BMW GROUP
Corporate Communications

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BMW Group accelerates realignment

- Robust Group profit before tax in Q3 with more than €2 billion, more than €6 billion YTD September
- Group EBT margin of 6.8% in Q3 and 6.6% YTD Q3
- Automotive Segment EBIT margin of 3.4% in Q3 and 3.5% YTD
- BEV deliveries account for 20% of third-quarter sales (incl. PHEVs: 27.4%)
- Outlook in the Automotive segment is adjusted due to non-operational effects in Q4
- Expansion and intensification of portfolio and structural measures

Munich. The BMW Group is decisively and rapidly aligning for the future: at the backdrop of a solid third quarter, the Board of Management of the Munich premium manufacturer has therefore decided to further expand and intensify portfolio and structural measures. While the **Group result** in the third quarter proved robust at more than €2 billion and was only moderately below the prior year (Q3: €2,083 million / -10.6%; YTD Q3: €6,128 million / -23.9%), the measures now decided will lead to a **non-operational earnings impact** in the **Automotive segment in the fourth quarter**.

As of September, the BMW Group was also successful in maintaining course to meet its full-year financial targets in this highly competitive environment, as demonstrated by the **EBT margin of 6.8 %** for the quarter (YTD Q3: 6.6%) and the **EBIT margin** in the **Automotive segment** of **3.4 %** (YTD Q3: 3.5%) – giving the company the financial scope to expand its measures.

While the Automotive segment's operative EBIT margin before consideration of restructuring measures continues to be expected above 2.0% for the full year, the BMW Group has adjusted its outlook for the reported figure and now expects a **full-**

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year EBIT margin between -0.5% and +0.5% (previously: 1–3%). The company's stable operational performance is underlined by its expectations for **Free Cash Flow** in the Automotive segment: for 2026 it maintains the expectation that the Automotive Free Cash Flow will be above €2.5 billion.

Portfolio measures are driven by the sustained strong demand for Neue Klasse models, to which the BMW Group has responded by introducing additional production shifts at an early stage. The resulting acceleration of the production ramp-up creates an opportunity to begin phasing out previous vehicle and technology generations earlier, including selected models based on Gen5 battery technology.

The Neue Klasse, including its technology clusters such as Gen6 technology, is set to become a major driver of profitability improvement over the coming years, supported by its high level of innovation and enhanced cost efficiency.
The technology is already available in models such as the **BMW iX3***, **BMW i3***, **BMW i7***, **BMW iX4*** and **BMW iX5***, and will be rolled out to many more models in the coming months.

At the same time, the company intends to leverage the momentum generated by its workforce restructuring program to expand its organizational and process realignment. For example, the reduction in management functions will be implemented faster than announced.

"Current developments in our industry call for decisiveness and swift implementation. We will therefore specifically intensify and accelerate structural measures," said **Milan Nedeljković, Chairman of the Board of Management of**

BMW AG, on Wednesday in Munich. "By doing so we are realigning our company and improving our agility and long-term competitiveness. This lays the foundation for unlocking the full potential of our unique technology and product portfolio with the Neue Klasse in the coming years."

The global market launch of the Neue Klasse has advanced further in recent months: its highly innovative models and technologies serve as the catalyst for the next phase of realignment and will contribute to the BMW Group's long-term profitable growth.

As presented at the Capital Markets Day at the end of September, it also plans further measures to boost **profitability** and **competitiveness:** the Group will build on its consistent premium and multi-brand strategy as well as technology openness, while enhancing regionalisation of product range and expanding the high-end segment.

The BMW Group is also increasing the focus on value creation – to this end, the company will expand the use of high-quality **"Industry Best Offer" solutions**, which optimally combine innovation, scalability and cost-efficiency whilst securing efficiencies in development, procurement and production.

By leveraging the use of **artificial intelligence**, the company aims to focus even more on agility and impact. Agentic AI is increasingly becoming a productive part of day-to-day business. Whether used in crafting bespoke customer offers or as a digital colleague in procurement planning, AI agents pool knowledge, automate process steps and lay the foundations for faster and more informed decisions.

"Speed is a key success factor in our planned realignment. That is why we are intensifying measures to enhance efficiency and streamline structures already this year. In doing so, we intend to strengthen our future margins and be on course to deliver our profitability targets," said **Chief Financial Officer Walter Mertl**.

Growth in the US and Europe, lower sales in China

In the third quarter, the BMW Group delivered **551,075 vehicles** to customers – down (-)6.3% compared with the prior-year quarter. In total, the BMW Group recorded **1,707,802 deliveries** over the nine-month period (-4.9%). Growth in **Europe** (in Q3: +2.6%; YTD Q3: +4.5%) and the **US** (in Q3: +2.5%; YTD Q3: +3.4%) could only partially offset the ongoing headwinds in the Chinese market.

Fully electric vehicles accounted for one-fifth of the BMW Group's total sales in the third quarter (BEV + PHEV: 27.4%). In the **Europe** sales region, almost half of the vehicles delivered were electrified (46.9%; BEV share: 34.7%).
In **China**, the market environment remained challenging overall in the third quarter. BMW Group sales were down by a quarter compared with the previous year, which fell in line with the decline of the total market. The company is preparing for the market launch of the iX3 LWB in November, as well as further models from the Neue Klasse during 2027.

In the third quarter, the BMW Group posted **revenues** of **€30,452 million** (-5.8%; adjusted for currency translation effects -7.7%; YTD Q3: -7.3%; adjusted for currency translation effects -6.6%).

Moderate decline in R&D spending and capital expenditure

Since the peak in 2024, the company has seen a gradual decline in R&D expenditure and plans to meet the defined target ranges. **Research and development expenditure** fell moderately in the third quarter to **€1,790 million** and **€5,504 million** over the nine-month period respectively (Q3: -6.8%; YTD Q3: -7.4%). As in the previous year, the **research and development ratio** stood at **5.9%** – both as in the third quarter and YTD September.

Capital expenditure fell significantly over the nine-month period **to €3,657 million** (-17.1 %; Q3: €1,757 million / +4.6%). The **capex ratio** as YTD September stood at **3.9%** (2025: 4.4%; Q3 5,8%; Q3 2025: 5.2%). A **capex ratio** of **less than 6%** is also forecast for the full year.

Group EBT margin of 6.8% in third quarter

Group earnings before tax (EBT) of **€2,083 million** in the third quarter and **€6,128 million** after nine months (Q3: -10.6%; YTD Q3: -23.9%) benefited from positive valuation effects on interest-rate derivatives, particularly in the first and third quarters. The **Group EBT margin** was **6.8%** in the third quarter and stood at **6.6%** as of YTD September (Q3: -0.4 percentage points; Q3 YTD: -1.5 percentage points).

In the three-month period, the **Automotive Segment** generated revenues of **€26,669 million** (in Q3: -6.5 %; adjusted for currency translation effects -8.5 %; YTD Q3: -7.1 %; adjusted for currency translation effects -6.5 %). Lower manufacturing costs reduced the cost of sales. Lower sales volumes and strong competition in the global automotive sector, particularly in China, dampened the

segment's revenue performance. This was compounded by negative currency effects.

Segment **earnings before financial result (EBIT)** for the third quarter totalled **€901 million** (-39.7%; YTD Q3: -43.8%). The settlement of the legal proceedings relating to the Integrated Braking System had a positive impact.

The **EBIT margin** came in at **3.4%** for the third quarter (-1.8 percentage points; 2026: 3.5%; 2025: -2.4 percentage points). In Q3 and the year to date, operating performance was impacted by **1.2 percentage points**, owing to the well-known **depreciation and amortisation of BBA assets resulting from the purchase price allocation**, and, additionally, expenses related to **higher import tariffs** amounting to **around 1.25 percentage points** – after around 1.75 percentage points in previous year's quarter respectively 1.5 percentage points in the first nine months of 2025.

Free cash flow of automative segment expected at >€ 2.5 billion in full-year
The Automotive Segment's free cash flow for the first nine months totalled **€724 million**. In the third quarter, free cash flow amounted to **- €566 million** (2025: €2,688 million; Q3 2025: €343 million). The company maintains the expectation that the segment free cash flow will be above **€2.5 billion**.

Stable operating performance in Financial Services Segment
In the Financial Services Segment, the number of **new financing and leasing contracts concluded** increased slightly in the first nine months of 2026 to **1,292,663** contracts (+1.3%; in Q3: -5.4%).

For the third quarter, the segment reported **profit before taxes (PBT)** of **€639 million** in the third quarter and **€1,647 million** for the year to the end of September (Q3: -0.8%; YTD 2026: -10.3%). A significant headwind resulted from the addition to an existing provision in connection with the industry-wide compensation scheme for car financing customers in the United Kingdom made in the first quarter of 2026.

Guidance for 2026 adjusted

The expenses associated with the expansion and intensification of portfolio and structural measures described above will weigh on BMW Group's operating result in the fourth quarter.

Therefore, the company now expects an Automotive segment EBIT margin in the corridor of -0.5% to +0.5%. **Car deliveries** are expected to be moderately below the prior year.
The **Automotive segment RoCE** is expected to be in a range of -1% to +1%.

Return on Equity (RoE) in the Financial Services segment is forecast at 13–16%.

In the Motorcycles segment, deliveries are now expected to be slightly below last year's level (previously: on par with last year's level). The EBIT margin is expected to be in a range of 4.0–6.0%, and RoCE in a range of 10–14%.

The full-year guidance includes adverse effects on the EBIT margin in the Automotive segment of approximately **1.25 percentage points from increased tariffs**, **1.2 percentage points from depreciation and amortization of BBA assets**

resulting from purchase price allocation, and approximately **2.5 percentage points from portfolio and structural measures**.

The BMW Group's actual business performance may deviate from the expectations outlined above – for example, due to changes in political and macroeconomic conditions.

The BMW Group – an overview: IN Q3 2026		**IN Q3 2026**	**IN Q3 2025**	**Change in %**
Deliveries to customers				
Automotive[1]	**units**	**551,075**	**588,140**	**-6.3**
thereof: BMW	units	479,294	514,422	-6.8
MINI	units	70,712	72,414	-2.4
Rolls-Royce	units	1,069	1,304	-18.0
Motorcycles	**units**	**46,605**	**53,247**	**-12.5**
Employees (as of 31 Dec. 2025)		**154,540**		
EBIT margin Automotive Segment	percent	3.4	5.2	-1.8 %-points
EBIT margin Motorcycles Segment	percent	4.8	7.9	-3.1 %-points
EBT margin BMW Group[2]	percent	**6.8**	**7.2**	**-0.4 %-points**
Free cash flow Automotive Segment	€ million	**-566**	**343**	**-**
Revenues	€ million	**30,452**	**32,314**	**-5.8**
thereof: Automotive	€ million	26,669	28,510	-6.5
Motorcycles	€ million	688	755	-8.9
Financial Services	€ million	10,160	9,607	5.8
Other Entities	€ million	3	3	-
Eliminations	€ million	-7,068	-6,561	7.7
Profit before financial result (EBIT)	€ million	**1,589**	**2,261**	**-29.7**
thereof: Automotive	€ million	901	1,494	-39.7
Motorcycles	€ million	33	60	-45.0
Financial Services	€ million	621	624	-0.5
Other Entities	€ million	-4	0	-
Eliminations	€ million	38	83	-54.2
Profit before tax (EBT)	€ million	**2,083**	**2,329**	**-10.6**
thereof: Automotive	€ million	853	1,388	-38.5
Motorcycles	€ million	32	59	-45.8
Financial Services	€ million	639	644	-0.8
Other Entities	€ million	667	300	-
Eliminations	€ million	-108	-62	74.2
Group income taxes	€ million	**-635**	**-632**	**0.5**
Net profit	€ million	**1,448**	**1,697**	**-14.7**
Earnings per share of common stock	€	**2.46**	**2.74**	**-10.2**

[1] Deliveries include the joint venture BMW Brilliance Automotive Ltd., Shenyang.

[2] Ratio of Group earnings before taxes to Group revenues.

The BMW Group – an overview: YTD Q3 2026		YTD Q3 2026	YTD Q3 2025	Change in %
Deliveries to customers				
Automotive[1]	units	**1,707,802**	**1,795,734**	**-4.9**
thereof: BMW	units	1,483,963	1,585,382	-6.4
MINI	units	220,247	206,252	6.8
Rolls-Royce	units	3,592	4,100	-12.4
Motorcycles	units	**149,452**	**159,156**	**-6.1**
Employees (as of 31 Dec. 2025)		**154,450**		
EBIT margin Automotive Segment	percent	3.5	5.9	-2.4 %-points
EBIT margin Motorcycles Segment	percent	11.0	10.8	0.2 %-points
EBT margin BMW Group[2]	percent	**6.6**	**8.1**	**-1.5 %-points**
Free cash flow Automotive Segment	€ million	**724**	**2,688**	**-73.1**
Revenues	€ million	**92,718**	**99,999**	**-7.3**
thereof: Automotive	€ million	80,990	87,164	-7.1
Motorcycles	€ million	2,396	2,522	-5.0
Financial Services	€ million	30,148	29,711	1.5
Other Entities	€ million	9	9	0.0
Eliminations	€ million	-20,825	-19,407	7.3
Profit before financial result (EBIT)	€ million	**5,224**	**8,064**	**-35.2**
thereof: Automotive	€ million	2,875	5,120	-43.8
Motorcycles	€ million	263	272	-3.3
Financial Services	€ million	1,621	1,867	-13.2
Other Entities	€ million	-8	-9	-11.1
Eliminations	€ million	473	814	-41.9
Profit before tax (EBT)	€ million	**6,128**	**8,056**	**-23.9**
thereof: Automotive	€ million	2,678	4,905	-45.4
Motorcycles	€ million	260	270	-3.7
Financial Services	€ million	1,647	1,836	-10.3
Other Entities	€ million	1,493	772	93.4
Eliminations	€ million	50	273	-81.7
Group income taxes	€ million	**-1,808**	**-2,344**	**-22.9**
Net profit	€ million	**4,320**	**5,712**	**-24.4**
Earnings per share of common stock	€	**7.19**	**8.97**	**-19.8**

[1] Deliveries include the joint venture BMW Brilliance Automotive Ltd., Shenyang.

[2] Ratio of Group earnings before taxes to Group revenues.

***Fuel consumption/emissions data:**

BMW iX2 xDrive30: energy consumption combinedt: 16,6–16,4 kWh/100 km (WLTP); CO_2-emissions combined: 0 g/km (WLTP); CO_2 class: A; electric range: 446–479 km (WLTP)
BMW i3 50 xDrive Limousine: energy consumption combined: 18–13,4 kWh/100 km (WLTP); CO_2 emissions combined: 0 g/km (WLTP); CO_2 class: A; electric range: 729–912 km (WLTP)
BMW iX3 50 xDrive: energy consumption combined: 19,4–16,1 kWh/100 km (WLTP); CO_2 emissions combined: 0 g/km (WLTP); CO_2 class: A; electric range: 666–806 km (WLTP)
BMW i7 60 xDrive Limousine: energy consumption combined: 20,8 kWh/100 km (WLTP); CO_2 emissions combined: 0 g/km (WLTP); CO_2 class: A; electric range: 608–725 km (WLTP)
BMW iX4 50 xDrive: energy consumption combined: 19–15,7 kWh/100 km (WLTP); CO_2 emissions combined: 0 g/km (WLTP); CO_2 class: A; electric range: 680–828 km (WLTP)
BMW iX5 60 xDrive: energy consumption combined: 22,5–19,3 kWh/100 km (WLTP); CO_2 emissions combined: 0 g/km (WLTP); CO_2 class: A; electric range: 724–850 km (WLTP)

** As of 1 January 2025, the forecast range for the Group's EBT forecast has been adjusted. Please refer to the glossary in the BMW Group Report 2024 for further details.

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.

Payout ratio
The payout ratio is preliminary. Although the Board of Management and the Supervisory Board will propose a fixed dividend per share at the Annual General Meeting, the number of shares entitled to a dividend is expected to fall by the Annual General Meeting due to the ongoing share buy-back programme. Accordingly, the total amount to be distributed to shareholders is also still expected to change by 13 May.

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.

PHEV
Plug-in-hybrid electric vehicle – hybrid vehicle with petrol engine and electric drive.

LWB: Long-wheelbase – a vehicle with an extended wheelbase.

If you have any questions, please contact:

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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 2025, the BMW Group sold 2.46 million passenger vehicles and more than 202,500 motorcycles worldwide. The profit before tax in the financial year 2025 was € 10.2 billion and revenues amounted to € 133.5 billion. As of 31 December 2025, the BMW Group had a workforce of 154,540 employees.

The economic success of the BMW Group has always been based on long-term thinking and responsible action. Sustainability is a key element of the BMW Group's corporate strategy and covers all products – from the supply chain through production to the end of their useful life.

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