

ANNUAL ACCOUNTS PRESS CONFERENCE



**BMW
GROUP**

THE NEXT
100 YEARS 



Rolls-Royce
Motor Cars Limited

LANGUAGE CHANNELS.

Channel	Language	Channel (translation)	Language (translation)
Channel 1	German	Kanal 1	Deutsch
Channel 2	English	Channel 2	English
Channel 3	French	Canal 3	Français
Channel 4	Italian	Canale 4	Italiano
Channel 5	Spanish	Canal 5	Español
Channel 6	Russian	Канал 6	Русский
Channel 7	Mandarin	声道 7	中文

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HARALD KRÜGER
CHAIRMAN OF THE BOARD OF MANAGEMENT OF BMW AG



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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:

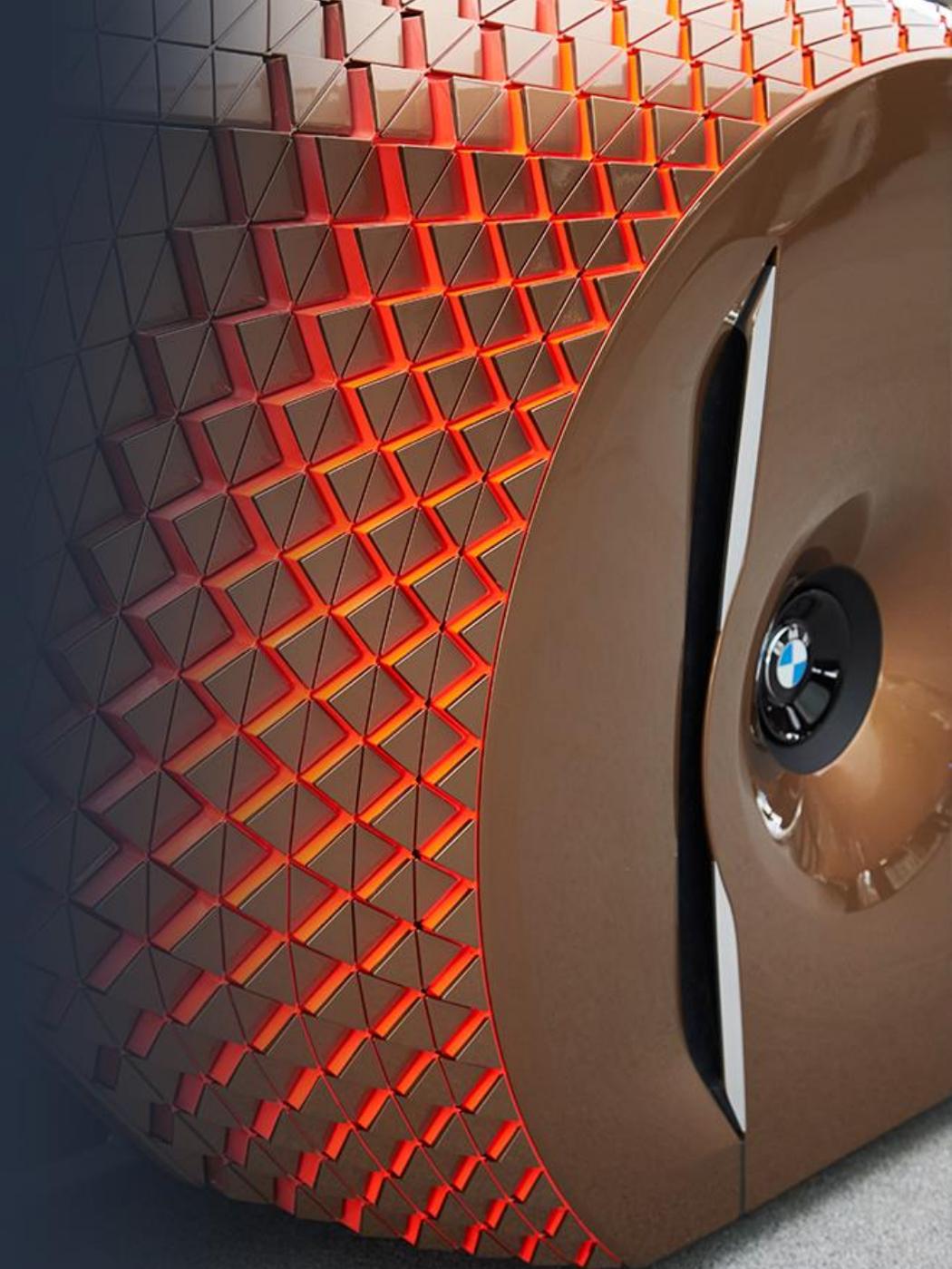
What is important to me?

Where is the BMW Group heading?

2016 Financial Statements and Outlook for 2017.

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BMW GROUP. KEY RESULTS FOR THE FINANCIAL YEAR 2016.

in million €

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

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DR. NICOLAS PETER

MEMBER OF THE BOARD OF MANAGEMENT OF BMW AG, FINANCE



**BMW
GROUP**

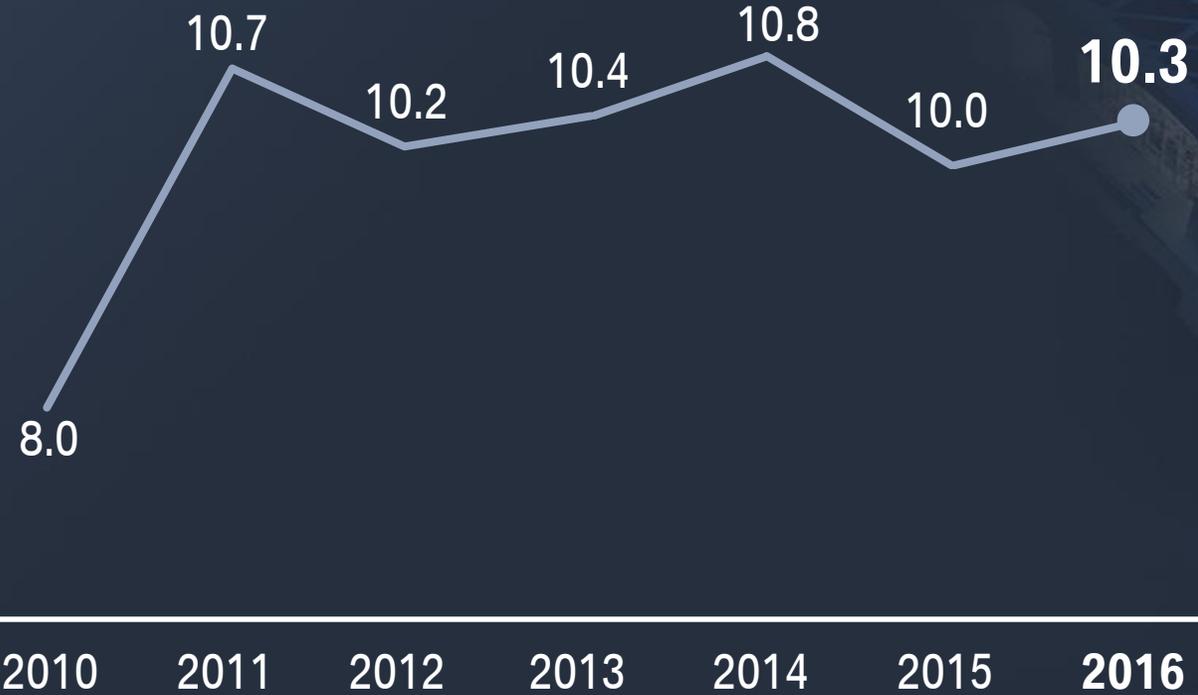
THE NEXT
100 YEARS 



Rolls-Royce
Motor Cars Limited

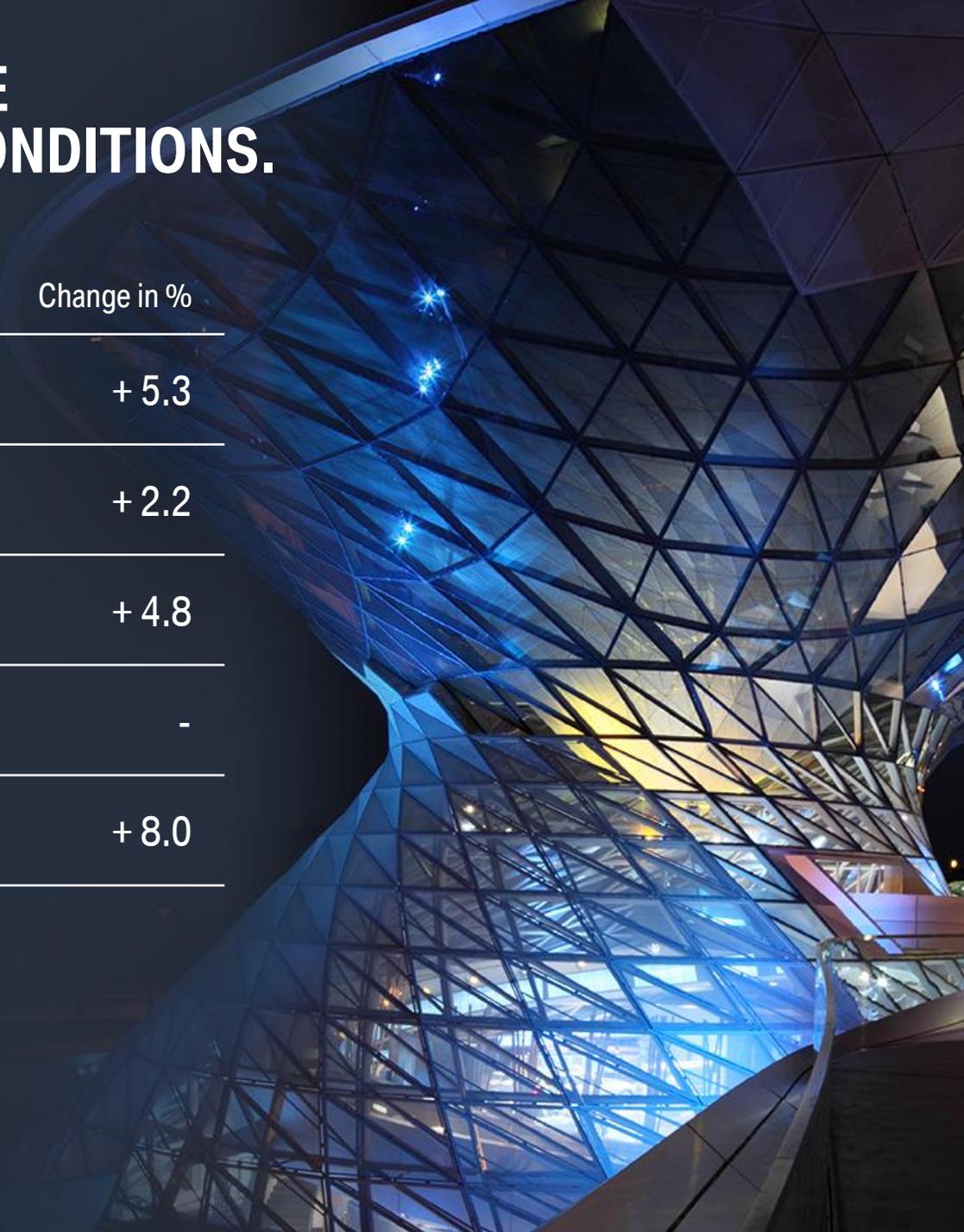
BMW GROUP. GROUP EBT MARGIN ABOVE 10% SINCE 2011.

EBT margin (in %)



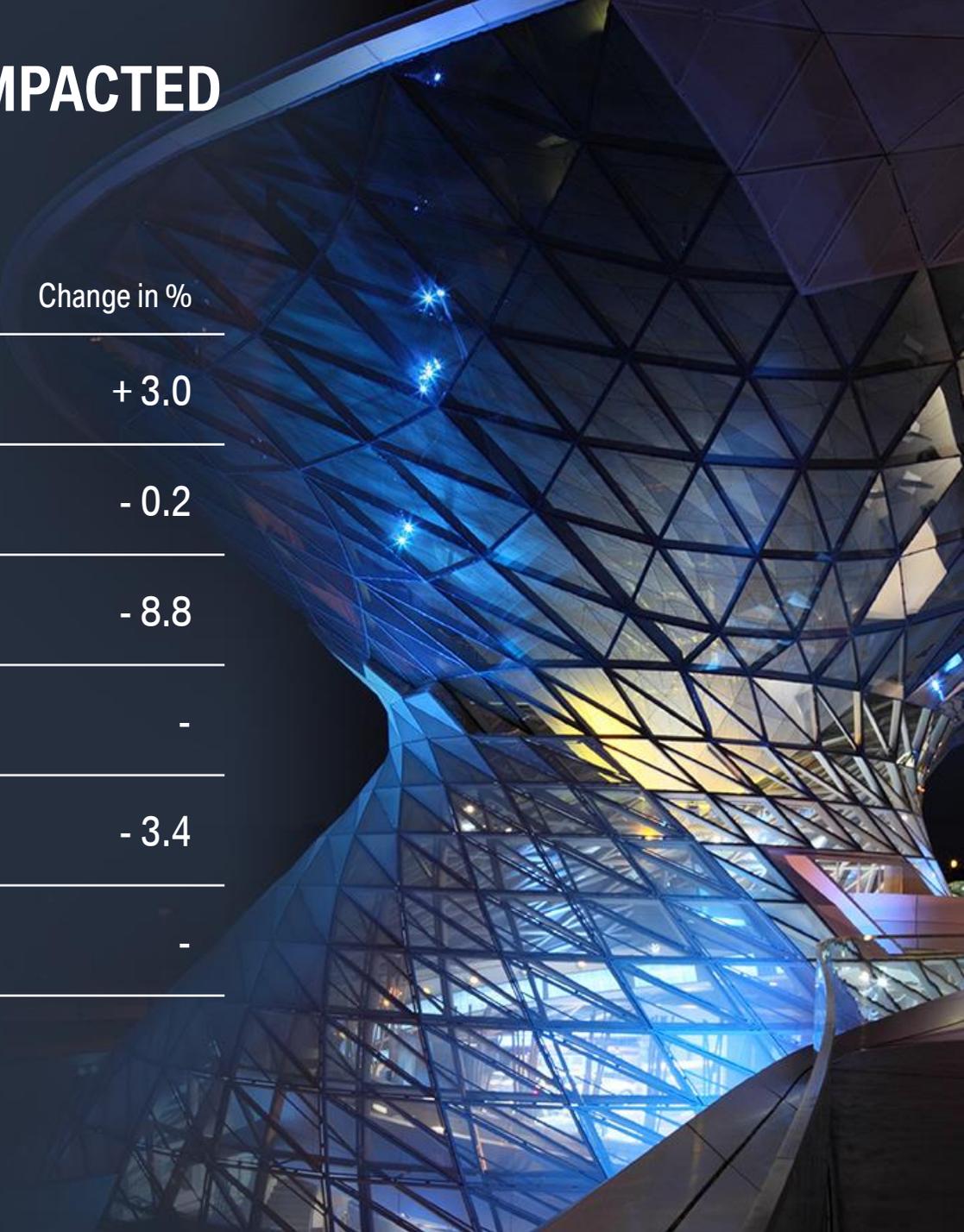
POSITIVE BUSINESS DEVELOPMENT DESPITE CHALLENGING POLITICAL AND ECONOMIC CONDITIONS.

In m€	2016	2015	Change in %
Automotive deliveries (units)	2,367,603	2,247,485	+ 5.3
Revenues – Group	94,163	92,175	+ 2.2
Earnings before tax – Group	9,665	9,224	+ 4.8
EBT margin (in %) – Group	10.3	10.0	-
Net profit – Group	6,910	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)	620,965	602,675	+ 3.0
Revenues – Group	24,934	24,978	- 0.2
Earnings before tax – Group	1,924	2,110	- 8.8
EBT margin (in %) – Group	7.7	8.4	-
Net profit – Group	1,499	1,552	- 3.4
EBIT margin Automotive segment (in %)	8.3	9.6	-

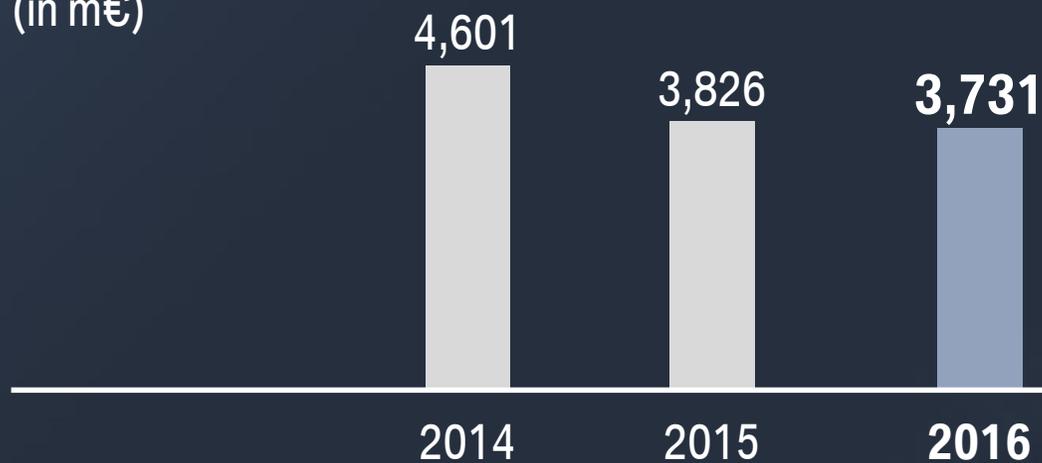


CAPITAL EXPENDITURE OF € 3.7 BILLION. CAPEX RATIO ON TARGET AT <5%.

Capex ratio BMW Group*



Capital expenditure* (in m€)

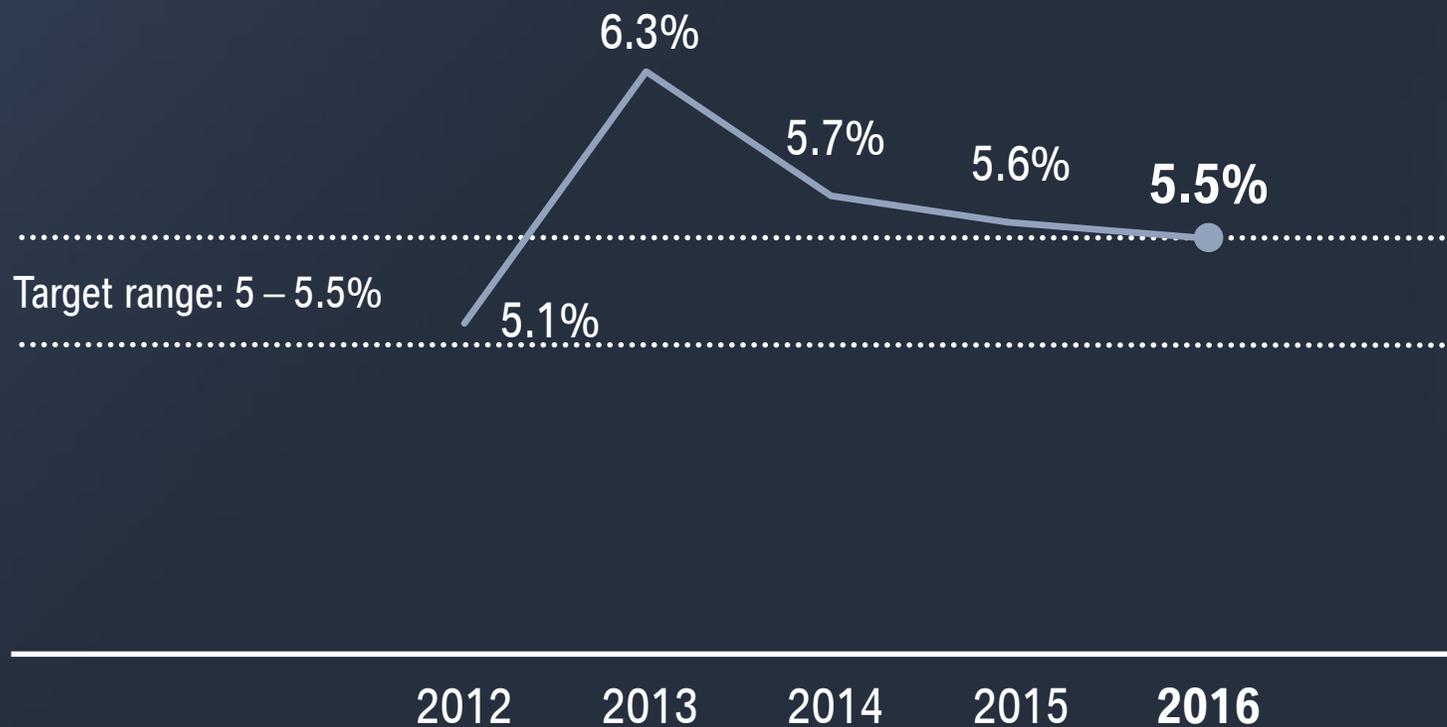


*excluding capitalised development costs



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

R&D ratio (HGB) BMW Group

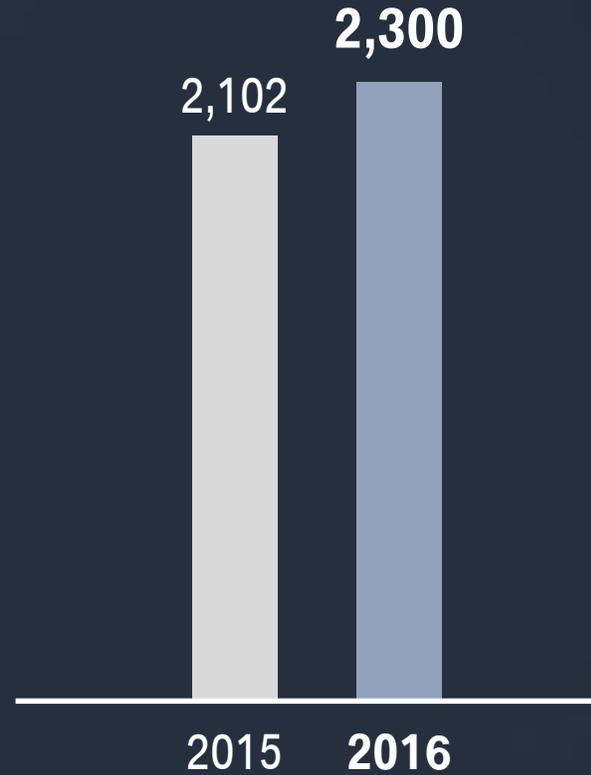


DIVIDEND INCREASE OF € 0.30 PROPOSED. PAYOUT RATIO OF 33.3%.

Dividend per common share
(in €)



Total dividend payout
(in m€)



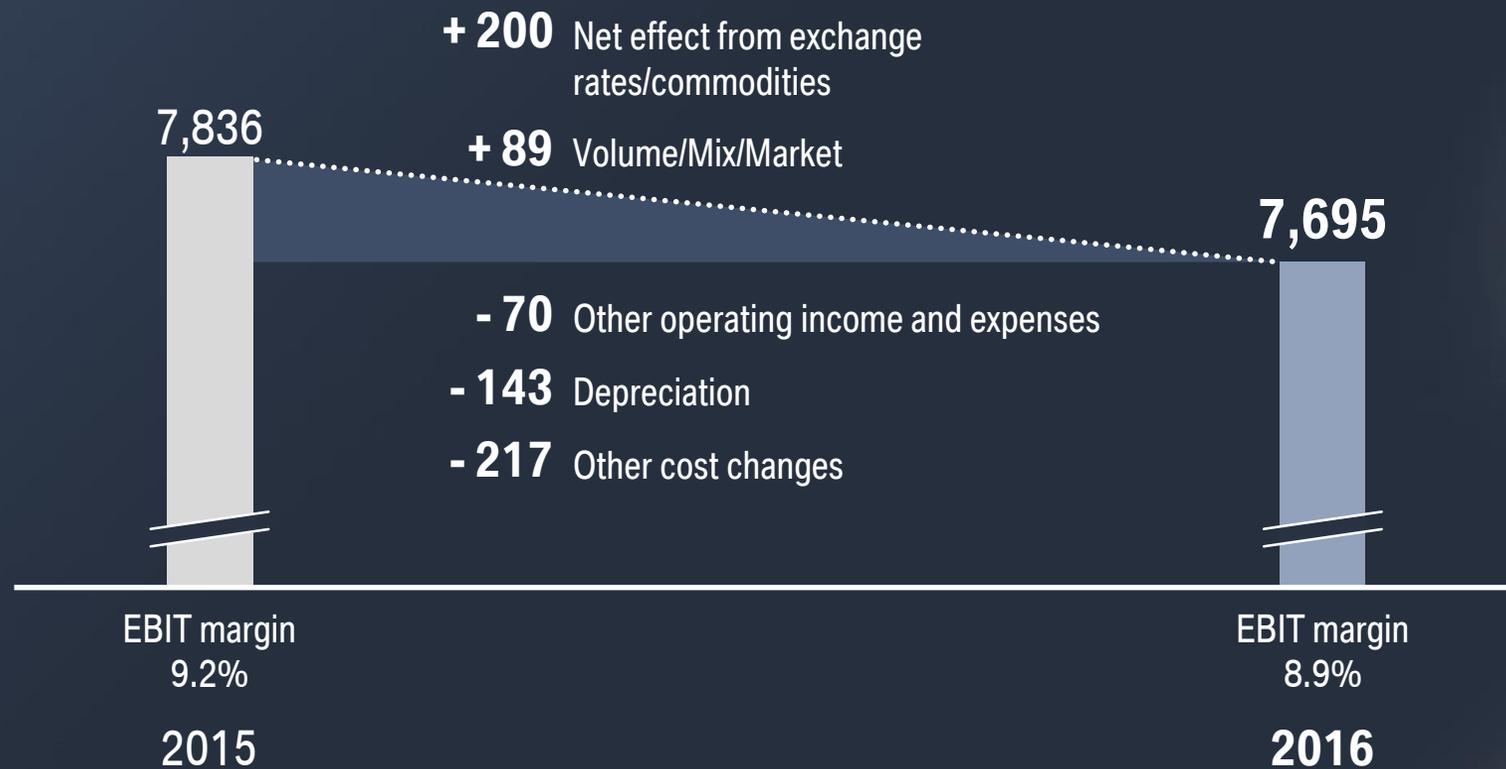
AUTOMOTIVE SEGMENT. EBIT MARGIN IN TARGET RANGE OF 8-10% AS FORECAST.

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



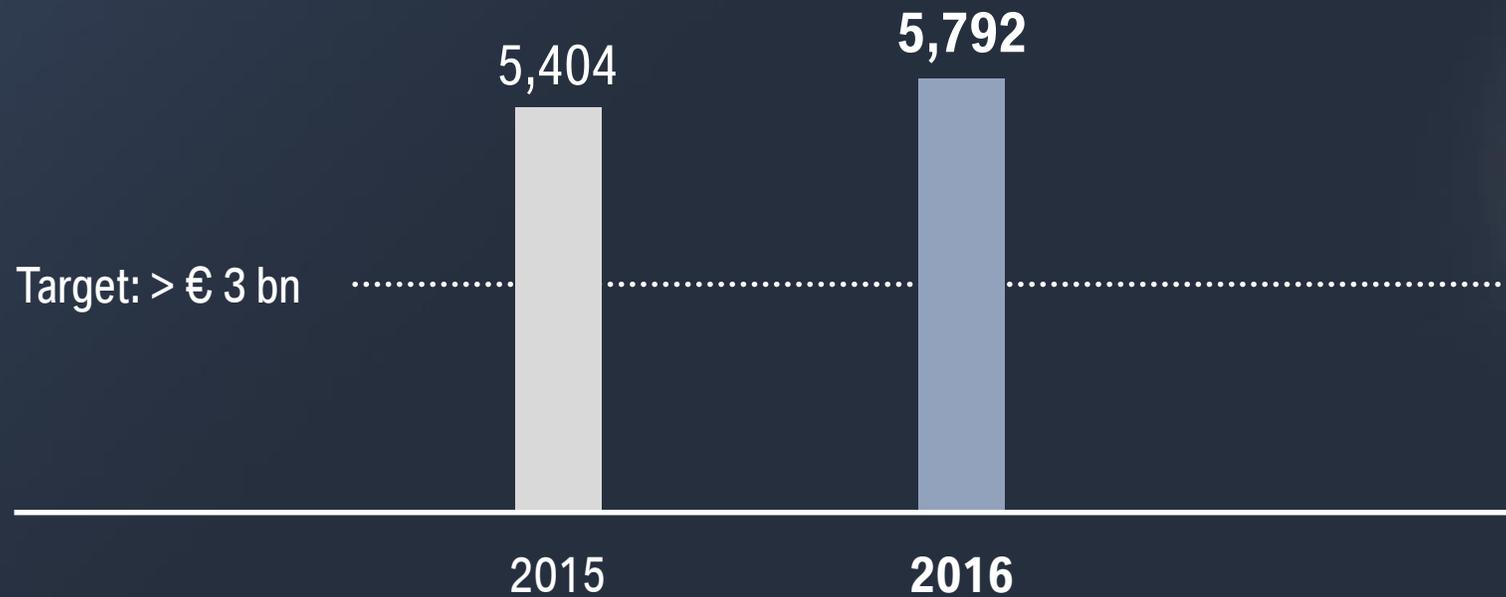
AUTOMOTIVE SEGMENT: 2015 TO 2016 EBIT BRIDGE.

In m€



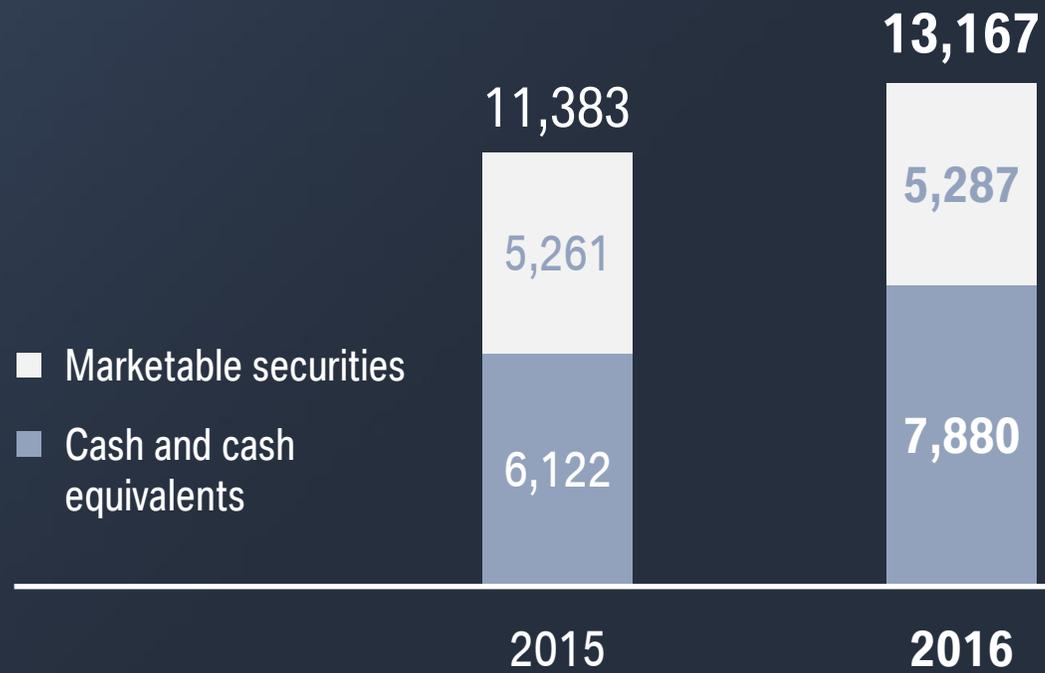
AUTOMOTIVE SEGMENT FREE CASHFLOW SIGNIFICANTLY ABOVE TARGET OF > € 3 BILLION.

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)	1,811,157	1,655,961	+ 9.4
Total volume of new customer contracts	55,327	50,606	+ 9.3
Earnings before tax (EBT)	2,166	1,975	+ 9.7
Return on equity (in %)	21.2	20.2	-
Penetration rate (in %)	49.6	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)	145,032	136,963	+ 5.9
Revenues	2,069	1,990	+ 4.0
Earnings before interest and tax (EBIT)	187	182	+ 2.7
EBIT margin (in %)	9.0	9.1	-
Earnings before tax (EBT)	185	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
BMW Group	9,665	9,224	+ 4.8



OUTLOOK FOR 2017: POSITIVE BUSINESS DEVELOPMENT EXPECTED.

BMW Group

Slight increase in EBT compared with previous year

Automotive Segment

Slight increase in deliveries and revenues compared with previous year

EBIT margin in the target range of 8-10%

Financial Services Segment

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

Motorcycles Segment

Significant increase in deliveries compared with previous year

EBIT margin in the target range of 8-10%



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THE NEXT
100 YEARS 



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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

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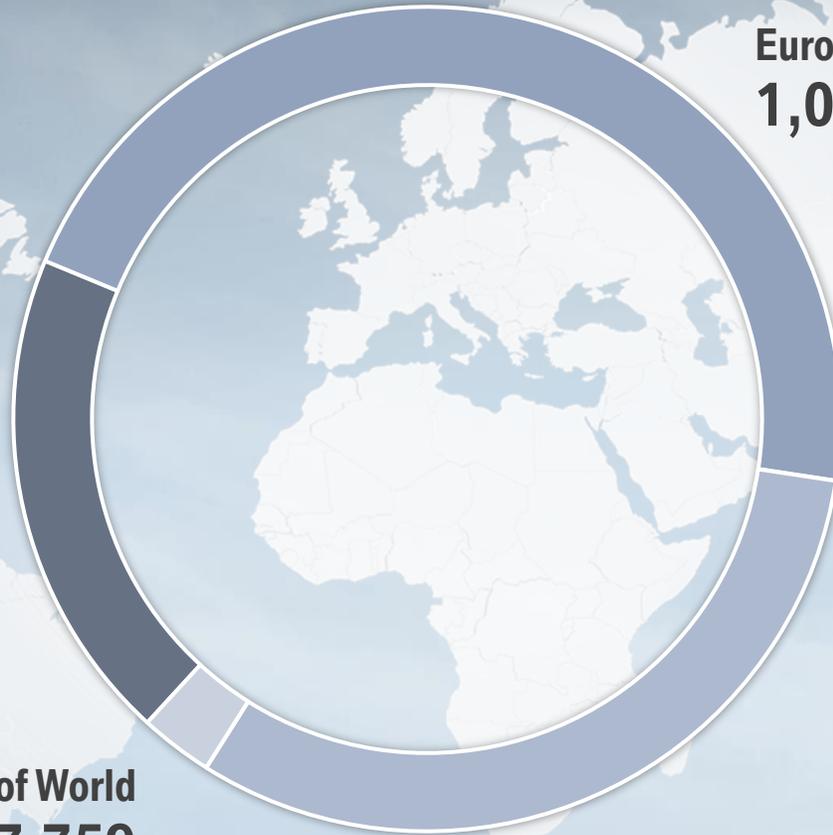
BMW GROUP. BALANCED GLOBAL SALES BY REGIONS IN 2016.

Americas
460,398

Rest of World
67,759

Europe
1,092,155

Asia
747,291



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 CO₂ FLEET EMISSIONS.

- 40%
since 1995

CO₂ 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.**



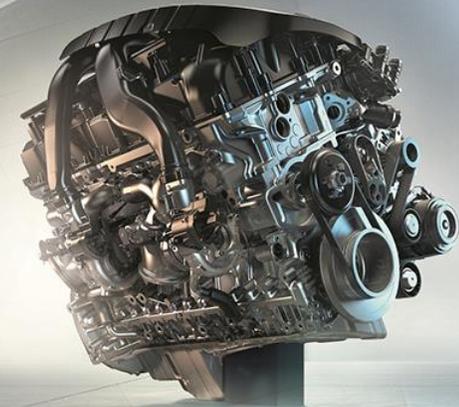
BMW GROUP. DRIVETRAIN MIX.



BEV / Plug-in-Hybrid



Fuel Cell

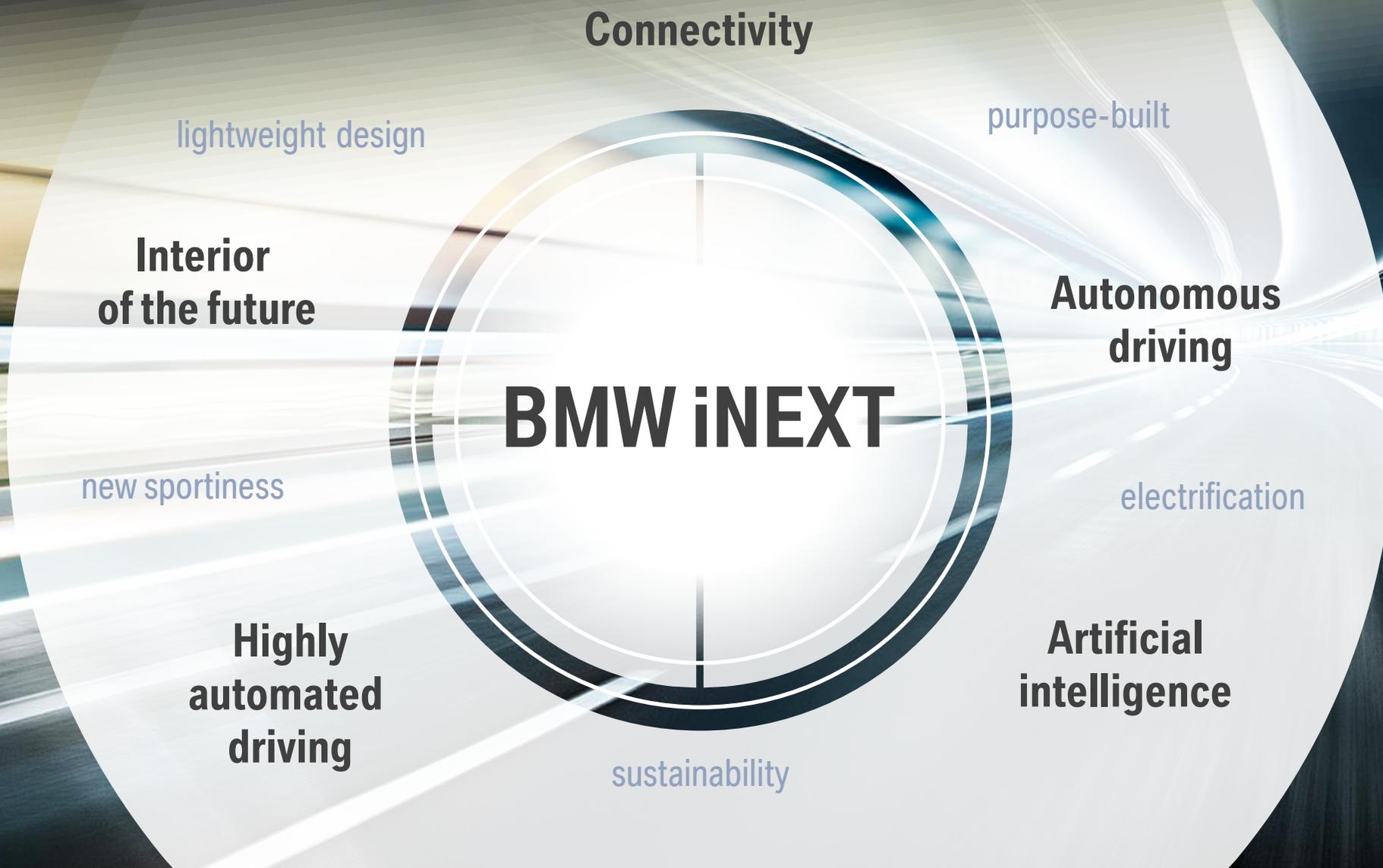


Combustion engine

**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

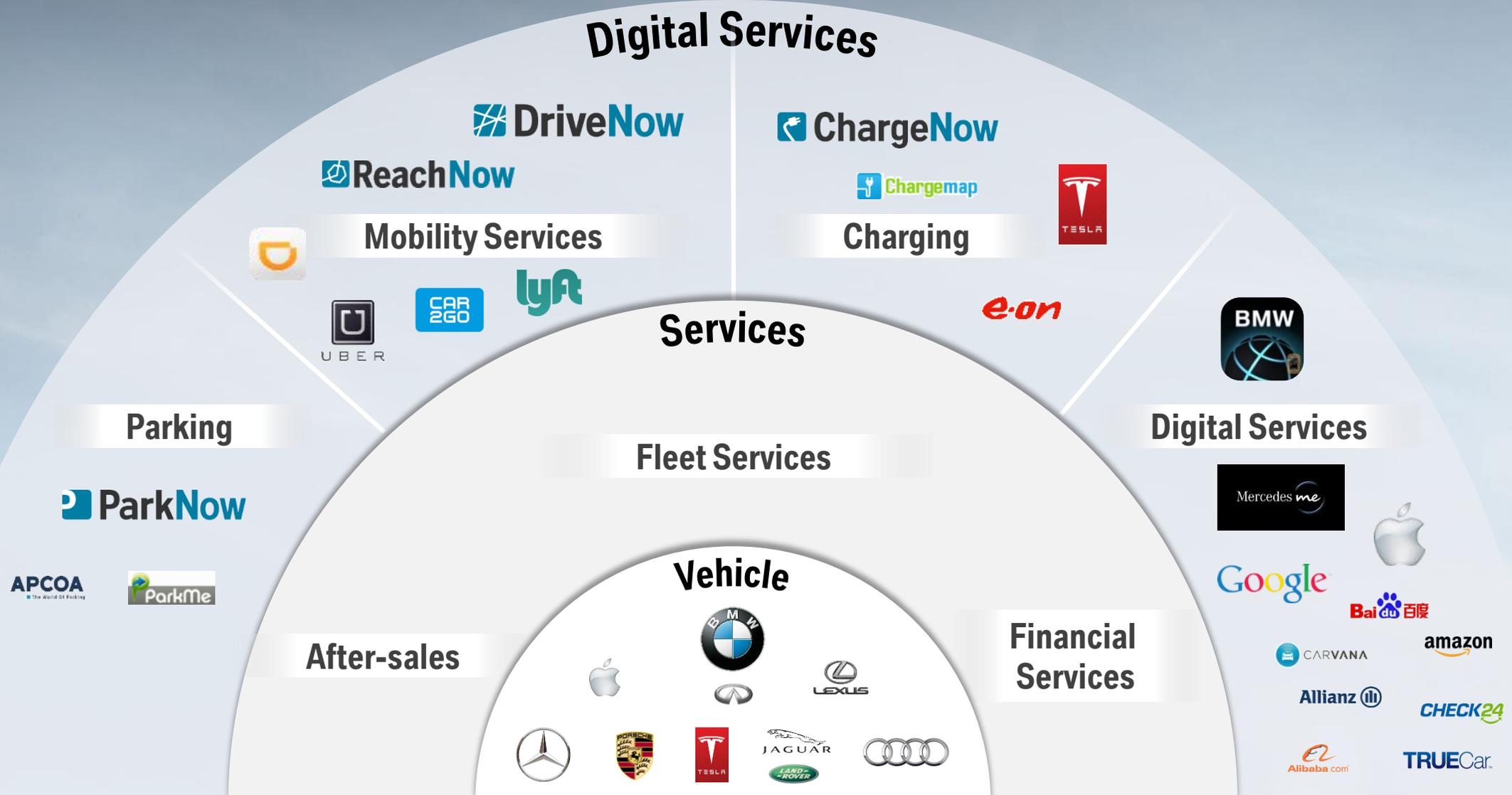
Autonomous

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

AUTONOMOUS

C

CONNECTED

here

HPC

OEMs



E

ELECTRIFIED

S

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

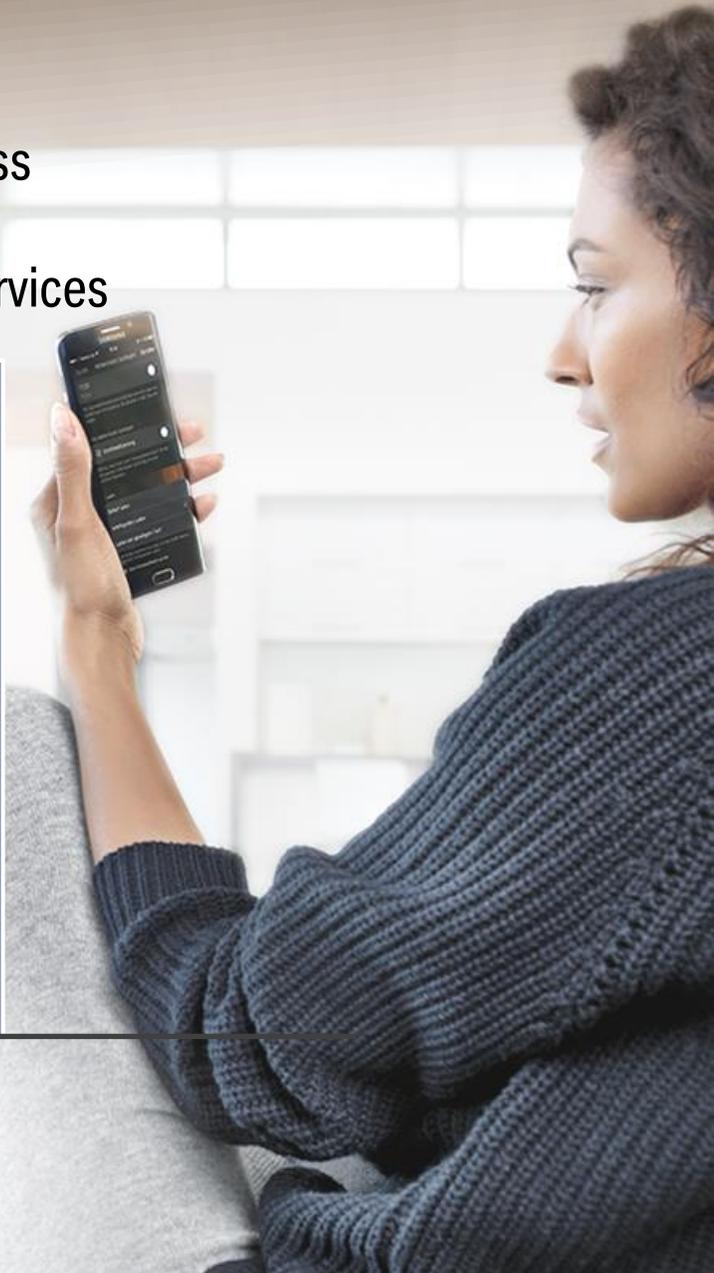


100
million

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
4th place overall**



Engineers / IT Europe

Top automotive manufacturer

4th place overall



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



**BMW GROUP.
THE NEW BMW 4 SERIES MODELS.**



**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.**

