

Media Information  
9 March 2023

## **Solid business figures for 2022 confirm BMW Group strategy**

- High Group EBT: € 23.5 billion – EBT margin: 16.5%
- Automotive EBIT: € 10.6 billion – EBIT margin on target at 8.6% (excluding effects of BBA full consolidation: 11.2%)
- Strong free cash flow (automotive): € 11.1 billion
- CO2 emissions of EU new vehicle fleet at 105.0 g/km (WLTP) – well below applicable emission target (127.5 g/km)
- Dividend of € 8.50 per share of common stock proposed
- Zipse: "We achieved solid performance under volatile conditions"

**Munich.** The BMW Group met its targets for 2022, as forecasted, and thus delivered a strong operating performance in a difficult business environment. The premium manufacturer significantly increased **Group EBT (€ 23,509 million/ +46.4%)** and **net profit (€ 18,582 million/ +49.1%)** from the previous year. This positive development can be attributed to improved pricing and positive product-mix effects, as well as the full consolidation of the Chinese joint venture, BMW Brilliance Automotive Ltd. (BBA). The latter also made a large cash contribution (€ 5,011 million) on 11 February 2022 to a significantly higher **free cash flow of € 11,071 million in the Automotive Segment.**

Rising **sales of fully-electric models**, which were up 107.7% in 2022, accounted for **9% of deliveries** in 2022 and helped further lower the **CO2 emissions value of the new vehicle fleet in the EU**. Based on preliminary calculations, this figure came in at **105.0 grams of CO2 per km (WLTP)**. This represents a decrease of (-)9.4% – significantly outperforming the value for the previous year and the applicable emissions target by 22.5 g/km (prev. yr.: 115.9 g/km). The BMW Group is forging ahead with electrification of its product lineup and aims to raise the share of **fully-electric vehicles** in its total deliveries to **15%** this year.



"There are two essential elements to our success in 2022: a strong and passionate team effort by our entire workforce worldwide – and compelling products that provide us with the right response to a persistently challenging environment," said **Oliver Zipse**, Chairman of the Board of Management of BMW AG, on Thursday in Munich. "It shows that those who tackle the transformation with courage and consistency, while maintaining a high level of flexibility, can achieve solid performance, even under volatile conditions. We will continue on this BMW path in the future as we steer the company further along the road to success."

### **Positive effects for Group from full consolidation of BBA**

In financial year 2022, the BMW Group once again outperformed its main financial key figures for the previous year, reporting **significant growth in revenues, Group earnings and net profit**.

As expected, **deliveries** were slightly lower than the previous year, at **2,399,632 units** (prev. yr.: 2,521,514 vehicles/ -4.8%). Consistently high customer demand was reflected in the company's strong order book. However, this could not be entirely fulfilled, due to difficulties with the supply of semiconductor components, supply chain disruptions and COVID lockdowns in China.

**Electrified vehicles** – BEVs and PHEVs – accounted for a total of **18.1% (433,792 units/ +32.1% YOY)** of deliveries. Sales of **fully-electric cars** reached **215,752 units** – a significant increase compared to the previous year (+107.7% YOY).

**Group revenues** climbed to **€ 142,610 million** (prev. yr.: € 111,239 million/ +28.2%), with integration of BBA revenues making a significant contribution to growth. The



BMW Group also benefited from improved pricing – for both new vehicle sales and the resale of end-of-lease vehicles – as well as positive product-mix effects.

This was offset to a significant extent by BBA's cost of sales, which was recognised for the first time. The increase in costs for materials, commodities and logistics, higher re-financing costs due to higher interest levels as well as effects from the consolidation of BBA and a larger percentage of electrified vehicles, all contributed to higher costs.

### **R&D spending for new models and GEN 6 electric drive trains**

The continuing transformation of the BMW Group is reflected in the moderate increase in research and development spending: **R&D costs in accordance with IFRS** totalled **€ 6,624 million** (prev. yr.: € 6,299 million/ +5.2%). R&D expenditure is mainly driven by new models, the NEUE KLASSE and the associated development of the sixth generation of electric drive trains. Additional investments were also made in digitalisation of the vehicle fleet and automated driving.

However, with revenues up year-on-year, the **R&D ratio, according to the German Commercial Code**, was lower, at **5.0%** (prev. yr.: 6.2%).

**Capital expenditure for property, plant and equipment and other intangible assets** amounted to **€ 7,791 million** in 2022 (prev. yr.: € 5,012 million/ +55.4%). This increase reflects the consolidation of BBA investments and capital expenditure for new models like the BMW 7 Series and the BMW X1. Additional funds were channelled into the accelerated BEV ramp-up. The **capex ratio** stood at **5.5%**.

The BMW Group reported **earnings before financial result** of **€ 13,999 million** for the full year (prev. yr.: € 13,400 million/ +4.5%). **Group earnings before tax** once again saw a strong increase and, as a result of the full consolidation of BBA, reached very



solid **€ 23,509 million** (prev. yr.: € 16,060 million/ +46.4%). The **Group EBT margin** came in at **16.5%** (prev. yr.: 14.4%; +2.1 percentage points).

Group **net profit** totalled **€ 18,582 million** (prev. yr.: € 12,463 million/ +49.1%).

### **Dividend of € 8.50 proposed**

Shareholders will also participate in the success of financial year 2022. Subject to the approval of the Annual General Meeting, the company's **unappropriated profit (according to the German Commercial Code)** of **€ 5,481 million** (prev. yr.: € 3,827 million/ +43.2%) will be distributed to shareholders from BMW AG's **net profit**. The Board of Management and Supervisory Board will propose a **dividend of € 8.50 per share of common stock** (prev. yr. € 5.80) and **€ 8.52 per share of preferred stock** (prev. yr. € 5.82) to the Annual General Meeting on 11 May. This represents a preliminary **pay-out ratio of 30.6%** (prev. yr.: 30.9%, cf. glossary) and is in line with the target range of 30-40% of net profit attributable to shareholders of BMW AG for the payout ratio.

### **Share buy-back of € 1.28 billion completed in 2022**

On the basis of the authorization granted by the Annual General Meeting in May 2022, the Board of Management has decided to repurchase shares in the amount of up to € 2 billion. As of December 2022, around **15.3 million common shares** for **€1,172 million** and around **1.4 million preferred shares** for **€106 million** had been repurchased and reported as own shares. These were recognised as treasury shares. BMW AG thus holds around 16.8 million treasury shares as of 31 December 2022, with a nominal value of € 16,760,957 or 2.53% of the share capital. As of March 7 2023, the



BMW Group bought back shares worth almost € 1.6 billion and thus holds 3.03% of the share capital.

"All our stakeholders will benefit from our company's success and in line with our announcements. Our solid dividend of € 8.50 for 2022 reflects our financial strength – as we are able to pay out dividends in parallel with our necessary high level of investment in the transformation of the company," according to **Nicolas Peter**, member of the Board of Management of BMW AG responsible for Finance.

### **Full consolidation of BBA has major impact in Automotive Segment**

The **Automotive Segment** benefited once again in 2022 from increased sales of high-revenue models, better pricing and continuing positive development in used car markets. Improved pricing and a higher-value product mix, as well as increased business from new parts and accessories, all lifted revenues – which also benefited from currency tailwinds.

Due to the full consolidation of BBA, **segment revenues** were significantly higher, at **€ 123,602 million** (prev. yr.: € 95,476 million/ +29.5%). The cost of sales also rose significantly: on the one hand, resulting from higher effects from the full consolidation of BBA – such as depreciation and amortisation from the purchase price allocation of around € 1.8 billion and elimination of interim profits totalling around € 1.3 billion. On the other, the cost of sales was also negatively impacted by significantly higher material and logistics costs, especially due to the limited availability of semiconductors and supply chain disruptions, as well as increases in raw material and energy prices.

**Earnings before financial result (EBIT)** for the reporting year amounted to **€ 10,635 million** (prev. yr. € 9,870 million/ +7.8%). At **8.6%** (prev. yr.: 10.3%; -1.7 percentage



points), the **EBIT margin** for the segment was at the high end of the guidance range of 7-9%.

Without the aforementioned **effects of € 3.1 billion from the full consolidation of BBA** the **EBIT margin** would have come in at **11.2%**.

The **segment's financial result of € 8,283 million** was significantly higher year-on-year (prev. yr.: € 1,935 million/ +328.1%). This strong increase during the reporting year largely stems from the effects of the **revaluation of previously held equity shares in BBA** of just under **€ 7.7 billion** in the other financial result.

**Segment earnings before tax (EBT)** for financial year 2022 totalled **€ 18,918 million** and were therefore significantly higher than the figure for the previous year (prev. yr.: € 11,805 million/ +60.3%).

**Free cash flow in the Automotive Segment** reached very solid **€ 11,071 million** (prev. yr.: € 6,354 million/ +74.2%) at year end.

**Return on capital employed (RoCE)** for the automotive segment in 2022 was well within the target range of 14-19% at **18.1%** (prev. yr.: 24.0%/ -5.9 percentage points).

"The integration of our Chinese joint venture into the Automotive Segment takes our business operations to a new level. In 2022, this gave us a significant tailwind. We continue to hold a strong position in the major regions of the world with a strong product lineup, and we will keep on benefitting in particular this year from demand for our electrified vehicles and top-end models," said **Nicolas Peter**, member of the Board of Management of BMW AG responsible for Finance, on Thursday in Munich.



### **More competition and changes in risk situation for Financial Services**

Intense competition, higher interest rates and inflation, as well as limited availability of vehicles, impacted new business in the financial services sector in 2022. The total **volume of new business** from financing and leasing contracts **with retail customers** was down **(-)12.6%** to **€ 55,449 million** (prev. yr.: € 63,414 million). The percentage of BMW Group new vehicles leased or financed by the Financial Services Segment stood at **41.0%** for 2022 (prev. yr.: 50.5%/ -9.5 percentage points). Better transaction prices and an improved product mix resulted in a higher average financing volume per vehicle during the reporting period.

**Pre-tax earnings (EBT)** in the **Financial Services Segment** totalled **€ 3,205 million** at the end of the reporting year (prev. yr.: € 3,753 million/ -14.6%) – with the previous year being characterized by an exceptionally positive risk situation. Higher provisions for credit risks were made during the reporting year in response to geopolitical uncertainties and a weaker macroeconomic outlook.

As a consequence of the lower earnings before tax, the **Financial Services Segment** achieved a **return on equity (RoE)** of **17.9%** (prev. yr.: 22.6%/ -4.7 percentage points), fully in line with the company's adjusted guidance of 17-20% (adjusted from 14-17% in the Q2/2022 quarterly statement).

### **Electrification offensive and continued growth for BMW Motorrad**

In 2022, **BMW Motorrad** pressed ahead with electrification of the brand in the field of urban mobility, with the series introduction of the BMW CE 04 electric scooter.

**Deliveries** in the Motorcycles Segment reached a new all time-high of **202,895 units** in



2022 (prev. yr.: 194,261 units/ +4.4%). Although performance in the European markets, with the exception of France (+6.7% YOY), was less dynamic, sales in China (+7.7% YOY) saw a solid increase, and deliveries in the Americas rose significantly (+14.4% YOY).

Business performance benefited from this sales growth, combined with positive pricing and product mix effects. Higher material and logistics costs impacted the Motorcycles Segment during the reporting year.

The segment posted **revenues of € 3,176 million** (prev. yr.: € 2,748 million/ +15.6%), with an **EBIT of € 257 million** (prev. yr.: € 227 million/ +13.2%). The **EBIT margin** came in at **8.1%** (prev. yr.: 8.3%/ -0.2 percentage points) and is therefore within the guidance range of 8-10%.

The higher earnings pushed up the **return on capital employed (RoCE) to 24.9%** which was slightly above the planned range of 19-24% (prev. yr.: 21.9%/ +3 percentage points).

### **BMW Group posts successful fourth quarter**

In the **fourth quarter of 2022**, numerous lockdowns led to production cutbacks and the closure of Chinese dealerships. At the same time, the slight easing of the semiconductor component shortage contributed to higher production and sales volumes overall.

During this period, deliveries of the three premium automotive brands BMW, MINI and Rolls-Royce climbed significantly to **651,794 units** (prev. yr.: 589,290/ +10.6%). The



effects of expanded electrified model range were clearly visible in the fourth quarter: With **150,508 electrified vehicles** sold, their share of total sales volumes climbed to 23%. **Group revenues** totalled **€ 39,522 million** (prev. yr.: € 28,408 million/ +39.1%).

**Group profit before tax** for the **fourth quarter** increased significantly to **€ 3,253 million** (prev. yr.: € 2,907 million/ +11.9%), while the **EBT margin** came in at **8.2%**. Group **net profit** for the same period totalled **€ 2,175 million** (prev. yr.: € 2,256 million/ -3.6%).

**Automotive Segment EBIT** was significantly higher, at **€ 2,932 million** (prev. yr.: € 1,925 million/ +52.3%), due to the effects of the full consolidation of BBA and higher sales volumes. The **Automotive Segment EBIT margin** for the final quarter of the year was **8.5%** (prev. yr.: 7.7%). The segment's **free cash flow** totalled **€ 1,195 million** (prev. yr.: € 55 million).

Due to higher refinancing costs and increased credit risk provisioning, the **Financial Services Segment** reported lower **pre-tax earnings** of **€ 533 million** (prev. yr.: € 829 million/ -35.7%).

### **Employee numbers significantly higher year-on-year**

The BMW Group had **149,475 employees** at the end of 2022 (prev. yr.: 118,909/ +25.7%). This significant increase is primarily due to the full consolidation of BMW Brilliance Automotive Ltd., with almost 26,000 employees integrated into the BMW Group. The further increase in employee numbers across all segments was mainly in the areas of development and IT, as well as in the BMW Group's global production network.

**Proposed re-election of Supervisory Board member**

The current mandate of Supervisory Board member and Chairman of the Audit Committee Dr Kurt Bock will come to an end at the Annual General Meeting on 11 May 2023. The Supervisory Board will propose re-electing Bock for another four-year mandate at the Annual General Meeting. The candidate is considered independent by the Supervisory Board.

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You will receive further information on the Group Financial Statement 2022 and the outlook for the current financial year at the BMW Group Annual Conference on 15 March 2023. You can follow the virtual event live on the internet at:

<https://www.live.bmwgroup.com/en/live-streaming/>. The BMW Group Report 2022 will be published on 15 March at 7.30 a.m. (CET) at

<https://www.bmwgroup.com/en/investor-relations/company-reports.html>

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<b>The BMW Group – an overview</b>		<b>2022</b>	<b>2021</b>	<b>Change in %</b>
<b>Deliveries to customers</b>				
<b>Automotive<sup>1</sup></b>	units	<b>2,399,632</b>	<b>2,521,514</b>	<b>-4.8</b>
thereof: BMW	units	2,100,689	2,213,790	-5.1
MINI	units	292,922	302,138	-3.1
Rolls-Royce	units	6,021	5,586	7.8
<b>Motorcycles</b>	units	<b>202,895</b>	<b>194,261</b>	<b>4.4</b>
<b>Employees</b> (compared to 31 Dec. 2021)				
		<b>149,475</b>	<b>118,909</b>	<b>25.7</b>
Automotive Segment EBIT margin	percent	8.6	10.3	-1.7%age points
Motorcycles Segment EBIT margin	percent	8.1	8.3	-0.2%age points
<b>EBT margin BMW Group<sup>2</sup></b>	percent	<b>16.5</b>	<b>14.4</b>	<b>2.1%age points</b>
<b>Revenues</b>	€ million	<b>142,610</b>	<b>111,239</b>	<b>28.2</b>
thereof: Automotive	€ million	123,602	95,476	29.5
Motorcycles	€ million	3,176	2,748	15.6
Financial Services	€ million	35,122	32,867	6.9
Other Entities	€ million	8	5	60.0
Eliminations	€ million	-19,298	-19,857	-2.8
<b>Profit before financial result (EBIT)</b>	€ million	<b>13,999</b>	<b>13,400</b>	<b>4.5</b>
thereof: Automotive	€ million	10,635	9,870	7.8
Motorcycles	€ million	257	227	13.2
Financial Services	€ million	3,163	3,701	-14.5
Other Entities	€ million	-203	-8	-
Eliminations	€ million	147	-390	-
<b>Profit before tax (EBT)</b>	€ million	<b>23,509</b>	<b>16,060</b>	<b>46.4</b>
thereof: Automotive	€ million	18,918	11,805	60.3
Motorcycles	€ million	269	228	18.0
Financial Services	€ million	3,205	3,753	-14.6
Other Entities	€ million	995	531	87.4
Eliminations	€ million	122	-257	-
<b>Income taxes</b>	€ million	<b>-4,927</b>	<b>-3,597</b>	<b>37.0</b>
<b>Net profit</b>	€ million	<b>18,582</b>	<b>12,463</b>	<b>49.1</b>
<b>Earnings per share</b> <sup>(common/preferred share)</sup>	€	<b>27.31/27.33</b>	<b>18.77/18.79</b>	<b>45.5/45.4</b>

<sup>1</sup> including joint venture BMW Brilliance Automotive Ltd., Shenyang (1 January to 10 February 2022: 96,133 vehicles, 2021: 651,236 vehicles, 2020: 602,247 vehicles, 2019: 538,612 vehicles, 2018: 455,581 vehicles, 2017: 385,705 vehicles).

<sup>2</sup> Ratio of Group earnings before taxes to Group revenues.

The BMW Group – an overview		Q4 2022	Q4 2021	Change in %
<b>Deliveries to customers</b>				
<b>Automotive</b> <sup>1</sup>	units	<b>651,794</b>	<b>589,290</b>	<b>10.6</b>
thereof: BMW	units	566,823	510,722	11.0
MINI	units	83,651	77,300	8.2
Rolls-Royce	units	1,320	1,268	4.1
<b>Motorcycles</b>	units	<b>43,562</b>	<b>37,652</b>	<b>15.7</b>
<b>Employees</b>	(compared to 31 Dec. 2021)	<b>149,475</b>	<b>118,909</b>	<b>25.7</b>
<u>Automotive Segment EBIT margin</u>	percent	8.5	7.7	0.8%age points
<u>Motorcycles Segment EBIT margin</u>	percent	-9.4	-19.8	10.4%age points
<b>EBT margin BMW Group</b> <sup>2</sup>	percent	<b>8.2</b>	<b>10.2</b>	<b>-2.0%age points</b>
<b>Revenues</b>	€ million	<b>39,522</b>	<b>28,408</b>	<b>39.1</b>
thereof: Automotive	€ million	34,571	25,103	37.7
Motorcycles	€ million	691	486	42.2
Financial Services	€ million	9,086	8,688	4.6
Other Entities	€ million	2	2	0
Eliminations	€ million	-4,828	-5,871	17.8
<b>Profit before financial result (EBIT)</b>	€ million	<b>3,500</b>	<b>2,487</b>	<b>40.7</b>
thereof: Automotive	€ million	2,932	1,925	52.3
Motorcycles	€ million	-65	-96	32.3
Financial Services	€ million	536	832	-35.6
Other Entities	€ million	-16	-5	-
Eliminations	€ million	113	-169	-
<b>Profit before tax (EBT)</b>	€ million	<b>3,253</b>	<b>2,907</b>	<b>11.9</b>
thereof: Automotive	€ million	3,009	2,149	40.0
Motorcycles	€ million	-57	-96	40.6
Financial Services	€ million	533	829	-35.7
Other Entities	€ million	-263	153	-
Eliminations	€ million	31	-128	-
<b>Income taxes</b>	€ million	<b>-1,078</b>	<b>-651</b>	<b>65.6</b>
<b>Net profit</b>	€ million	<b>2,175</b>	<b>2,256</b>	<b>-3.6</b>
<b>Earnings per share</b> (common/preferred share)	€	<b>3.43/3.44</b>	<b>3.39/3.40</b>	<b>1.2/1.2</b>

<sup>1</sup> including the joint venture BMW Brilliance Automotive Ltd., Shenyang.

<sup>2</sup> Ratio of Group earnings before taxes to Group revenues.

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**GLOSSARY – explanatory comments on key performance indicators****Deliveries to customers**

A new or used vehicle is recorded as a delivery once it is handed over to the end user (which also includes leaseholders under lease contracts with BMW Financial Services). In the US and Canada, end users also include (1) dealers when they designate a vehicle as a service loaner or demonstrator vehicle and (2) dealers and other third parties when they purchase a company vehicle at auction and dealers when they purchase company vehicles directly from the BMW Group. Deliveries may be made by BMW AG, one of its international subsidiaries, a BMW Group retail outlet, or independent third-party dealers. The vast majority of deliveries – and hence the reporting of deliveries to the BMW Group – is made by independent third-party dealers. Retail vehicle deliveries during a given reporting period do not correlate directly to the revenues that the BMW Group recognises in respect of that particular reporting period.

**EBIT**

Profit before financial result. Profit before financial result comprises revenues less cost of sales, less selling and administrative expenses and plus/minus net other operating income and expenses.

**EBIT margin**

Profit/loss before financial result as a percentage of revenues.

**EBT**

EBIT plus financial result.

**Payout ratio** (see page 4)

The payout ratio is preliminary. Although the Management Board and Supervisory Board are proposing a fixed dividend per share to the general meeting, the number of dividend-entitled shares is expected to fall even further as a result of the ongoing share buy-back program between now and the Annual General Meeting. Accordingly, the total amount paid out to shareholders until May 11 presumably will also change.

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**The BMW Group**

With its four brands BMW, MINI, Rolls-Royce and BMW Motorrad, the BMW Group is the world's leading premium manufacturer of automobiles and motorcycles and also provides premium financial and mobility services. The BMW Group production network comprises over 30 production sites worldwide; the company has a global sales network in more than 140 countries.

In 2022, the BMW Group sold nearly 2.4 million passenger vehicles and more than 202,000 motorcycles worldwide. The profit before tax in the financial year 2022 was € 23.5 billion on revenues amounting to € 142.6 billion. As of 31 December 2022, the BMW Group had a workforce of 149,475 employees.

The success of the BMW Group has always been based on long-term thinking and responsible action. The company set the course for the future at an early stage and consistently makes sustainability and efficient resource management central to its strategic direction, from the supply chain through production to the end of the use phase of all products.

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