BMW GROUP
Corporate Communications

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Statement
Dr. Milan Nedeljković
Chairman of the Board of Management of BMW AG
Conference Call Quarterly Report to 30 September 2026
Munich, 4 November 2026, 08.30 a.m.

Good morning, Ladies and Gentlemen.

I'd like to begin with a few general remarks.

After the first nine months of the year, we achieved an operational performance of 3.5 percent EBIT-Margin in the Automotive Segment. Despite the difficult business environment, we reached Group earnings of 2 billion euros in Q3.

At the same time, we are driving the structural transformation of the company forward – across all levels. We are making good progress. And we want to take the opportunity this year to pick up the pace even further.

Therefore, we proactively decided to expand our portfolio and structural measures, to accelerate the necessary change. Accordingly, we adjusted our guidance for 2026.

I will hand over to Walter to run us through the Q3 figures and outline the financial impact of yesterday's decision. After that, I will provide a strategic update.

PART II
Ladies and gentlemen,

At the end of September, we presented our strategic outlook at our Capital Market Day. We outlined where we stand and how we are positioning our company for the future.

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We also confirmed our long-term target range of 8 to 10 percent EBIT margin in the Automotive Segment. We aim to achieve this target at the beginning of the next decade. And as you know, we have set an interim target of 3 to 5 percent EBIT margin in 2028.

To improve our profitability and to reach these targets, significant measures are needed. As we presented at the end of September, we are tackling all major business processes.

In **sales**, we are preparing the rollout of our direct sales model for the BMW brand in Europe, which will start next year. We are also taking measures to expand our offering at the high end of our product portfolio. We are therefore looking at introducing an additional offering above the current top-end model, the BMW X7, tailormade for the U.S. market.

In **engineering**, we want to reduce the development cycle significantly. At the same time, we are reviewing the number of variants across our entire portfolio and will reduce complexity.

In **purchasing**, we are reorienting our sourcing strategy and leveraging strategic partnerships, "Industry Best Offer" and AI applications.

In parallel, we are streamlining our **organizational structures** across all divisions of the BMW AG to become more agile and efficient.

Today, I'd like to focus on our progress since the Capital Market Day regarding the transformation of our company and the successful rollout of the Neue Klasse. After that, I will give you an outlook on the months ahead.

Ladies and Gentlemen,

In the last few weeks, we have launched many initiatives across the whole company and we have already made significant progress. For example, we are accelerating the streamlining of our organizational structures, including the announced 20 percent reduction of the senior vice president roles.

As an important enabler of our transformation, we started a voluntary severance program. The program focused on all indirect employees of the BMW AG in Germany. Due to strong interest, we will be able to complete the program in a short amount of time. This highly positive response to the program opens up more significant potential to faster streamline our structures.

We have deliberately decided to take advantage of the opportunity this year to expand our wide set of structural measures to further accelerate the transformation. Based on this decision, we aim to finalize most of our company's organizational transformation by the middle of next year. This will enable us to significantly improve our agility and the profitability of our organization.

In addition, we are rolling out the Neue Klasse products at remarkable pace across the portfolio and all powertrains. After the success of the BMW iX3*, many other models have followed, including the updated 7 Series, the 3 Series with BEV and ICE variants, the X5 with multiple drivetrain options, as well as the iX4*.

Neue Klasse production is up and running in Debrecen, Munich, Dingolfing, Spartanburg and Shenyang. In Debrecen, we have already expanded operations to three shifts to meet demand. There, the iX4 will be produced alongside the iX3.

We will further enhance our leading position in the BEV premium segment.

All BEV variants of the Neue Klasse are powered by our new sixth-generation high-voltage batteries. At the beginning of October, we opened our new Plant in Irlbach-Straßkirchen, which will supply our German plants. Just three weeks ago, I joined the opening of our Gen6 facility in Shenyang. Series production in Woodruff, South Carolina will begin before the end of this year, with San Luis Potosí, Mexico following next year.

In line with this growing production capacity and demand, we have significantly increased the ramp-up of the Gen6 models this year. This will allow us to phase out some Gen5 BEVs sooner than planned, with an additional impact on 2026 earnings. Looking ahead, the better margins of the Gen6 products will help drive the transformation of our portfolio and increase profitability.

The speed up of our structural transformation and the fast ramp-up of the Gen6 technology – both reflect our confidence in our path forward.

This brings me to our priorities for the next months.

With our global market strategy, we are increasing our regional set-up to tailor our offering to the different needs of the markets.

In **Europe** this means strengthening our presence in the high-volume entry premium segment by introducing another fully electric BMW model in 2028.

In the **U.S.** we continue to deliver on the strong customer demand for SAVs with our plant in Spartanburg that is running at full capacity.

China remains a key focus for us.

The rollout of the Neue Klasse begins this month with the market launch of the iX3 in China. Feedback from the pre-drives of the new iX3 and i3 has been extremely positive. In particular, our ADAS with the unique BMW Symbiotic Driving has been very highly rated.

Going forward, we will further strengthen the local R&D and sourcing functions to be even more focused on Chinese customer needs and to address them at a faster pace.

We are also looking to leverage our production network in Shenyang more broadly by considering exports of vehicles manufactured in China to markets in Asia Pacific.

All in all, we are taking steps in all of our major regions to develop our local footprints further and to localize our supply chains. This is the basis for a more resilient and profitable global set up.

Ladies and Gentlemen,

As mentioned, we are committed to our long-term profitability targets. For this, we are driving the transformation of our processes and structures forward and, with the Neue Klasse, we are rolling out an extensive product portfolio.

We are seeing high demand for Neue Klasse models, and we have made very positive progress with the workforce restructuring program. Therefore, we have now actively decided to expand the portfolio and structural measures, while focusing on the successful rollout of the Neue Klasse.

By doing this we are laying the foundation – starting next year, for reaching our next milestone in 2028, and therefore staying firmly on course towards our long-term ambitions.

Thank you.

***Fuel consumption/emissions data:**
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 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)