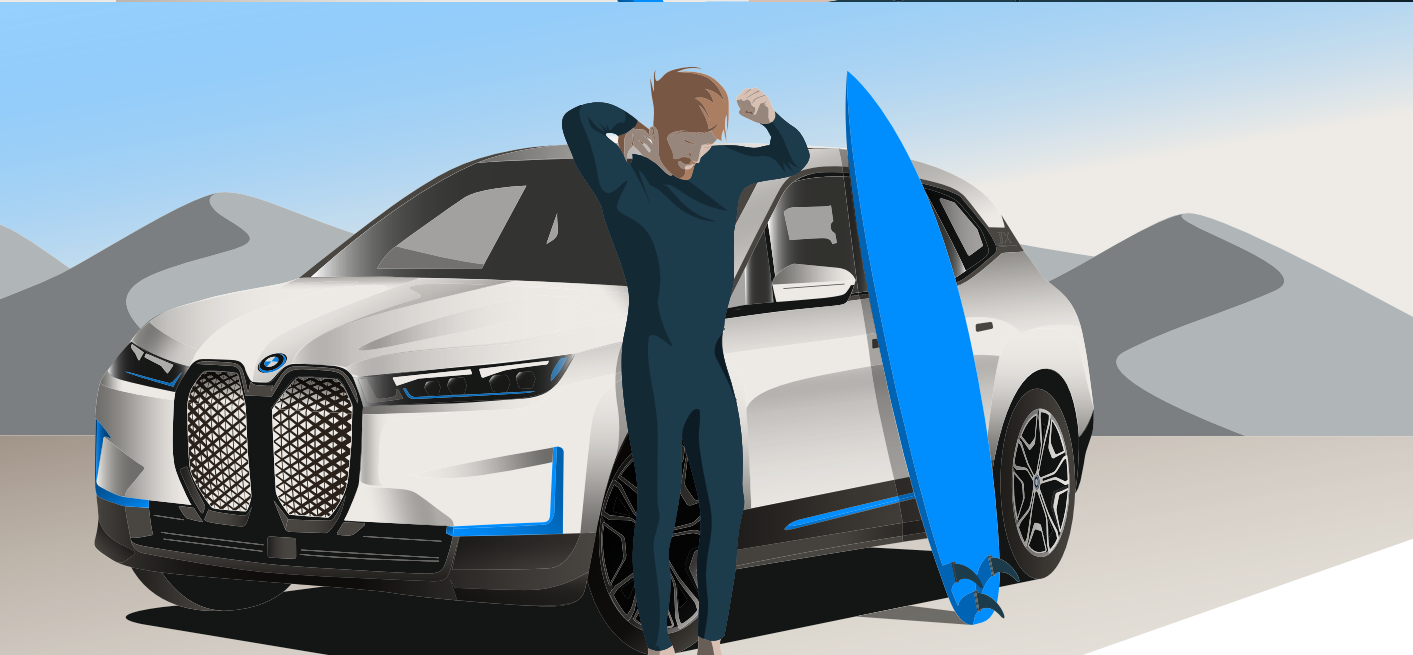


QUARTERLY STATEMENT

31 March 2021



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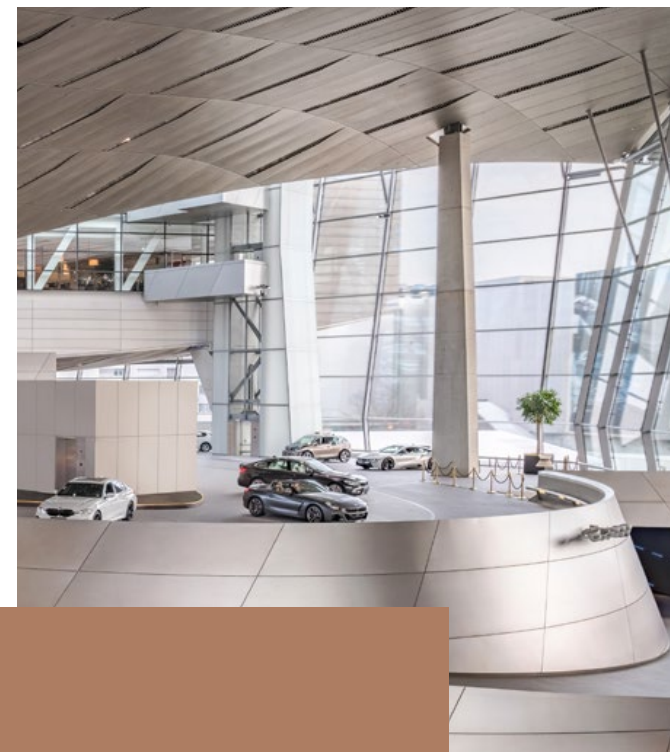
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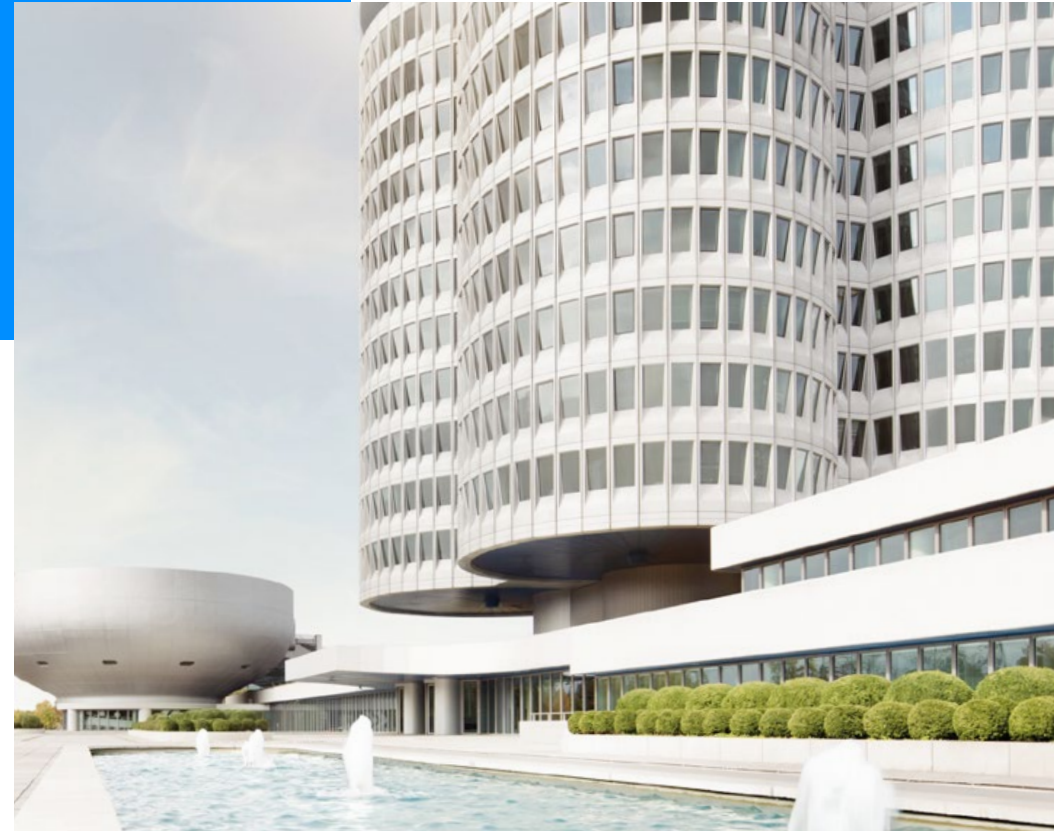
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BMW GROUP IN FIGURES

KEY PERFORMANCE INDICATORS REPORTED DURING THE YEAR

		1st quarter 2021	1st quarter 2020	Change in %
GROUP				
Profit before tax	€ million	3,757	798	–
AUTOMOTIVE SEGMENT				
Deliveries ^{1,2}	units	636,606	477,111	33.4
Share of electrified vehicles in deliveries	%	11.0	6.4	71.9
EBIT margin ³	%	9.8	1.3	–
MOTORCYCLES SEGMENT				
Deliveries	units	42,592	34,774	22.5
EBIT margin ³	%	17.9	12.9	38.8

¹ In connection with a review of its sales practices and related reporting practices, the BMW Group has examined prior-period vehicle delivery data and ascertained that certain vehicle deliveries were not reported in the correct periods.

The BMW Group has revised its vehicle delivery data retrospectively for previous years. Further information on this matter is provided in the BMW Group Report 2020, pp. 128. The BMW Group continues to develop policies and procedures relating to vehicle delivery data, whereby it is not always practicable to revise the data for prior periods. This applies in particular to minor revisions that would not have a material impact on the comparability of reporting periods.

² Including the joint venture BMW Brilliance Automotive Ltd., Shenyang (2021: 175,838 units; 2020: 87,443 units).

³ Profit before financial result as percentage of segment revenues.

FURTHER PERFORMANCE FIGURES

		1st quarter 2021	1st quarter 2020	Change in %
AUTOMOTIVE SEGMENT				
Deliveries ¹				
BMW ²	units	560,543	411,809	36.1
MINI	units	74,683	64,449	15.9
Rolls-Royce	units	1,380	853	61.8
Total²	units	636,606	477,111	33.4
Production volume				
Total³	units	669,118	584,142	14.5
FINANCIAL SERVICES SEGMENT				
New contracts with retail customers		489,066	449,687	8.8

¹ For information regarding deliveries, ^{L2} see page 5, footnote 1.

² Including the joint venture BMW Brilliance Automotive Ltd., Shenyang (2021: 175,838 units; 2020: 87,443 units).

³ Including the joint venture BMW Brilliance Automotive Ltd., Shenyang (2021: 166,534 units; 2020: 95,704 units).

FURTHER PERFORMANCE FIGURES

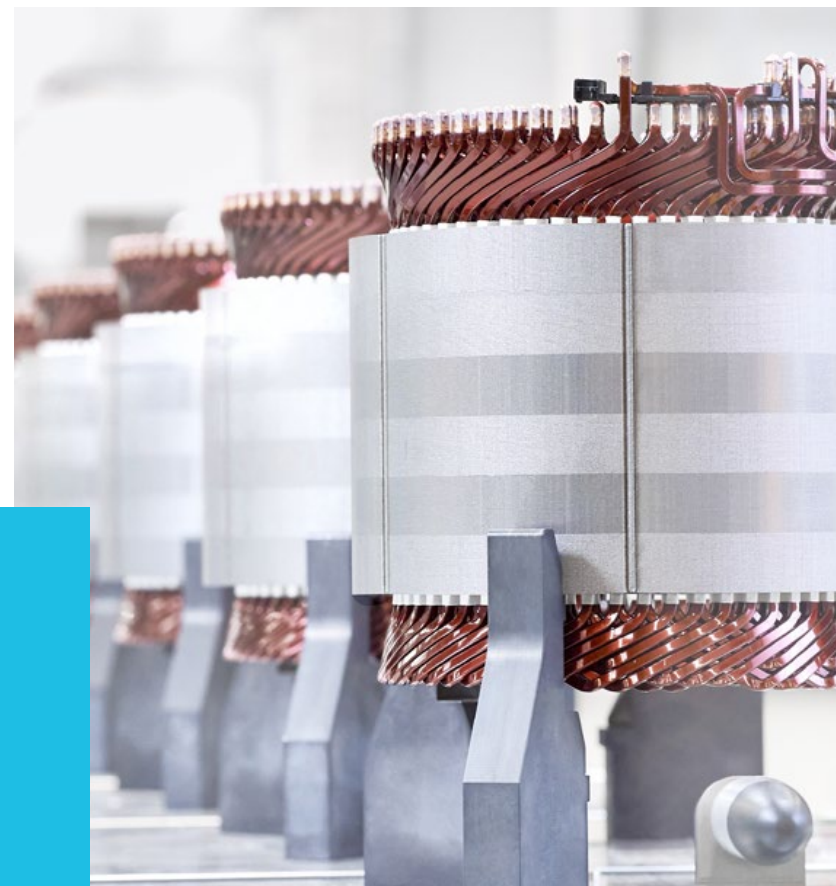
		1st quarter 2021	1st quarter 2020	Change in %
Free cash flow Automotive segment	€ million	2,522	-2,218	-
Group revenues	€ million	26,778	23,252	15.2
Automotive	€ million	22,762	17,989	26.5
Motorcycles	€ million	753	557	35.2
Financial Services	€ million	7,906	7,598	4.1
Other Entities	€ million	1	1	-
Eliminations	€ million	-4,644	-2,893	-60.5
Group profit / loss before financial result (EBIT)	€ million	3,025	1,375	120.0
Automotive	€ million	2,236	229	-
Motorcycles	€ million	135	72	87.5
Financial Services	€ million	767	542	41.5
Other Entities	€ million	-6	12	-
Eliminations	€ million	-107	520	-
Group profit / loss before tax (EBT)	€ million	3,757	798	-
Automotive	€ million	2,776	80	-
Motorcycles	€ million	135	72	87.5
Financial Services	€ million	787	484	62.6
Other Entities	€ million	141	-344	-
Eliminations	€ million	-82	506	-
Group income taxes	€ million	-924	-224	-
Group net profit	€ million	2,833	574	-
Earnings per share¹	€	4.26 / 4.26	0.84 / 0.84	- / -
Group pre-tax return on sales²	%	14.0	3.4	-

¹ Common / preferred stock. In computing earnings per share of preferred stock, earnings to cover the additional dividend of €0.02 per share of preferred stock are spread over the quarters of the corresponding financial year.

² Group profit before tax as a percentage of Group revenues.

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REPORT ON ECONOMIC POSITION

GENERAL ECONOMIC ENVIRONMENT

INTERNATIONAL AUTOMOBILE MARKETS

Overall, international automobile markets bounced back remarkably well in the first quarter 2021, with registrations up by 20.6%. The scale of the increase was attributable to the massive slump recorded in the corresponding period of the previous year in the wake of corona-related lockdowns worldwide.

Compared to the previous year, international automobile markets developed in the first quarter 2021 as follows:

	Change compared to previous year in %
EU 27	+22.3
thereof Germany	-6.4
thereof France	+21.2
thereof Italy	+28.8
thereof Spain	-14.0
United Kingdom (UK)	-12.0
USA	+11.5
China	+69.9
Japan	+4.5
Total	+20.6

GROUP OVERVIEW

BMW GROUP REMAINS ON GROWTH COURSE WITH RECORD NUMBER OF DELIVERIES IN FIRST QUARTER

The BMW Group has made an excellent start to the financial year 2021, setting a new record for first-quarter deliveries of BMW, MINI and Rolls-Royce brand automobiles, despite the global impact of the coronavirus pandemic. Deliveries to customers in the period from January to March increased significantly by 33.4% to 636,606¹ units (2020: 477,111^{1,2} units). Strong demand for electrified vehicles (plug-in hybrids and fully electric vehicles) contributed substantially to this outstanding performance, with deliveries more than doubling compared to the same quarter one year earlier.

In total, 489,066 new credit financing and leasing contracts were signed with retail customers during the first quarter 2021, a solid increase of 8.8% year on year (2020: 449,687 contracts). The recovery in new business with retail customers was attributable to the significant growth of 15.2% in credit financing, particularly in China. In contrast, the number of new leasing contracts signed with customers dropped slightly by 2.9%.

¹ Including the joint venture BMW Brilliance Automotive Ltd., Shenyang (2021: 175,838 units; 2020: 87,443 units).

² For information regarding deliveries, ^{L2} see page 5, footnote 1.

SIGNIFICANT IMPROVEMENT IN GROUP EARNINGS
AS RECOVERY CONTINUES

In the financial year 2020, the Group's net assets, financial position and results of operations were significantly impacted by the spread of coronavirus. A perceptible market slump in China in February was followed by the closure of dealerships in other key sales markets worldwide from March onwards. The pandemic-related drop in customer demand and the related production interruptions negatively impacted Group earnings in the first two quarters of 2020. However, markets picked up considerably during the second half of the year, a trend that continued throughout the first three months of 2021.

Group revenues grew by 15.2% to €26,778 million (2020: €23,252 million, +18.9% adjusted for currency factors). The increase was mainly driven by higher sales volumes, whereby the previous year's figures were affected in particular by the slump in the market in China as well as by worldwide dealership closures in March 2020 in the wake of the coronavirus pandemic. Higher selling prices and favourable product mix effects also contributed to the growth in revenues. Moreover, the improved situation on pre-owned vehicle markets, particularly in the USA, resulted in higher revenues from the sale of vehicles that had previously been leased.

Group cost of sales went up by €1,870 million to €21,588 million (2020: €19,718 million; +9.5%), whereby increases in manufacturing costs due to sales volume growth, higher raw materials prices and the increasing overall proportion of electrified vehicles were partially offset by lower risk provisioning expenses, particularly in connection with the measurement of credit and residual

BMW GROUP PERFORMANCE INDICATORS RELATING TO
RESEARCH AND DEVELOPMENT EXPENSES

in %	1st quarter 2021	1st quarter 2020	Change in %pts
Research and development expenses as a percentage of revenues	5.4	5.9	-0.5
Research and development expenditure ratio ¹	4.8	5.7	-0.9
Capitalisation rate ²	22.6	28.4	-5.8

in € million	1st quarter 2021	1st quarter 2020	Change in %
Research and development expenses	1,433	1,380	3.8
Capitalised development costs	291	376	-22.6
Amortisation	-437	-432	1.2
Research and development expenditure³	1,287	1,324	-2.8

value risks. The related costs recognised in conjunction with the sale of returned lease vehicles also contributed to the rise in cost of sales.

Gross profit for the first quarter 2021 amounted to €5,190 million (2020: €3,534 million; +46.9%) and was therefore significantly higher than one year earlier.

Research and development expenditure totalling €1,287 million (2020: €1,324 million) was slightly lower than one year earlier (-2.8%). The previous year's figure was impacted in particular by the higher level of costs capitalised for future model start-ups, for the electrification of the vehicle fleet, and for automated driving.

¹ Research and development expenditure as a percentage of Group revenues.

² Capitalised development costs as a percentage of research and development expenditure.

³ Research and development expenditure comprises the sum of research and non-capitalised development cost and capitalised development cost (not including the associated scheduled amortisation).

Selling and administrative expenses fell slightly to €2,074 million (2020: €2,165 million; - 4.2%). Whereas the first quarter of the previous year saw a decrease in expenses, particularly in China, due to the outbreak of the coronavirus pandemic and the associated containment measures, global restrictions put in place to combat the second wave of the pandemic resulted in a renewed drop in communication, marketing and travel expenses in the first quarter 2021. Lower personnel expenses resulting from the reduced workforce size were offset by higher costs for performance-related remuneration components and ongoing structural measures.

In light of the above developments, Group profit before financial result for the three-month period rose significantly to €3,025 million (2020: €1,375 million). As mentioned above, the main positive factors were the increase in vehicle delivery volumes, improved selling prices and lower risk provisioning expenses.

The financial result for the first quarter was a net positive amount of €732 million (2020: net negative amount of €577 million). The result from equity-accounted investments was impacted in particular by the Group's share of profit generated by the Chinese joint venture BMW Brilliance Automotive Ltd., Shenyang, which improved to €503 million. In the first quarter of the previous year, the Group's share of the joint venture's profit (2020: €162 million) had been adversely affected by the pandemic-related drop in market demand and the interruption of production in China. Furthermore, other financial result improved significantly to a net

positive amount of €334 million (2020: net negative amount of €564 million). Whereas falling interest rates in the USA resulted in fair value measurement losses on interest rate hedges in the first three months of the previous year, the slight upward trend of interest yield curves in the first quarter 2021 resulted in fair value measurement gains on interest rate hedges. Positive market valuation developments relating to SGL Carbon stock and the BMW i Ventures fund also contributed to the improvement.

As a result of the various factors described above, Group profit before tax climbed by €2,959 million to €3,757 million (2020: €798 million).

FINANCING ACTIVITIES

The BMW Group issued bonds for a total amount of €1.8 billion in the first quarter, comprising one euro benchmark bond and one Canadian Dollar bond.

In addition, ABS transactions were issued or prolonged in the USA, Japan, Canada, the UK and China with a total financing volume of approximately €3.8 billion.

Group liquidity increased to €20.1 billion (31 December 2020: €17.8 billion) on the back of the strong operating performance and positive free cash flow and therefore remains at a solid level.

AUTOMOTIVE SEGMENT

AUTOMOTIVE SEGMENT AT A GLANCE

		1st quarter 2021	1st quarter 2020	Change in %
Deliveries ^{1,2}	units	636,606	477,111 ³	33.4
Production ⁴	units	669,118	584,142	14.5
Revenues	€ million	22,762	17,989	26.5
Profit / loss before financial result (EBIT)	€ million	2,236	229	–
Profit / loss before tax	€ million	2,776	80	–
EBIT margin ¹	%	9.8	1.3	–

FIRST-QUARTER DELIVERIES AT RECORD LEVEL

Despite the adverse effects of the global coronavirus pandemic, the BMW Group set a new record for a first quarter by delivering a total of 636,606² BMW, MINI and Rolls-Royce brand vehicles (2020: 477,111^{2,3} units; +33.4%). Deliveries were up in all major regions, most notably in China. The strong demand for electrified vehicles also increased sales. In the first quarter, the BMW Group handed over more than twice as many e-vehicles (plug-in hybrids and

fully electric vehicles) to customers compared with the same period in the previous year.

All of the Group's brands contributed to the increase. During the three-month period, a total of 560,543² BMW brand vehicles were delivered to customers worldwide (2020: 411,809^{2,3} units; +36.1%). MINI brand deliveries were also well up on the previous year, rising to 74,683 units (2020: 64,449³ units; +15.9%). Rolls-Royce Motor Cars delivered 1,380 ultra-luxury cars to customers, the highest number ever achieved in a single quarter (2020: 853³ units; +61.8%).

DELIVERIES OF ELECTRIFIED VEHICLES MORE THAN DOUBLED IN FIRST QUARTER

The dynamic growth in the number of plug-in hybrid and fully electric models delivered is testimony to the success of the BMW Group's strategy of electrifying its model range. With a total of 70,207⁵ units, the BMW Group more than doubled its first-quarter deliveries of electrified vehicles worldwide year-on-year (2020: 30,692³ units; +128.7%). With the BMW iX⁶ (also launched in Europe in January), the BMW i3⁶ and the MINI Cooper SE⁶, the BMW Group already has an attractive range of fully electric vehicles, which will be complemented by two key innovation leaders in the core segments of the BMW Group – the BMW iX⁶ and the BMW i4⁶ – in the course of the year.

BMW GROUP DELIVERIES OF ELECTRIFIED MODELS

in units	1st quarter 2021	1st quarter 2020 ³	Change in %
PHEV	56,046	24,235	131.3
BEV	14,161	6,457	119.3
Total⁵	70,207	30,692	128.7

¹ Key performance indicators reported on during the year.

² Including the joint venture BMW Brilliance Automotive Ltd., Shenyang (2021: 175,838 units; 2020: 87,443 units).

³ For information regarding deliveries, L² see page 5, footnote 1.

⁴ Including the joint venture BMW Brilliance Automotive Ltd., Shenyang (2021: 166,534 units; 2020: 95,704 units).

⁵ Including the joint venture BMW Brilliance Automotive Ltd., Shenyang

⁶ L² Fuel consumption and CO₂ emissions information are available on page 29.

DELIVERIES UP IN ALL MAJOR REGIONS OF THE WORLD

In Europe, the number of vehicles delivered by the BMW Group in the first quarter rose by a solid 8.1 % to 239,018 units year on year (2020: 221,024¹ units) despite the adverse effects of the coronavirus pandemic.

Customers in Germany took delivery of 62,696 units (2020: 66,004¹ units; –5.0 %) and customers in the UK 42,413 units (2020: 44,474¹ units; –4.6 %). Compared to the general state of health of the automobile markets in these two countries during the first quarter 2021, the BMW Group performed significantly better in some instances than the market as a whole. In other countries and regions of Europe such as France, Italy and Northern Europe, deliveries increased within a range of 28 to over 30 %.

Mainly due to the recovery on the US market, deliveries of BMW Group vehicles in the Americas region increased significantly in the first quarter 2021 to 96,352 units (2020: 82,078¹ units; +17.4 %). In the USA,

deliveries rose by more than one fifth year-on-year to 78,067 units (2020: 64,956¹ units; +20.2 %).

In Asia, the BMW Group achieved its best first quarter to date with deliveries up by 76.6 % to 287,697² units

(2020: 162,940^{1,2} units). The performance was mainly achieved on the back of dynamic growth in China, where first-quarter sales figures nearly doubled to 230,193² units, up 97.5 % year-on-year (2020: 116,577^{1,2} units).

AUTOMOTIVE SEGMENT – VEHICLE DELIVERIES BY REGION AND MARKET

in units	1st quarter 2021	1st quarter 2020 ¹	Change in %
Europe	239,018	221,024	8.1
thereof Germany	62,696	66,004	–5.0
thereof UK	42,413	44,474	–4.6
Americas	96,352	82,078	17.4
thereof USA	78,067	64,956	20.2
Asia ²	287,697	162,940	76.6
thereof China ²	230,193	116,577	97.5
Other markets	13,539	11,069	22.3
Total²	636,606	477,111	33.4

¹ For information regarding deliveries, see page 5, footnote 1.

² Including the joint venture BMW Brilliance Automotive Ltd., Shenyang (2021: 175,838 units; 2020: 87,443 units).

BMW BRAND DELIVERIES UP BY MORE THAN ONE THIRD

In total, 560,543¹ BMW brand vehicles were delivered to customers worldwide during the first quarter 2021, 36.1% more than in the same period of the previous year (2020: 411,809^{1,2} units). The excellent performance was driven in particular by good contributions from the highly popular BMW X family, with demand especially high for the BMW X1 and the BMW X3 – the latter of which has also been available since 2020 as the fully electric iX3³. Moreover, the high-volume success models of the BMW 5 Series and BMW 3 Series also sold well, with deliveries up by more than 40% in each case.

MINI DELIVERIES UP IN ALL REGIONS OF THE WORLD

The number of MINI brand vehicles delivered to customers in the first quarter increased to 74,683 units, 15.9% more than one year earlier (2020: 64,449² units). The brand recorded year-on-year increases in every region of the world. Demand was particularly strong for the MINI Countryman, with deliveries up by more than one third (+35.9%), as well as for the John Cooper Works models (+20.5%) with their especially sporty flair.

BMW BRAND – DELIVERIES BY MODEL SERIES¹

in units	1st quarter 2021	1st quarter 2020 ²	Change in %
BMW 1 Series/2 Series	74,157	57,381	29.2
BMW 3 Series/4 Series	124,656	87,185	43.0
BMW 5 Series/6 Series	89,605	63,281	41.6
BMW 7 Series/8 Series	16,622	14,239	16.7
BMW Z4	3,330	3,451	-3.5
BMW X1/X2	86,031	63,169	36.2
BMW X3/X4	90,451	66,242	36.5
BMW X5/X6	57,409	40,456	41.9
BMW X7	12,177	10,373	17.4
BMW i	6,105	6,032	1.2
BMW total	560,543	411,809	36.1

ROLLS-ROYCE MOTOR CARS RECORDS BEST FIRST-QUARTER PERFORMANCE IN ITS 116-YEAR HISTORY

Rolls-Royce Motor Cars can look back on an exceptionally successful start to the year, setting a new record for a first quarter with 1,380 units of the ultra-luxury brand delivered to customers (2020: 853² units; +61.8%). Growth was recorded in all major regions, with China, the USA and the Asia-Pacific region the biggest contributors.

¹ Including the joint venture BMW Brilliance Automotive Ltd., Shenyang (2021: 175,838 units; 2020: 87,443 units).

² For information regarding deliveries, ^{1,2} see page 5, footnote 1.

³ ^{1,2} Fuel consumption and CO₂ emissions information are available on page 29.

SHARP INCREASE IN SEGMENT REVENUES

Segment revenues totalled €22,762 million in the first quarter (2020: €17,989 million; +26.5%, currency-adjusted +30.4%). The increase at the start of 2021 was driven primarily by higher sales volumes, given that the global outbreak of the coronavirus pandemic had caused a sharp drop in the number of vehicles delivered, particularly in China, one year earlier. In addition, positive product mix effects due to higher sales of the X5 and X6, among other models, as well as improved price penetration boosted revenues. Revenue generated with the Chinese joint venture BMW Brilliance Automotive Ltd., Shenyang, also rose year-on-year.

Segment cost of sales totalled €18,716 million, significantly higher than one year earlier (2020: €15,971 million; +17.2%), mainly reflecting increased volume-related manufacturing costs and the growing proportion of electrified vehicles.

The Automotive segment's gross profit improved significantly to €4,046 million (2020: €2,018 million) due to the effects described above.

Selling and administrative expenses fell slightly to €1,718 million (2020: €1,786 million; -3.8%). One year earlier, first-quarter selling and administrative expenses had been reduced by a demand-driven decrease in communication and marketing expenses in China, whereas in the opening three-month period of 2021, the figures were held down by global restrictions and ongoing measures to contain the coronavirus pandemic. The year-on-year decrease in personnel costs was offset by higher amounts recognised for performance-related remuneration components at BMW Group level as well as for ongoing structural measures.

As a result of the various effects described above, segment EBIT increased to €2,236 million (2020: €229 million).

The segment's financial result for the first quarter improved significantly to a net positive amount of €540 million (2020: net negative amount of €149 million), mainly due to the higher result from equity-accounted

investments (as described above for the BMW Group) and positive market valuation developments relating to SGL Carbon stock and the BMW i Ventures fund.

The segment recorded a profit before tax of €2,776 million (2020: €80 million).

FREE CASH FLOW AUTOMOTIVE SEGMENT FOR THE PERIOD FROM 1 JANUARY TO 31 MARCH

in € million	2021	2020	Change
Cash inflow (+)/outflow (-) from operating activities	3,727	-1,395	5,122
Cash inflow (+)/outflow (-) from investing activities	-1,193	-429	-764
Adjustment for net investment in marketable securities and investment funds	-12	-394	382
Free cash flow Automotive segment	2,522	-2,218	4,740

Free cash flow generated by the Automotive segment increased to €2,522 million for the period from January to March 2021, mainly reflecting higher earnings before tax and the favourable development of working capital. The year-on-year improvement in working capital was mainly attributable to the combined effect of lower inventories as well as higher trade payables resulting from the current high level of production capacity utilisation.

NET FINANCIAL ASSETS HELD BY THE AUTOMOTIVE SEGMENT

Net financial assets comprised the following:

in € million	31.3.2021	31.12.2020	Change
Cash and cash equivalents	12,266	9,522	2,744
Marketable securities and investment funds	3,746	3,759	-13
Intragroup net financial assets	8,082	7,996	86
Financial assets	24,094	21,277	2,817
Less: external financial liabilities*	-2,834	-2,815	-19
Net financial assets Automotive segment	21,260	18,462	2,798

* Excluding derivative financial instruments.

The increase in net financial assets was largely attributable to positive free cash flow.

FINANCIAL SERVICES SEGMENT

SIGNIFICANT EARNINGS IMPROVEMENT FOR FINANCIAL SERVICES SEGMENT

Revenues generated by the Financial Services segment in the first quarter increased slightly due to positive effects from business with end-of-contract leasing vehicles. The upward trend in earnings was even more pronounced, primarily due to the risk situation in the first quarter of 2021. In the first quarter of 2020, the high degree of uncertainty triggered by the coronavirus pandemic had necessitated the recognition of additional risk provisioning expenses for expected credit and residual value risks. By contrast, segment profit in the first three months of 2021 benefited from the recovery of the pre-owned vehicle market, particularly in the USA. The situation on this market has been easing for several months now and is generating high levels of revenues from the sale of previously leased vehicles. At the same time, credit losses remained at a historically low level, mainly thanks to measures implemented by governments around the world to support the economy.

The Financial Services segment makes provision on an ongoing and comprehensive basis to take account of significant business risks. In light of the continued volatility associated with the coronavirus pandemic, it cannot be ruled out that the level of risk to which the Financial Services segment is exposed could also be adversely affected in upcoming quarters if government support measures are scaled back. The BMW Group is monitoring developments on a continuous basis and is ready to take appropriate countermeasures at short

notice if the need arises. Based on current assessments, however, the Financial Services segment has recognised appropriate levels of provisions/allowances to cover residual value and credit risks.

Expressed in balance sheet terms, segment business volume increased compared to 31 December 2020, mainly due to currency effects.

SOLID INCREASE IN NEW BUSINESS WITH RETAIL CUSTOMERS

In total, 489,066 new credit financing and leasing contracts were signed with retail customers during the first quarter 2021, a solid increase of 8.8% (2020: 449,687 contracts) compared to the previous year.

The recovery in new business with retail customers was attributable to significant growth in credit financing (+15.2%), particularly in China. By contrast, the number of new leasing contracts fell slightly (-2.9%). Overall, leasing accounted for 31.8% and credit financing for 68.2% of new business in the first quarter 2021.

New contracts signed during the period under report included 99,097 credit financing and leasing contracts relating to pre-owned BMW and MINI brand vehicles (2020: 103,157 contracts; -3.9%).

FINANCIAL SERVICES SEGMENT AT A GLANCE

		1st quarter 2021	1st quarter 2020	Change in %
New contracts with retail customers		489,066	449,687	8.8
Revenues	€ million	7,906	7,598	4.1
Profit / loss before financial result (EBIT)	€ million	767	542	41.5
Profit / loss before tax	€ million	787	484	62.6
		31. 3. 2021	31. 12. 2020	Change in %
Contract portfolio with retail customers		5,598,431	5,591,799	0.1
Business volume in balance sheet terms*	€ million	136,377	133,093	2.5

* Measured as the sum of the balance sheet line items "Leased products" and "Receivables from sales financing" (current and non-current) as reported in the balance sheet for the Financial Services segment.

The total volume of all new credit financing and leasing contracts concluded with retail customers during the three-month period amounted to €15,351 million, representing a solid 9.1% increase compared to the previous year (2020: €14,075 million). The primary factor driving this positive development was the recovery of credit financing business in China, which one year earlier had still been severely affected by the measures being undertaken to contain the pandemic.

During the first quarter, 50.4%¹ of new BMW Group vehicles were either leased or financed by the Financial Services segment (2020: 57.7%; -7.3 percentage points).

At 31 March 2021, a total of 5,598,431 credit financing and leasing contracts were in place with retail customers, similar to the level recorded at the end of 2020 (31 December 2020: 5,591,799 contracts; +0.1%). In China, the contract portfolio grew by 4.8% year-on-year, while the Asia-Pacific (+0.1%), Europe/Middle East/Africa (0.0%) and Americas (-0.8%) regions remained at the previous year's levels. The portfolio of contracts with retail customers in the EU Bank² region contracted by 1.6%.

FLEET BUSINESS DOWN SLIGHTLY

Under the brand name Alphabet, the Financial Services segment's fleet management business offers leasing and financing arrangements as well as related services to commercial customers. Increasingly, these services also include assisting customers to manage their fleets on a sustainable and climate-friendly basis. A portfolio of 694,163 fleet contracts was in place at 31 March 2021 (31 December 2020: 704,977 contracts; -1.5%).

DEALERSHIP FINANCING DOWN SLIGHTLY

In the first quarter, the total volume of dealership financing decreased by 2.0% year on year to €15,921 million (31 December 2020: €16,241 million) due to lower vehicle inventories.

OTHER ENTITIES SEGMENT AND ELIMINATIONS

Profit before tax in the Other Entities segment and eliminations amounted to €59 million (2020: €162 million). Earnings reported for Other Entities for the first three months of 2021 were impacted in particular with in other financial result by the fair value measurement gains on interest rate hedges entered into with matching maturities in conjunction with the refinancing of the Financial Services operations. In the previous year, the positive impact of reversals relating to the portfolio of leased products and the lower volume of expected new leasing business (recorded within eliminations) more than offset fair value measurement losses on interest rate hedges (recorded within Other Entities).

¹ The calculation only includes automobile markets in which the Financial Services segment is represented by a consolidated entity.

² EU Bank comprises BMW Bank GmbH, with its branches in Italy, Spain and Portugal.

REPORT ON OUTLOOK, RISKS AND OPPORTUNITIES

OUTLOOK

The report on outlook, risks and opportunities describes the expected development of the BMW Group, including the significant risks and opportunities, from a Group management perspective. It contains forward-looking statements based on expectations and assessments that are subject to uncertainty. The prevailing uncertainties may result in actual business performance differing either positively or negatively from the expectations described below, partially due to the political, legal and economic environment, but also caused by developments relating to the coronavirus pandemic. Further information is provided in the BMW Group Report 2020 (Outlook, pp. 159; Risks and Opportunities, pp. 164).

INTERNATIONAL AUTOMOBILE MARKETS 2021

Following the sharp downturn in 2020, the International Monetary Fund (IMF) is currently projecting global economic growth of around 6.0 % for 2021. The scale of this growth is also likely to benefit international automobile markets, which should therefore grow significantly over the course of the year. The actual outcome, however, is highly dependent on how the coronavirus pandemic continues to unfold and, not least, on the success of vaccination campaigns around the world.

The BMW Group expects international automobile markets to develop as follows over the year as a whole.

	Change compared to previous year in %
EU 27	+4.7
thereof Germany	-0.6
thereof France	+9.1
thereof Italy	+11.2
thereof Spain	+4.3
UK	+5.8
USA	+10.9
China	+10.6
Japan	+6.0
Total	+9.1

OUTLOOK FOR THE BMW GROUP ASSUMPTIONS USED IN THE OUTLOOK

For the remainder of 2021, the BMW Group forecasts that business will develop positively overall, with the upward trend compared to the previous year continuing. The key risk factors likely to determine the outcome for the full financial year are currently seen as the further course of the corona pandemic, the supply situation for semiconductors and the development of prices on international raw materials markets.

As in the previous year, the coronavirus pandemic will continue to influence the business performance of the BMW Group in 2021. In line with current expectations for the forecast period, the BMW Group is working on the basis that the original widespread prevalence of the infection will be replaced by recurrent hotspots of a more regional nature and that it will be generally possible to control the spread of infections worldwide. The growing number of vaccination campaigns as well as improved vaccine supply is also likely to have an increasingly positive impact in the course of 2021. Uncertainties remain, however, as mutated strains of the virus emerge and potentially spread rapidly as well as questions about the efficacy of currently available vaccines in combatting mutations. It is not currently possible to assess the extent to which such risks could impact the global economy, the financial markets and therefore the BMW Group and, for this reason, they have not been taken into account in the outlook.

With demand on international semiconductor markets currently at a high level, the supply situation for electronic chips has become increasingly tense, which could result in supply bottlenecks affecting the availability of semiconductor components required for the Group's own production facilities.

The economic recovery currently in progress in some countries, such as China, is also having the effect of pushing up global commodity prices. Price rises observed for rhodium and palladium have been particularly pronounced in recent months.

Ongoing developments on global procurement markets, particularly for semiconductors and raw materials, are being closely monitored. Should major supply bottlenecks or price increases occur, it cannot be ruled out that this will have an adverse impact on the forecast for the remainder of the year.

The BMW Group considers that (geo)political tensions will also continue to be a source of uncertainty. However, it does not currently anticipate any further increases in customs tariffs.

OVERALL ASSESSMENT BY GROUP MANAGEMENT

Despite the volatile situation brought about by the global spread of coronavirus, the BMW Group expects business to develop positively and the risk situation to remain stable in the financial year 2021. New automobile and motorcycle models as well as the provision of customised, mobility-related services are expected to generate momentum. Group profit before tax is therefore expected to rise significantly during the outlook period.

The Automotive segment is expected to record a solid year-on-year increase in the number of BMW, MINI and Rolls-Royce brand vehicles delivered to customers. At the same time, the BMW Group is again pursuing ambitious decarbonisation targets for its EU new vehicle fleet¹, calculated using the revised base. In addition to improvements achieved through the further development of highly efficient internal combustion engines, the expected reduction also reflects the significant increase in the forecast proportion of electrified vehicles sold. According to the planning, carbon emissions per vehicle produced² are likely to fall moderately. The Automotive segment's EBIT margin is set to recover in 2021 and finish within a range of 6 to 8%, resulting in a significant improvement in the Return on Capital Employed (RoCE)³ achieved by the Automotive segment.

In the Financial Services segment, the Return on Equity (RoE)⁴ is expected to finish within a range of 12 to 15%. The switch to a forecast range for RoE allows for a narrower and therefore more precise outlook.

The Motorcycles segment is expected to record a solid increase in deliveries to customers. The EBIT margin is predicted to lie within a target range of 8 to 10%, enabling the segment to record a significantly higher level of RoCE³ than one year earlier.

The proportion of women in management positions in the BMW Group is expected to increase slightly.

The targets described above are to be met with a slightly lower number of employees. Ongoing uncertainty – particularly regarding the further course of the coronavirus pandemic as well as macroeconomic and political developments – could cause economic conditions in many regions to differ quite considerably from expected trends and developments. All or any of these factors are capable of having a significant impact on the overall business performance of the BMW Group. Furthermore, the Group's actual business performance may also differ from current expectations as a result of the risks and opportunities listed and explained in the BMW Group Report 2020 (Risks and Opportunity Report pp. 164).

¹ EU including Norway and Iceland; since 2018 determined in accordance with the WLTP (Worldwide Harmonised Light Vehicles Test Procedure) and converted back to the New European Driving Cycle (NEDC) for years up to and including 2020.

² Efficiency indicator calculated from Scope 1 and Scope 2 carbon emissions (market-based method according to GHG Protocol Scope 2 Guidance). This excludes climate-impacting gases other than CO₂ that are emitted in conjunction with vehicle production (excluding motorcycles), adjusted for CHP losses and divided by the total number of vehicles produced, including the BMW Brilliance Automotive Ltd. joint venture, Shenyang, but excluding vehicles produced by the contract manufacturers Magna Steyr and Nedcar.

³ In the Automotive and Motorcycles segments, RoCE is measured on the basis of relevant segment profit before financial result and the average amount of capital employed in the segment concerned. Capital employed corresponds to the sum of all current and non-current operational assets, less liabilities that for the most part do not incur interest.

⁴ In the Financial Services segment, RoE is calculated as segment profit before taxes, divided by the average amount of equity capital attributable to the Financial Services segment.

BMW GROUP – KEY PERFORMANCE INDICATORS

The BMW Group reaffirms its outlook for the financial year 2021, which was provided with the publication of the BMW Group Report 2020 on 17 March 2021. Accordingly, the outlook for key performance indicators for the year 2021 is as follows:

		2020 reported	2020 adjusted	2021 Outlook ¹
GROUP				
Profit before tax	€ million	5,222	–	Significant increase
Workforce at year-end		120,726	–	Slight decrease
Share of women in management positions in the BMW Group	%	17.8	–	Slight increase
AUTOMOTIVE SEGMENT				
Deliveries	units	2,324,809 ²	–	Solid increase
Share of electrified vehicles in deliveries	%	8.3	–	Significant increase
CO ₂ emissions EU new vehicle fleet ³	g/km	99 ⁶	135 ⁷	Significant decrease
CO ₂ emissions per vehicle produced ⁴	tons	0.23	0.31 ⁸	Moderate decrease
EBIT margin	%	2.7	–	between 6 and 8
Return on capital employed (RoCE) ⁵	%	12.7	–	Significant increase
MOTORCYCLES SEGMENT				
Deliveries	units	169,272	–	Solid increase
EBIT margin	%	4.5	–	between 8 and 10
Return on capital employed (RoCE) ⁵	%	15.0	–	Significant increase
FINANCIAL SERVICES SEGMENT				
Return on equity (RoE)	%	11.2	–	between 12 and 15

¹ Based on adjusted outlook; for the definition of forecast ranges, see BMW Group Report 2020, Glossary p. 329.

² Includes vehicles manufactured by the joint venture BMW Brilliance Automotive Ltd., Shenyang. (2020: 602,247 units).

³ EU including Norway and Iceland; since 2018 determined in accordance with the WLTP (Worldwide Harmonised Light Vehicles Test Procedure) and converted back to the New European Driving Cycle (NEDC) for years up to and including 2020.

⁴ Efficiency indicator calculated from Scope 1 and Scope 2 carbon emissions (market-based method according to GHG Protocol Scope 2 Guidance). This excludes climate-impacting gases other than CO₂ that are emitted in conjunction with vehicle production (excluding motorcycles), adjusted for CHP losses and divided by the total number of vehicles produced, including the BMW Brilliance Automotive Ltd. joint venture, Shenyang, but excluding vehicles produced by the contract manufacturers Magna Steyr and Nedcar.

⁵ Unlike the other key performance indicators, the RoCE forecast for the Automotive and Motorcycles segments is based on the change in percentage points.

⁶ Value (internal calculation) takes account of flexibilities as defined in regulatory requirements: phase-in with 5 g/km, super-credits BEV/PHEV with 7.5 g/km and eco-innovations with 2.4 g/km.

⁷ The CO₂ fleet emissions figure of 99 g/km for the year 2020, as measured internally, is based on NEDC and takes account of permitted offsetting factors (phase-in, supercredits and eco-innovations). The CO₂ fleet emission forecast for 2021 is based on WLTP in accordance with legal requirements and includes fewer offsetting factors due to the fact that phase-in is no longer permitted for 2021 and the BMW Group fully utilised the maximum amount of super-credits in 2020. For better comparability of the CO₂ fleet emissions forecast for 2021 and the fleet value for 2020, the 2020 figure has been converted internally from a NEDC basis (including offsetting factors) to a WLTP basis (excluding offsetting factors). The figure derived for 2020 serves only to enable reconciliation with the 2021 figure; it is not officially recognised and does not correspond to legislation that was in place in 2020.

⁸ From 2021, carbon emissions according to Scope 1 and 2 include not only production emissions but also those generated at locations not directly related to production, such as research centres, distribution centres and office buildings. The figure was subject to a separate limited assurance engagement as part of the audit of the BMW Group Report 2020.

RISKS AND OPPORTUNITIES

As a globally operating enterprise, the BMW Group is exposed to a broad range of risks and opportunities. The Group's corporate success is based on identifying and systematically leveraging any opportunities that present themselves. It also takes well calculated risks that contribute towards profitability, growth, efficiency and continued sustainability going forward.

After the massive pandemic-driven downturn in 2020, parts of the global economy, particularly in China, are already on the road to recovery. The perceptible upturn in demand is also causing prices of raw materials such as steel, copper, nickel and aluminium to rise. Price rises observed for rhodium and palladium have been particularly pronounced. These precious metals are used in the automotive industry in various processes to reduce emissions. The BMW Group mitigates the risk of rising prices by concluding long-term supply contracts as well as derivative contracts to hedge raw materials prices.

Changes in the risk profile are continuously assessed and factored into the current and long-term forecasts as deemed necessary.

Further information on risks and opportunities as well as on the methods employed to manage them is also available in the "Report on Risks and Opportunities" section of the BMW Group Report 2020 (see pp. 164).

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to 31 March**



BALANCE SHEET FOR GROUP AND SEGMENTS

in € million	Group		Automotive		Motorcycles		Financial Services		Other Entities		Eliminations	
	31.3.2021	31.12.2020	31.3.2021	31.12.2020	31.3.2021	31.12.2020	31.3.2021	31.12.2020	31.3.2021	31.12.2020	31.3.2021	31.12.2020
ASSETS												
Intangible assets	12,168	12,342	11,635	11,809	157	155	375	377	1	1	–	–
Property, plant and equipment	21,695	21,850	21,206	21,371	415	401	74	78	–	–	–	–
Leased products	43,026	41,995	–	–	–	–	49,930	48,759	–	–	–6,904	–6,764
Investments accounted for using the equity method	4,061	3,585	4,061	3,585	–	–	–	–	–	–	–	–
Other investments	947	735	4,892	4,711	–	–	20	20	6,965	6,938	–10,930	–10,934
Receivables from sales financing	49,622	48,025	–	–	–	–	49,679	48,082	–	–	–57	–57
Financial assets	2,277	2,644	620	559	–	–	149	161	1,520	1,939	–12	–15
Deferred tax	2,625	2,459	3,364	3,196	–	–	590	550	141	131	–1,470	–1,418
Other assets	1,302	1,216	2,670	2,861	31	33	3,060	2,929	38,573	41,860	–43,032	–46,467
Non-current assets	137,723	134,851	48,448	48,092	603	589	103,877	100,956	47,200	50,869	–62,405	–65,655
Inventories	16,160	14,896	14,863	13,391	718	687	579	818	–	–	–	–
Trade receivables	2,667	2,298	2,291	1,979	231	219	145	100	–	–	–	–
Receivables from sales financing	36,768	36,252	–	–	–	–	36,768	36,252	–	–	–	–
Financial assets	5,284	5,108	4,167	4,152	–	–	674	612	495	392	–52	–48
Current tax	536	606	214	342	–	–	59	64	263	200	–	–
Other assets	9,023	9,110	35,302	33,747	3	2	5,892	5,952	57,245	52,625	–89,419	–83,216
Cash and cash equivalents	15,835	13,537	12,266	9,522	7	5	3,199	2,863	363	1,147	–	–
Current assets	86,273	81,807	69,103	63,133	959	913	47,316	46,661	58,366	54,364	–89,471	–83,264
Total assets	223,996	216,658	117,551	111,225	1,562	1,502	151,193	147,617	105,566	105,233	–151,876	–148,919



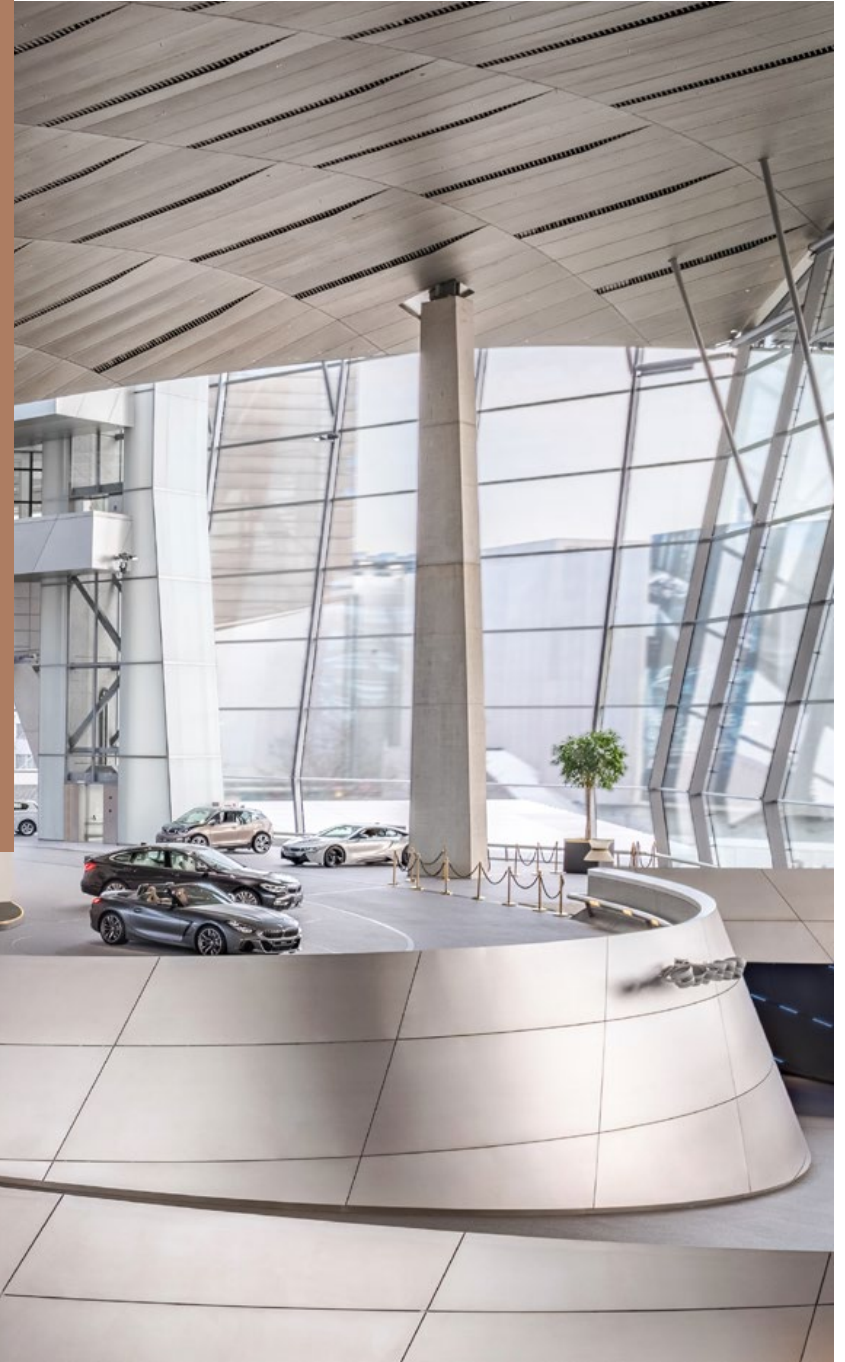
in € million	Group		Automotive		Motorcycles		Financial Services		Other Entities		Eliminations	
	31.3.2021	31.12.2020	31.3.2021	31.12.2020	31.3.2021	31.12.2020	31.3.2021	31.12.2020	31.3.2021	31.12.2020	31.3.2021	31.12.2020
EQUITY AND LIABILITIES												
Subscribed capital	660	660										
Capital reserves	2,199	2,199										
Revenue reserves	62,769	59,550										
Accumulated other equity	-792	-1,518										
Equity attributable to shareholders of BMW AG	64,836	60,891										
Minority interest	676	629										
Equity	65,512	61,520	44,033	41,117	-	-	16,365	15,555	21,815	21,389	-16,701	-16,541
Pension provisions	3,018	3,693	2,656	3,197	95	109	49	49	218	338	-	-
Other provisions	6,745	6,488	6,499	6,268	75	74	171	146	-	-	-	-
Deferred tax	959	509	1,232	697	-	-	2,787	2,812	78	78	-3,138	-3,078
Financial liabilities	66,979	67,390	2,129	2,087	-	-	18,469	17,730	46,393	47,588	-12	-15
Other liabilities	5,259	5,095	7,437	7,270	551	522	38,991	42,506	992	1,011	-42,712	-46,214
Non-current provisions and liabilities	82,960	83,175	19,953	19,519	721	705	60,467	63,243	47,681	49,015	-45,862	-49,307
Other provisions	7,492	7,494	6,968	6,960	105	100	372	388	47	46	-	-
Current tax	1,144	747	683	537	-	-	363	192	98	18	-	-
Financial liabilities	40,812	38,986	1,063	897	-	-	26,515	25,178	13,286	12,959	-52	-48
Trade payables	9,769	8,644	8,385	7,365	392	378	983	892	9	9	-	-
Other liabilities	16,307	16,092	36,466	34,830	344	319	46,128	42,169	22,630	21,797	-89,261	-83,023
Current provisions and liabilities	75,524	71,963	53,565	50,589	841	797	74,361	68,819	36,070	34,829	-89,313	-83,071
Total equity and liabilities	223,996	216,658	117,551	111,225	1,562	1,502	151,193	147,617	105,566	105,233	-151,876	-148,919

CONDENSED CASH FLOW STATEMENT FOR GROUP AND SEGMENTS FOR THE PERIOD FROM 1 JANUARY TO 31 MARCH

in € million	Group		Automotive		Financial Services	
	2021	2020	2021	2020	2021	2020
Profit / loss before tax	3,757	798	2,776	80	787	484
Depreciation and amortisation of tangible, intangible and investment assets	1,547	1,563	1,507	1,522	10	12
Change in leased products and receivables from sales financing	-208	2,270	-	-	-242	2,705
Changes in working capital	15	-3,726	-247	-3,593	292	-96
Change in provisions	257	-294	-26	-148	8	-44
Other	-1,197	138	-283	744	298	-1,182
Cash inflow/outflow from operating activities	4,171	749	3,727	-1,395	1,153	1,879
Total investment in intangible assets and property, plant and equipment	-1,201	-1,443	-1,154	-1,420	-	-2
Net investment in marketable securities and investment funds	-12	463	12	394	-30	70
Other	-51	607	-51	597	-	-4
Cash inflow/outflow from investing activities	-1,264	-373	-1,193	-429	-30	64
Cash inflow/outflow from financing activities	-557	1,567	236	1,714	-769	-772
Effect of exchange rate on cash and cash equivalents	-34	11	-26	4	-	3
Effect of changes in composition of Group on cash and cash equivalents	-18	-	-	-	-18	-
Change in cash and cash equivalents	2,298	1,954	2,744	-106	336	1,174
Cash and cash equivalents as at 1 January	13,537	12,036	9,522	9,077	2,863	2,075
Cash and cash equivalents as at 31 March	15,835	13,990	12,266	8,971	3,199	3,249

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CO₂ emissions information
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FUEL CONSUMPTION AND CO₂ EMISSIONS INFORMATION

Model	Figures according to WLTP			Figures according to NEFZ
	Fuel consumption in l/100 km (combined/weighted combined) max/min	CO ₂ emissions in g/km (combined/weighted combined) max/min	Electricity power consumption in kWh/100 km (combined/weighted combined) max/min	Electricity power consumption in kWh/100 km (combined/weighted combined) max/min
BMW				
BMW iX3	–	–	19.0 – 18.6	17.8 – 17.5
BMW iX xDrive50*	–	–	22.5 – 20.0	
BMW iX xDrive40*	–	–	22.0 – 19.5	
BMW i4	–	–	not yet available	
BMW i3 120 Ah	–	–	16.3 – 15.3	13.1
BMW i3s 120 Ah	–	–	16.6 – 16.3	14.6 – 14.0
MINI				
MINI Cooper SE	–	–	17.6 – 15.2	16.9 – 14.9

* Provisional figures based on forecasts.

GENERAL INFORMATION

This version of the Quarterly Statement is a translation from the German version. Only the original German version is binding.

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