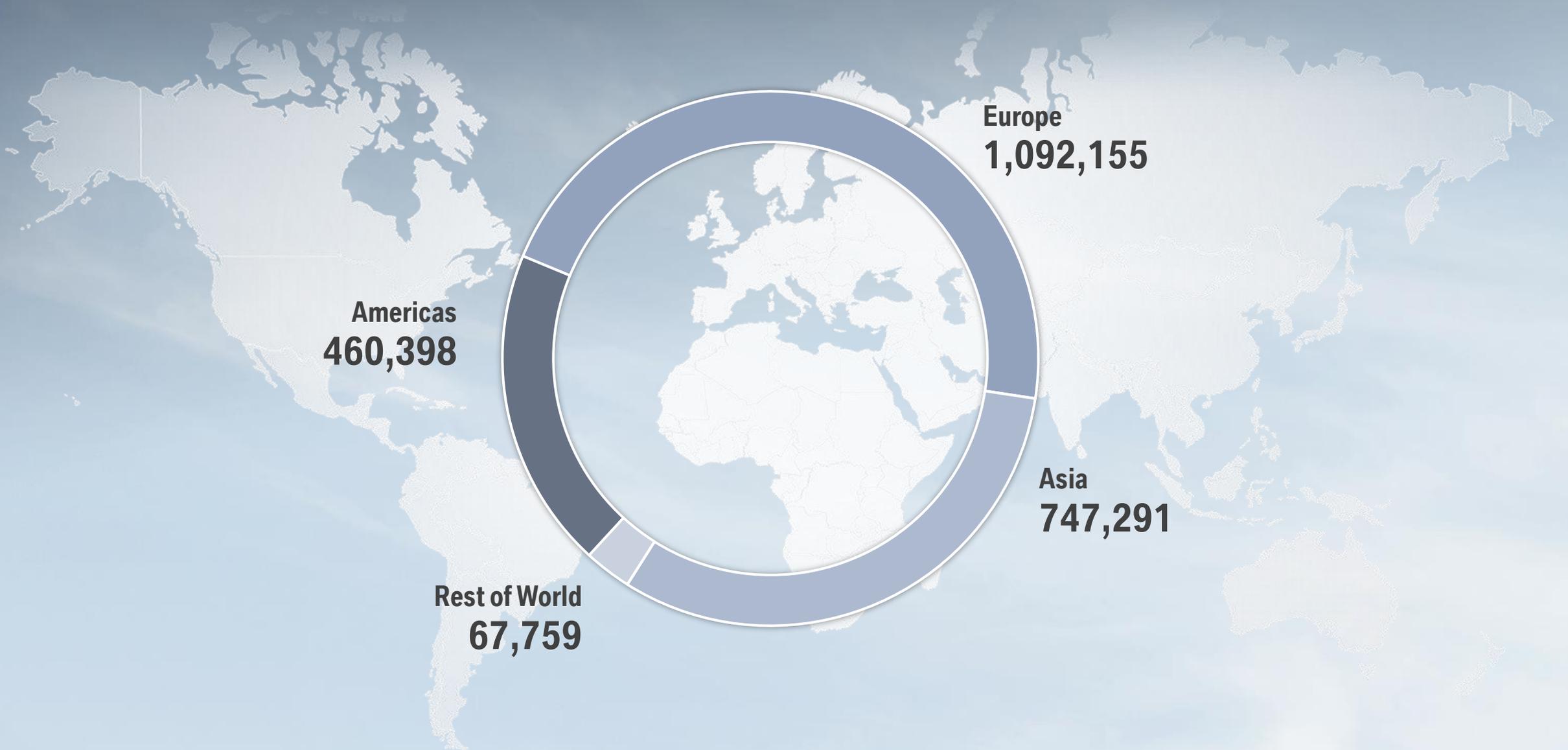
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# BMW GROUP. BALANCED GLOBAL SALES BY REGIONS IN 2016.



# BMW GROUP. EUROPE, CHINA AND USA – THE PILLARS OF OUR PRODUCTION NETWORK.



# BMW GROUP. STRATEGY NUMBER ONE > NEXT.

We are NUMBER ONE.  
We inspire people on the move:  
We shape tomorrow's individual  
premium mobility.



**BMW GROUP.  
PRIORITY ACTION AREAS: DRIVETRAINS. AUTONOMOUS DRIVING. SERVICES.**

**Electrification**

**Autonomous driving  
& connectivity**

**Services**

**Strategic Partnerships**

# BMW GROUP. CONSISTENT REDUCTION OF OUR CO<sub>2</sub> FLEET EMISSIONS.

**- 40%**  
since 1995

CO<sub>2</sub> emissions

**124**  
g/km

**EU fleet emissions  
BMW Group  
end of 2016**



# BMW GROUP. ELECTRIFICATION SUCCESS STORY.



BMW i3

2019

MINI BEV

2020

BMW X3 BEV

2021

BMW iNEXT

BEV

PHEV



BMW i8



BMW 225xe  
iPerformance



BMW 330e  
iPerformance



BMW 530e  
iPerformance



BMW 740e/Le  
iPerformance



MINI Cooper S E  
Countryman ALL4



BMW X1 xDrive 25Le  
iPerformance (China only)



BMW X5 xDrive40e  
iPerformance

2018

BMW i8 Roadster

**BMW GROUP.  
BMW i3 (94Ah) AND BMW C EVOLUTION WITH EXTENDED RANGE.**



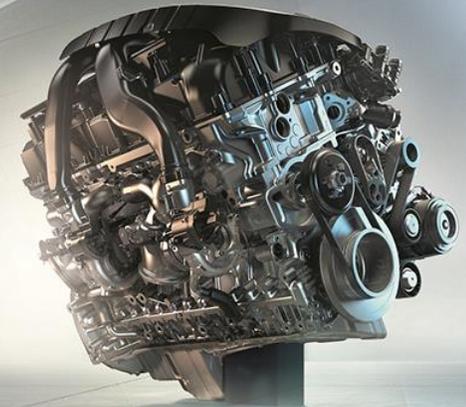
# BMW GROUP. DRIVETRAIN MIX.



**BEV / Plug-in-Hybrid**



**Fuel Cell**

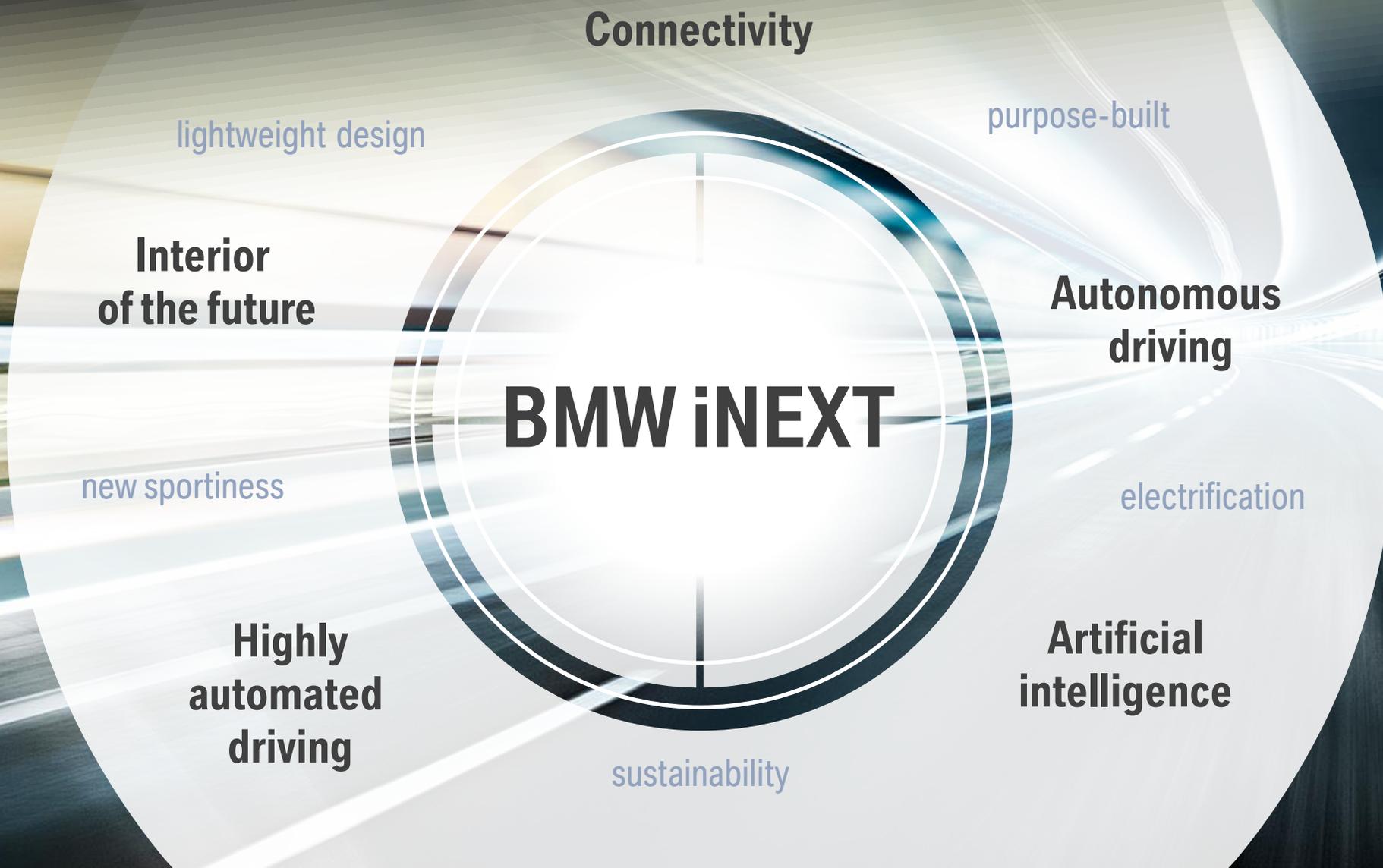


**Combustion engine**

**BMW GROUP.  
FURTHER DEVELOPMENT OF VEHICLE ARCHITECTURES.**



# BMW GROUP. BMW iNEXT AS SPEARHEAD OF INNOVATION.



**BMW GROUP.  
CAR AS A LIVING SPACE.**



# BMW GROUP. « BMW i INSIDE FUTURE » WITH HOLOACTIVE TOUCH.



# BMW GROUP. RAPID PROGRESS IN AUTONOMOUS DRIVING.



Driver

Feet off

Hands off

Eyes off

Mind off

Passenger



No assistance

Assisted

Partially  
automated

Highly  
automated

Fully  
automated

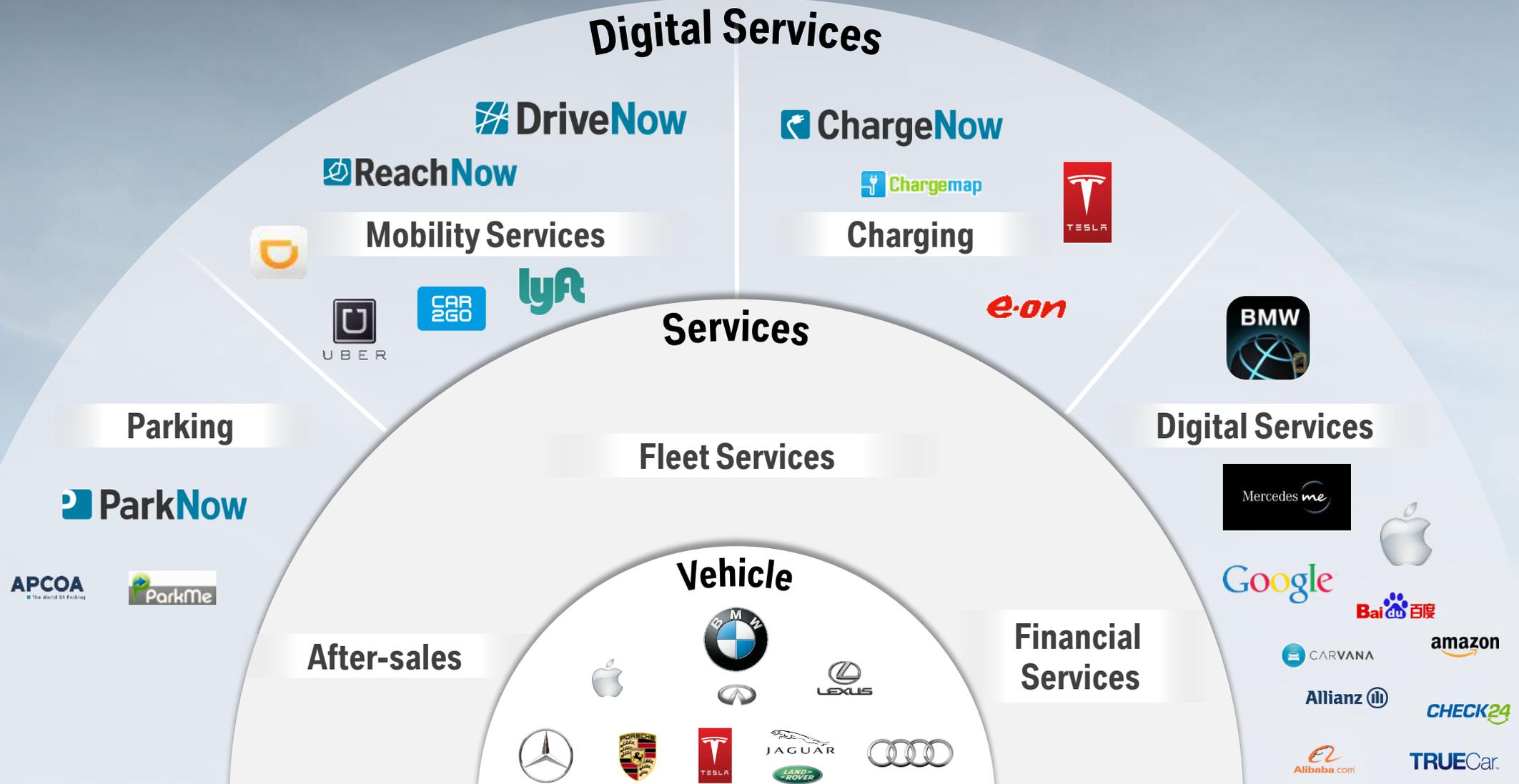
Autonomous

Human

Transfer of responsibility

Machine

# BMW GROUP. INDIVIDUAL MOBILITY AS ATTRACTIVE AREA FOR FUTURE ACTIVITY.



# BMW GROUP. IN-HOUSE EXPERTISE PAIRED WITH STRONG PARTNERSHIPS.

**BMW Companion**

**BMW ConnectedDrive**



**A**

**C**

**AUTONOMOUS**

**CONNECTED**

**here**

HPC

OEMs



**E**

**S**

**ELECTRIFIED**

**SERVICES**



**BMW i**

**BMW iPerformance**

**Now Family**

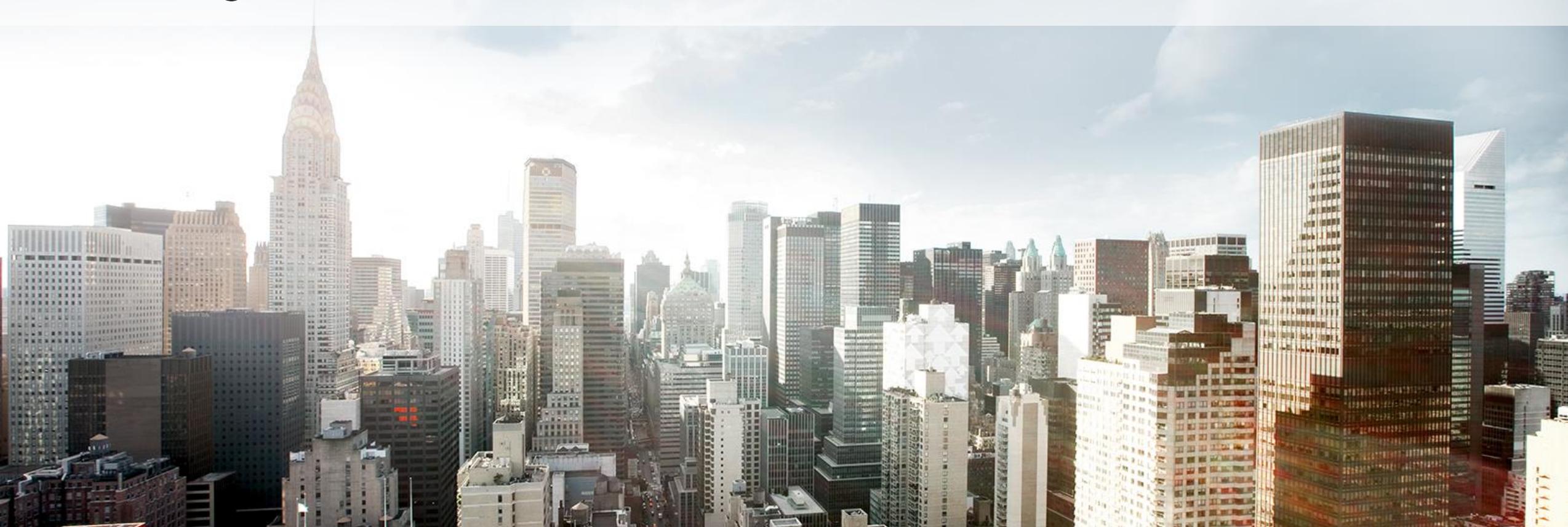
# BMW GROUP. EXPANDING OUR MOBILITY SERVICES.

 **ChargeNow**

 **DriveNow**

 **ParkNow**

 **ReachNow**



# BMW GROUP. GOAL: 100 MILLION CUSTOMERS IN 2025.

Traditional vehicle  
business

Traditional vehicle business  
+ services  
+ vehicle-independent services



**30**  
million

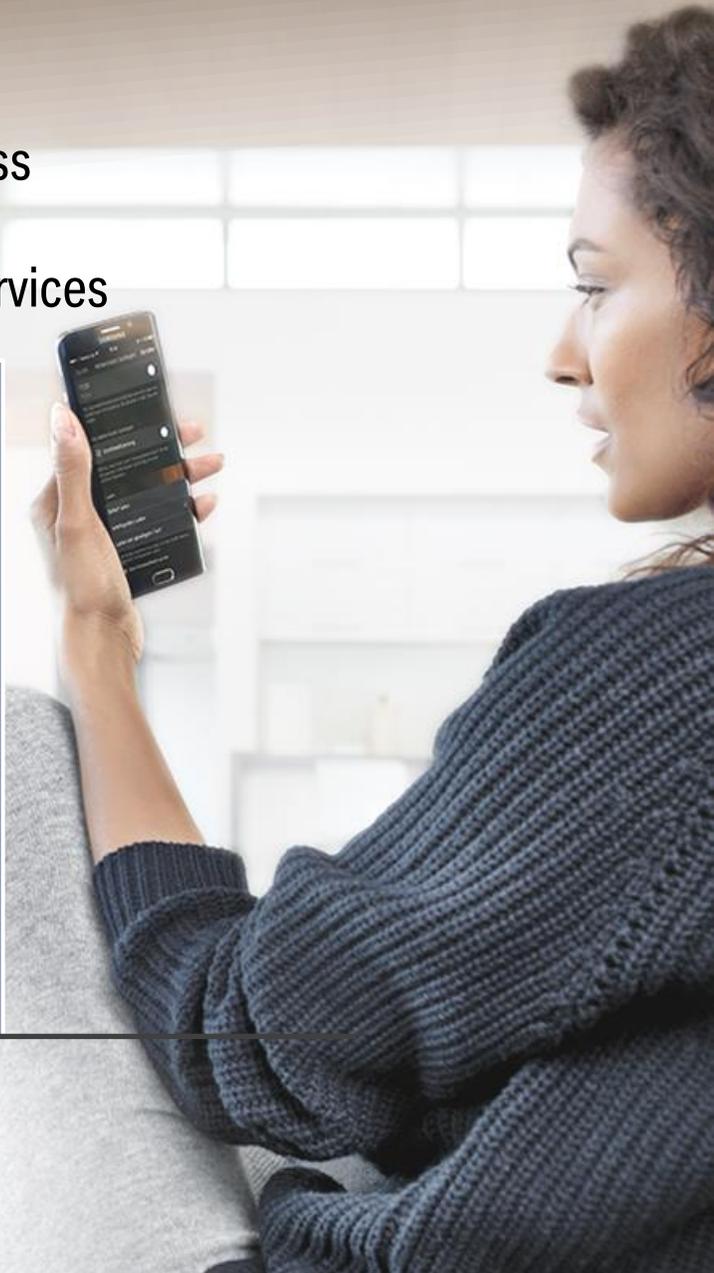


**100**  
million

2016

customers  
worldwide

2025



# BMW GROUP. EMPLOYER ATTRACTIVENESS: TOP AUTOMOTIVE MANUFACTURER WORLDWIDE.

Most respected global study:  
students surveyed in 2016



**Engineers / IT worldwide**

**Top automotive manufacturer**

**Only automobile manufacturer in top 10  
4<sup>th</sup> place overall**



**Engineers / IT Europe**

**Top automotive manufacturer**

**4<sup>th</sup> place overall**



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**BMW GROUP.  
THE NEW BMW 5 SERIES.**



**BMW GROUP.  
THE BMW X2 CONCEPT.**



**BMW GROUP.  
THE NEW BMW X3.**



**BMW GROUP.  
THE NEW MINI COUNTRYMAN.**



**BMW GROUP.  
ROLLS-ROYCE WRAITH AND GHOST BLACK BADGE.**



**BMW GROUP.  
BMW MOTORRAD MODEL OFFENSIVE.**



**BMW GROUP.  
FOUR STRONG PREMIUM BRANDS.**



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THE NEXT  
100 YEARS 



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Motor Cars Limited

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