

Media Information  
12 March 2020

## **BMW Group increases profitability and EBIT again in fourth quarter – targets for 2019 achieved**

- Zipse: "Embracing transformation with confidence"
- Profit before tax up significantly in fourth quarter
- Group revenues exceed 100 billion euros for the first time
- Quarter-on-quarter improvement in profitability in 2019
- Solid free cashflow at 2.6 billion euros
- Revenues in fourth quarter at record high
- High upfront expenditure for R&D in 2019
- Unequivocal commitment to achieving CO<sub>2</sub>-targets
- Dividend of € 2.50 per share of common stock proposed

**Munich.** The BMW Group has successfully concluded the financial year 2019, continuing the upward trend in profitability in the fourth quarter. At the same time, between October and December 2019, revenues reached their highest level ever for a single quarter, reflecting the growing proportion of vehicles from the upper luxury segment. Over the full year, Group revenues exceeded 100 billion euros for the first time and were more than twice as high as in 2009.

"In 2019, we improved our profitability from quarter to quarter – despite a challenging market environment. This shows that we have the right products on the road and that our strategy is effective," stated the Chairman of the Board of Management of BMW AG, **Oliver Zipse**, on Thursday in Munich. "We are embracing the transformation of our industry with confidence and trust in our innovative strength. We recognised the signs of change at an early stage and made preparations accordingly. Our full potential is now emerging – at exactly the right moment."

### **Unequivocal commitment to achieving CO<sub>2</sub>-targets**

The BMW Group is continuously working to reduce the CO<sub>2</sub>-emissions of its new car fleet. The company has always lived up to its voluntary commitment and will achieve the CO<sub>2</sub> fleet target for its European new car registrations also this

year. This is around 20 percent below last year's target. One third of that step can be achieved by further improvements to conventional drivetrain systems and two-thirds by the growth in the field of electrified vehicles. The BMW Group's endeavours to meet future mandatory CO<sub>2</sub> and fuel consumption limits are therefore based on the combined impact of **Efficient Dynamics** technologies – which have been deployed by the BMW Group since 2007 – and the ongoing electrification of vehicles.

### **BMW Group to offer five all-electric series models by end of 2021**

As a pioneer of electric mobility, the BMW Group is already today a leading manufacturer and supplier of electrified vehicles and is currently in the process of expanding its range significantly. By the end of 2021, the company intends to have more than one million vehicles with all-electric or plug-in hybrid drivetrains on the roads. At that stage, the BMW Group will offer five all-electric series production vehicles. Alongside the **BMW i3**, demand for which increased for the sixth year in succession, production of the all-electric **MINI SE\*** was commenced at the Oxford plant (UK) towards the end of 2019. The **BMW iX3** will go into production this year at the plant in Shenyang, China, followed in 2021 by the **BMW iNEXT** in Dingolfing, Germany, and the **BMW i4** at the Munich plant – all of which will be equipped with fifth-generation electric drivetrain technology.

By 2023, the BMW Group will already have 25 electrified models on the roads – more than half of them all-electric. The key to achieving this objective is having intelligent vehicle architectures that, with the aid of a highly flexible production system, enable a model to be powered fully electrically, as a plug-in hybrid or with a combustion engine. With these prerequisites in place, the company is in an ideal position to meet demand in each relevant market segment and offer its customers a genuine **power of choice** between the various drive types. By 2021, demand for electrified vehicles is predicted to double compared to 2019.

The BMW Group then expects to see a steep growth curve up to 2025, with sales of electrified vehicles growing on average by more than 30 per cent p.a.

### **High upfront expenditure for future mobility**

In paving the way for the future of mobility, a substantial level of upfront expenditure was again required during the period under report. **Research and development** expenses for the year 2019 in accordance with IFRS totalled € 5,952 million, significantly up on the previous year (2018: € 5,320 million; +11.9%). The growing proportion of electrified vehicles is also driving up manufacturing costs. Exchange rate factors and rising prices for raw materials also put downward pressure on earnings. **Capital expenditure** for property, plant and equipment and other intangible assets increased by 12.3% to € 5,650 million year-on-year (2018: € 5,029 million) due to the first-time application of IFRS 16. Investment was made mainly in connection with continuing the new model initiative as well as the modernisation and flexibilisation of existing plant structures.

### **Greater financial strength through Performance > NEXT**

To compensate for the high upfront expenditure on future-oriented technologies, the BMW Group remains committed to improving efficiency continually as part of the **Performance > NEXT** programme launched in 2017.

“Upfront expenditure in the technologies of the future such as e-mobility needs to be financed. That is why we continue to work with strong determination on those matters that lie in our own hands and maintain a clear focus on performance and efficiency,” said **Nicolas Peter**, Member of the Board of Management of BMW AG, Finance. “By optimising our core business, we are systematically ensuring greater financial strength and performance. We are

growing in the right segments, and therefore generating the funds needed to ramp up our sustainable mobility strategy.”

A key aspect in this endeavour is to develop even faster digital processes and leaner structures. The Performance > NEXT programme is expected to generate efficiency savings in excess of 12 billion euros by the end of 2022. Among other things, development times for new vehicle models will be reduced by as much as one third. On the product side, up to 50 per cent of traditional **drivetrain variants** will be eliminated from 2021 onwards in the transition to creating enhanced, intelligent vehicle architectures – in favour of additional electrified drivetrains. It is in this area that the full impact of these measures will come into effect, particularly in the years after 2022.

Moreover, the model portfolio is regularly assessed with a view to finding additional potential ways of **reducing complexity**. Potential for greater synergy and efficiency in indirect purchasing as well as in terms of material and production costs is also being leveraged throughout the Group. The BMW Group is also strengthening performance with an array of new models – especially in segments where the rates of return are highest. One of the Group's targets is to double its sales volume in the luxury segment from 2018 to 2020.

### **Steady improvement in profitability and EBIT in financial year 2019**

The BMW Group's profitability and profit before financial result improved from quarter to quarter over the course of 2019. The first quarter was impacted by the recognition of a provision for € 1.4 billion following the receipt of a Statement of Objections from the EU Commission in connection with ongoing antitrust proceedings. Group profit before tax for the second half of 2019 then grew significantly year-on-year (€ 4.3 billion; +18.8%).

**Fourth quarter deliveries** of BMW, MINI and Rolls-Royce premium brand vehicles stood at 665,803<sup>1</sup> units and thus increased slightly compared to the previous year (2018: 656,823<sup>1</sup> units; +1,4%<sup>1</sup>). **Group revenues** rose significantly to € 29,366 million (2018: € 24,482 million; +19.9%) on the back of positive mix effects arising from the significantly higher proportion of vehicles from the upper luxury segment. The figure is the highest amount of revenues ever recorded by the BMW Group in a single quarter and underlines the attractiveness of the current product portfolio. **Profit before financial result** also improved significantly to € 2,332 million (2018: € 1,765 million; +32.1%), while **profit before tax** amounted to € 2,055 million (2018: € 1,800 million; +14.2%). The pre-tax return on sales (**EBT margin**) came in at 7.0% (2018: 7.4%).

**In 2019, deliveries** increased by 2.2%<sup>1</sup> to a new record of 2,538,367<sup>1</sup> units (2018: 2,483,292<sup>1</sup> units). At € 104,210 million, **Group revenues** exceeded the 100 billion euro mark for the first time (2018: € 96,855 million; +7.6%). Influenced by the above-mentioned provision recognised in the first quarter as well as by high levels of upfront expenditure for research and development, **profit before financial result** for the financial year 2019 finished at € 7,411 million (2018: € 8,933 million; -17.0%). As expected, headwinds also came from negative developments in currencies and raw materials prices.

In addition, as previously reported, positive valuation effects recorded in 2018 were not repeated in 2019 and contributed to a significant decline in the Group's financial result. **Profit before tax** finished accordingly at € 7,118 million (2018: € 9,627 million; -26.1%). The pre-tax return on sales (**EBT margin**) was 6.8% (2018: 9.9%). **Net profit** amounted to € 5,022 million (2018: € 7,064 million; -28.9%).

Based on the annual financial statements of BMW AG, the Board of Management and the Supervisory Board will propose at the Annual General

Meeting on 14 May 2020 payment of a **dividend** of € 2.50 per share of common stock and € 2.52 per share of preferred stock, leading to a dividend payout ratio of 32.8% (2018: 32.0%) of net profit. The total dividend payment would be approximately € 1.65 billion. "The trust of our investors has always been a high priority for us," said **Peter**. "We want them to participate in the success of the company, just like our employees are able to."

### **Free cash flow at solid level despite higher capital expenditure**

**Automotive segment revenues** in the **fourth quarter** 2019 increased to € 26,829 million (2018: € 23,217 million; +15.6%) as a result of the positive mix effects described above. **Profit before financial result** also improved significantly to € 1,825 million (2018: € 1,452 million; +25.7%). The **EBIT margin** therefore improved both year-on-year and compared to the third quarter and amounted to 6.8% (2018: 6.3%).

**Segment revenues** for the **full year 2019** climbed to € 91,682 million (2018: € 85,846 million; +6.8%). Influenced by the above-mentioned provision recognised in the first quarter as well as by high levels of upfront expenditure for research and development, **profit before financial result** amounted to € 4,499 million (2018: € 6,182 million; -27.2%). The **EBIT margin** came in at 4.9% (2018: 7.2%). Excluding the above-mentioned provision, the EBIT margin was 6.4%. **Profit before tax** amounted to € 4,467 million (2018: € 6,977 million; -36.0%). Despite higher capital expenditure and lower net profit, the segment generated a **free cash flow** of € 2,567 million (2018: € 2,713 million; -5.4%).

In total, 2,185,793<sup>1</sup> **BMW** brand vehicles were delivered to customers worldwide in 2019 (2018: 2,114,963<sup>1</sup> units; +3.3%<sup>1</sup>). Growth was particularly strong in the upper luxury segment, with volumes up by around 75%<sup>1</sup> overall to more than

100,000<sup>1</sup> units, thanks to new models such as the 8 Series. Deliveries of the all-electric BMW i3 rose by 13%<sup>1</sup> to nearly 40,000<sup>1</sup> units.

Focusing on profitable sales growth in an extremely competitive market segment, deliveries of **MINI** vehicles in 2019 totalled 347,474<sup>1</sup> units (2018: 364,135<sup>1</sup> units; -4.6%<sup>1</sup>). The plug-in hybrid MINI Cooper S E Countryman ALL4\* was particularly popular, with deliveries up by around 28%<sup>1</sup> to almost 17,000<sup>1</sup> units.

**Rolls-Royce Motor Cars** recorded the best volume performance in the marque's 116-year history with 5,100<sup>1</sup> units delivered worldwide (2018: 4,194<sup>1</sup> units; +21.6%<sup>1</sup>). Growth was achieved in all regions, with North America standing out again as the most important market. The past year saw exceptional demand worldwide for the Cullinan and Black Badge models.

At 1,083,669<sup>1</sup> units, deliveries of the BMW Group in **Europe** exceeded the one-million mark for the fifth consecutive year, even though the figure was slightly down on the previous year's high level (1,097,117<sup>1</sup> units; -1.2%<sup>1</sup>). In contrast, deliveries in the **USA** went up to 375,751<sup>1</sup> units (2018: 355,373<sup>1</sup> units; +5.7%<sup>1</sup>). The biggest growth driver was **China**, where deliveries increased significantly to 724,733<sup>1</sup> units (2018: 635,813<sup>1</sup> units; +14.0%<sup>1</sup>).

### **Motorcycles segment achieves targets for year**

As predicted, BMW Motorrad recorded solid growth in 2019, with a total 175,162 BMW motorcycles and maxi-scooters delivered to customers (2018: 165,566 units; +5.8%). Segment **revenues** increased to € 2,368 million (2018: € 2,173 million; +9.0%). **Profit before financial result** improved to € 194 million (2018: € 175 million; +10.9%). The **EBIT margin** for the segment finished at 8.2% (2018: 8.1%) and therefore within the target range of 8 to 10%. **Profit before tax** amounted to € 187 million (2018: € 169 million; +10.7%).

## Financial Services segment continues positive performance

The **Financial Services segment** continued to perform well in 2019. In total, 2,003,782 **new contracts** were signed with retail customers in 2019 (2018: 1,908,640; +5.0%). The **contract portfolio** with retail customers comprised 5,973,682 contracts at the end of the reporting period (31 December 2018: 5,708,032 contracts; +4.7%). **Segment revenues** totalled € 29,598 million (2018: € 27,705 million; +6.8%). **Profit before tax** amounted to € 2,272 million (2018: € 2,143 million; +6.0%).

## Workforce size at previous year's level

As forecast, the BMW Group's **workforce** at 31 December comprised 133,778 employees, similar to the level one year earlier (2018: 134,682 employees; -0.7%). In particular, the Group continues to recruit skilled workers and IT specialists in future-oriented fields such as software development, digitalisation, autonomous driving and e-mobility, as well as for its international production network.

From the beginning of the financial year 2020, the key performance indicator for the workforce size will be based solely on the number of core and temporary employees. This change is in line with a reorganisation of internal management, which focuses on these employee groups. Employee groups such as apprentices, students gaining work experience and doctoral students will not be included in this key performance indicator in future, as they primarily serve to promote the training of young people and to secure the next generation of employees. Based on the new reporting methodology, the workforce comprised 126,016 employees at 31 December 2019.

## Supervisory Board

The Supervisory Board will propose to the Annual General Meeting on 14 May 2020 that Dr.-Ing. Norbert Reithofer, Chairman of the Company's Supervisory Board, be re-elected and that Anke Schäferkordt, supervisory board expert, be elected for the first time. In the event of his re-election, Dr.-Ing. Reithofer has expressed his willingness to stand again for the position of Chairman of the Supervisory Board. In agreement with the Supervisory Board, Prof. Renate Köcher relinquished her mandate early with effect from the end of the 2020 Annual General Meeting. The Supervisory Board would like to thank Prof. Köcher for her steadfast cooperation and valuable work during her tenure on the Supervisory Board since 2008.

\* \* \*

Further information on the Group Financial Statements 2019 and the outlook for the current year will be available at the BMW Group's Annual Accounts Press Conference to be held in Munich on 18 March 2020.

**\*: Consumption and emission data:**

**MINI Cooper SE:** fuel consumption combined: 0.0 l/100 km, power consumption combined 16.8-14.8 kWh/100 km, CO<sub>2</sub> emissions combined: 0 g/km

**MINI Cooper S E Countryman ALL4:** fuel consumption combined: 2.1-1.9 l/100 km, power consumption combined 13.9-13.5 kWh/100 km, CO<sub>2</sub> emissions combined: 47-43 g/km

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<b>The BMW Group – an overview</b>		<b>2019</b>	<b>2018</b>	<b>Change in %</b>
<b>Deliveries to customers</b>				
<b>Automotive</b> <sup>1</sup>	units	<b>2,538,367</b>	<b>2,483,292</b>	<b>2.2</b>
thereof: BMW <sup>1</sup>	units	2,185,793	2,114,963	3.3
MINI <sup>1</sup>	units	347,474	364,135	-4.6
Rolls-Royce <sup>1</sup>	units	5,100	4,194	21.6
<b>Motorcycles</b>	units	<b>175,162</b>	<b>165,566</b>	<b>5.8</b>
<b>Workforce</b>	(compared to 31.12.2018)	<b>133,778</b>	<b>134,682</b>	<b>-0.7</b>
Automotive segment EBIT margin	%	4.9	7.2	-2.3 % points
Motorcycles segment EBIT margin	%	8.2	8.1	0.1 % points
<b>EBT margin BMW Group</b> <sup>2</sup>	%	<b>6.8</b>	<b>9.9</b>	<b>-3.1 % points</b>
<b>Revenues</b> <sup>2</sup>	€ million	<b>104,210</b>	<b>96,855</b>	<b>7.6</b>
thereof: Automotive	€ million	91,682	85,846	6.8
Motorcycles	€ million	2,368	2,173	9.0
Financial Services <sup>2</sup>	€ million	29,598	27,705	6.8
Other Entities	€ million	5	6	-16.7
Eliminations <sup>2</sup>	€ million	-19,443	-18,875	-3.0
<b>Profit before financial result (EBIT)</b> <sup>2</sup>	€ million	<b>7,411</b>	<b>8,933</b>	<b>-17.0</b>
thereof: Automotive	€ million	4,499	6,182	-27.2
Motorcycles	€ million	194	175	10.9
Financial Services <sup>2</sup>	€ million	2,312	2,172	6.4
Other Entities	€ million	29	-27	-
Eliminations <sup>2</sup>	€ million	377	431	-12.5
<b>Profit before tax (EBT)</b> <sup>2</sup>	€ million	<b>7,118</b>	<b>9,627</b>	<b>-26.1</b>
thereof: Automotive	€ million	4,467	6,977	-36.0
Motorcycles	€ million	187	169	10.7
Financial Services <sup>2</sup>	€ million	2,272	2,143	6.0
Other Entities	€ million	-96	-45	-
Eliminations <sup>2</sup>	€ million	288	383	-24.8
<b>Income taxes</b> <sup>2</sup>	€ million	<b>-2,140</b>	<b>-2,530</b>	<b>15.4</b>
<b>Net profit</b> <sup>2,3</sup>	€ million	<b>5,022</b>	<b>7,064</b>	<b>-28.9</b>
<b>Earnings per share</b> <sup>(common / preferred stock), 2</sup>	€	<b>7.47/7.49</b>	<b>10.60/10.62</b>	<b>-29.5/-29.5</b>

<sup>1</sup> Delivery figures have been adjusted retrospectively going back to 2015. The basis for the adjustments is a change in the methodology used to collate data for the BMW Group's most important markets (China, USA, Germany, UK, Italy and Japan). The retrospective adjustment enables better comparability. Additional information can be found on page 12.

<sup>2</sup> Prior year figures adjusted due to first-time application of revised IAS 16, see note 4 to the condensed Interim Group Financial Statements for the six-month period ended 30 June 2019.

<sup>3</sup> Value for 2018 includes -€ 33 million from discontinued operations; value for 2019 includes +€ 44 million from discontinued operations.

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<b>The BMW Group – an overview</b>		<b>4th quarter 2019</b>	<b>4th quarter 2018</b>	<b>Change in %</b>
<b>Deliveries to customers</b>				
<b>Automotive</b> <sup>1</sup>	units	<b>665,803</b>	<b>656,823</b>	<b>1.4</b>
thereof: BMW <sup>1</sup>	units	576,782	556,470	3.7
MINI <sup>1</sup>	units	87,628	98,816	-11.3
Rolls-Royce <sup>1</sup>	units	1,393	1,537	-9.4
<b>Motorcycles</b>	units	<b>38,230</b>	<b>38,773</b>	<b>-1.4</b>
<b>Workforce</b>	(compared to 31.12.2018)	<b>133,778</b>	<b>134,682</b>	<b>-0.7</b>
Automotive segment EBIT margin	%	6.8	6.3	0.5 % points
Motorcycles segment EBIT margin	%	-6.4	-6.4	0.0 % points
<b>EBT margin BMW Group</b> <sup>2</sup>	%	<b>7.0</b>	<b>7.4</b>	<b>-0.4 % points</b>
<b>Revenues</b> <sup>2</sup>	€ million	<b>29,366</b>	<b>24,482</b>	<b>19.9</b>
thereof: Automotive	€ million	26,829	23,217	15.6
Motorcycles	€ million	497	515	-3.5
Financial Services <sup>2</sup>	€ million	7,617	6,898	10.4
Other Entities	€ million	1	2	-50.0
Eliminations <sup>2</sup>	€ million	-5,578	-6,150	9.3
<b>Profit before financial result (EBIT)</b> <sup>2</sup>	€ million	<b>2,332</b>	<b>1,765</b>	<b>32.1</b>
thereof: Automotive	€ million	1,825	1,452	25.7
Motorcycles	€ million	-32	-33	3.0
Financial Services <sup>2</sup>	€ million	452	478	-5.4
Other Entities	€ million	22	-49	-
Eliminations <sup>2</sup>	€ million	65	-83	-
<b>Profit before tax (EBT)</b> <sup>2</sup>	€ million	<b>2,055</b>	<b>1,800</b>	<b>14.2</b>
thereof: Automotive	€ million	1,478	1,631	-9.4
Motorcycles	€ million	-35	-36	2.8
Financial Services <sup>2</sup>	€ million	475	438	8.4
Other Entities	€ million	85	-150	-
Eliminations <sup>2</sup>	€ million	52	-83	-
<b>Income taxes</b> <sup>2</sup>	€ million	<b>-647</b>	<b>-470</b>	<b>37.7</b>
<b>Net profit</b> <sup>2,3</sup>	€ million	<b>1,408</b>	<b>1,319</b>	<b>6.7</b>
<b>Earnings per share</b> <sup>(common / preferred stock), 2</sup>	€	<b>2.09/2.10</b>	<b>1.98/1.99</b>	<b>5.6/5.5</b>

<sup>1</sup> Delivery figures have been adjusted retrospectively going back to 2015. The basis for the adjustments is a change in the methodology used to collate data for the BMW Group's most important markets (China, USA, Germany, UK, Italy and Japan). The retrospective adjustment enables better comparability. Additional information can be found on page 12.

<sup>2</sup> Prior year figures adjusted due to first-time application of revised IAS 16, see note 4 to the condensed Interim Group Financial Statements for the six-month period ended 30 June 2019.

<sup>3</sup> Value for 2018 includes -€ 11 million from discontinued operations.

**Additional information on delivery figures**

In December 2019, BMW Group was informed by the U. S. Securities and Exchange Commission (the SEC) that the SEC had commenced an inquiry into BMW Group's vehicle sales practices and reporting. On January 22, 2020, the SEC formally opened an investigation into potential violations of U. S. securities laws by BMW Group relating to disclosures regarding BMW Group's unit sales of new vehicles. BMW Group is reviewing the matter and cooperating with the SEC's investigation. Information on contingent liabilities is provided in note 38 to the Group Financial Statements in the annual report.

The preparation of BMW Group's retail vehicle delivery data involves estimates and judgments and is subject to other uncertainties, including:

- The vast majority of deliveries of vehicles are carried out by independent dealerships or other third parties, and BMW Group is reliant on such third parties to correctly report relevant data to BMW Group.
- In addition, the definition of deliveries includes any vehicles delivered in the United States or Canada if:
  - o the relevant dealers designate such vehicles as service loaner vehicles or demonstrator vehicles (BMW Group provides financial incentives in this regard to such dealers); or
  - o such vehicles are company vehicles purchased by dealers or other third parties at auctions or by dealers directly from BMW Group,each of which may not correlate to a sale to a consumer or other end user in the relevant reporting period.

See Glossary – Explanation of Key Figures – Deliveries for the definition of deliveries (see below).

Retail vehicle deliveries during a given reporting period do not correlate directly to the revenue that BMW Group recognises in respect of such reporting period.

In connection with reviewing its sales practices and related reporting practices, BMW Group also reviewed prior period retail vehicle delivery data and separately determined that certain vehicle deliveries were not reported in the correct periods. BMW Group has revised the data on those vehicle deliveries that had not been reported in the correct periods as further described below, and is making, and will continue to make in the future, certain adjustments to its policies and procedures in order to improve the reliability and validity of its retail vehicle delivery data, in particular with respect to the timing of the recognition of deliveries.

Specifically, the retail vehicle delivery data presented in the annual report (years 2015 through 2019) and this media information (years 2018 through 2019) have been revised by adjusting the data for BMW Group's six most significant markets to reflect the above. In the years 2015 through 2019, these six markets (China, USA, Germany, UK, Italy and Japan) represented on average 68.3% of BMW Group's total vehicle deliveries. For each of the years 2015 through 2019, these revisions amounted to less than 1% of BMW Group's total retail vehicle deliveries. The retail vehicle delivery data for BMW Group's other markets have not been adjusted, as BMW Group believes the impact to be immaterial.

While BMW Group believes the retail vehicle delivery data presented in the annual report and this media information to be materially correct in accordance with BMW Group's definition of deliveries, challenges and further revisions of such data cannot be ruled out.

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**GLOSSARY – Explanation of Key Figures****Deliveries**

A new or used vehicle will be recorded as a delivery once 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 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 to BMW Group of deliveries – is made by independent third party dealers. Retail vehicle deliveries during a given reporting period do not correlate directly to the revenue that BMW Group recognises in respect of such reporting period.

**EBIT**

Abbreviation for “Earnings Before Interest and Taxes”, equivalent in the BMW Group income statement to “Profit / loss before financial result”. This is comprised of revenues less cost of sales, selling and administrative expenses and the net amount of other operating income and expenses.

**EBIT margin**

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

**EBT**

EBIT plus financial result.

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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 31 production and assembly facilities in 15 countries; the company has a global sales network in more than 140 countries.

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In 2019, the BMW Group sold over 2,538,000<sup>1</sup> passenger vehicles and more than 175,000 motorcycles worldwide. The profit before tax in the financial year 2019 was € 7.118 billion on revenues amounting to € 104.210 billion. As of 31 December 2019, the BMW Group had a workforce of 133,778 employees.

The success of the BMW Group has always been based on long-term thinking and responsible action. The company has therefore established ecological and social sustainability throughout the value chain, comprehensive product responsibility and a clear commitment to conserving resources as an integral part of its strategy.

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