

BMW  
GROUP



ROLLS-ROYCE  
MOTOR CARS LTD

ELECTRIC

DIGITAL

CIRCULAR



30 JUNE 2023

# HALF-YEAR REPORT

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# BMW GROUP AT A GLANCE

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# BMW GROUP IN FIGURES

## KEY PERFORMANCE INDICATORS

		2nd quarter 2023	2nd quarter 2022	Change in %
<b>GROUP</b>				
Profit before tax	€ million	4,222	3,929	7.5
<b>AUTOMOTIVE SEGMENT</b>				
Deliveries	units	626,726	563,187	11.3
Share of all-electric vehicles in deliveries	%	14.1	7.2	95.8
EBIT margin*	%	9.2	8.2	12.2
<b>MOTORCYCLES SEGMENT</b>				
Deliveries	units	64,936	60,152	8.0
EBIT margin*	%	16.0	14.7	8.8

\* Profit before financial result as percentage of segment revenues.

## FURTHER PERFORMANCE FIGURES

		2nd quarter 2023	2nd quarter 2022	Change in %
<b>AUTOMOTIVE SEGMENT</b>				
Deliveries				
BMW	units	553,369	496,432	11.5
MINI	units	71,816	65,188	10.2
Rolls-Royce	units	1,541	1,567	- 1.7
<b>Total</b>	units	<b>626,726</b>	<b>563,187</b>	<b>11.3</b>
Production volume				
<b>Total</b>	units	<b>663,080</b>	<b>616,878</b>	<b>7.5</b>
<b>FINANCIAL SERVICES SEGMENT</b>				
New contracts with retail customers		382,010	382,019	-

## OTHER PERFORMANCE FIGURES

		2nd quarter 2023	2nd quarter 2022	Change in %
<b>Free cash flow Automotive segment</b>	€ million	<b>1,160</b>	<b>2,954</b>	<b>- 60.7</b>
<b>Group revenues</b>	€ million	<b>37,219</b>	<b>34,770</b>	<b>7.0</b>
Automotive	€ million	31,630	30,015	5.4
Motorcycles	€ million	988	864	14.4
Financial Services	€ million	8,795	8,765	0.3
Other Entities	€ million	3	2	50.0
Eliminations	€ million	- 4,197	- 4,876	- 13.9
<b>Group profit / loss before financial result (EBIT)</b>	€ million	<b>4,343</b>	<b>3,426</b>	<b>26.8</b>
Automotive	€ million	2,898	2,463	17.7
Motorcycles	€ million	158	127	24.4
Financial Services	€ million	751	982	- 23.5
Other Entities	€ million	- 1	- 142	- 99.3
Eliminations	€ million	537	- 4	-
<b>Group profit / loss before tax (EBT)</b>	€ million	<b>4,222</b>	<b>3,929</b>	<b>7.5</b>
Automotive	€ million	2,740	2,526	8.5
Motorcycles	€ million	159	128	24.2
Financial Services	€ million	759	974	- 22.1
Other Entities	€ million	245	277	- 11.6
Eliminations	€ million	319	24	-
<b>Group income taxes</b>	€ million	<b>- 1,264</b>	<b>- 882</b>	<b>43.3</b>
<b>Group net profit / loss</b>	€ million	<b>2,958</b>	<b>3,047</b>	<b>- 2.9</b>
<b>Earnings per share of common stock<sup>1</sup></b>	€	<b>4.39</b>	<b>4.30</b>	<b>2.1</b>
<b>Earnings per share of preferred stock<sup>1</sup></b>	€	<b>4.40</b>	<b>4.31</b>	<b>2.1</b>
<b>Group pre-tax return on sales<sup>2</sup></b>	%	<b>11.3</b>	<b>11.3</b>	<b>-</b>

<sup>1</sup> Shares of 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 four quarters of the corresponding financial year.

<sup>2</sup> Group profit before tax as a percentage of Group revenues.

## KEY PERFORMANCE INDICATORS

		1 January to 30 June 2023	1 January to 30 June 2022	Change in %
<b>GROUP</b>				
Profit before tax	€ million	9,351	16,156	- 42.1
<b>AUTOMOTIVE SEGMENT</b>				
Deliveries <sup>1</sup>	units	1,214,864	1,160,094	4.7
Share of all-electric vehicles in deliveries	%	12.6	6.5	93.8
EBIT margin <sup>2</sup>	%	10.6	8.5	24.7
<b>MOTORCYCLES SEGMENT</b>				
Deliveries	units	112,871	107,555	4.9
EBIT margin <sup>2</sup>	%	16.2	14.1	14.9

<sup>1</sup> Deliveries including BMW Brilliance Automotive Ltd., also for the period prior to that entity's full consolidation in the BMW Group Financial Statements (1 January to 10 February 2022): 96,133 units.

<sup>2</sup> Profit before financial result as percentage of segment revenues.

## OTHER PERFORMANCE FIGURES

		1 January to 30 June 2023	1 January to 30 June 2022	Change in %
<b>AUTOMOTIVE SEGMENT</b>				
Deliveries				
BMW <sup>1</sup>	units	1,071,326	1,016,228	5.4
MINI	units	140,357	140,675	- 0.2
Rolls-Royce	units	3,181	3,191	- 0.3
<b>Total<sup>1</sup></b>	<b>units</b>	<b>1,214,864</b>	<b>1,160,094</b>	<b>4.7</b>
Production volume				
<b>Total<sup>2</sup></b>	<b>units</b>	<b>1,340,932</b>	<b>1,158,654</b>	<b>15.7</b>
<b>FINANCIAL SERVICES SEGMENT</b>				
New contracts with retail customers		729,308	815,448	- 10.6

<sup>1</sup> Deliveries including BMW Brilliance Automotive Ltd., also for the period prior to that entity's full consolidation in the BMW Group Financial Statements (1 January to 10 February 2022): 96,133 units.

<sup>2</sup> Production including BMW Brilliance Automotive Ltd., also for the period prior to that entity's full consolidation in the BMW Group Financial Statements (1 January to 10 February 2022): 58,507 units.



## OTHER PERFORMANCE FIGURES

		1 January to 30 June 2023	1 January to 30 June 2022	Change in %
<b>Free cash flow Automotive segment</b>	€ million	<b>3,141</b>	<b>7,770</b>	<b>- 59.6</b>
<b>Group revenues</b>	€ million	<b>74,072</b>	<b>65,912</b>	<b>12.4</b>
Automotive	€ million	62,898	56,741	10.9
Motorcycles	€ million	1,921	1,663	15.5
Financial Services	€ million	17,621	17,251	2.1
Other Entities	€ million	6	3	-
Eliminations	€ million	-8,374	-9,746	- 14.1
<b>Group profit / loss before financial result (EBIT)</b>	€ million	<b>9,718</b>	<b>6,817</b>	<b>42.6</b>
Automotive	€ million	6,675	4,830	38.2
Motorcycles	€ million	312	235	32.8
Financial Services	€ million	1,709	1,948	- 12.3
Other Entities	€ million	-5	-174	- 97.1
Eliminations	€ million	1,027	-22	-
<b>Group profit / loss before tax (EBT)</b>	€ million	<b>9,351</b>	<b>16,156</b>	<b>- 42.1</b>
Automotive	€ million	6,568	12,946	- 49.3
Motorcycles	€ million	313	237	32.1
Financial Services	€ million	1,704	1,981	- 14.0
Other Entities	€ million	117	962	- 87.8
Eliminations	€ million	649	30	-
<b>Group income taxes</b>	€ million	<b>-2,731</b>	<b>-2,924</b>	<b>- 6.6</b>
<b>Group net profit / loss</b>	€ million	<b>6,620</b>	<b>13,232</b>	<b>- 50.0</b>
<b>Earnings per share of common stock<sup>1</sup></b>	€	<b>9.70</b>	<b>19.63</b>	<b>- 50.6</b>
<b>Earnings per share of preferred stock<sup>1</sup></b>	€	<b>9.71</b>	<b>19.64</b>	<b>- 50.6</b>
<b>Group pre-tax return on sales<sup>2</sup></b>	%	<b>12.6</b>	<b>24.5</b>	<b>- 48.6</b>

<sup>1</sup> Shares of 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 four quarters of the corresponding financial year.

<sup>2</sup> Group profit before tax as a percentage of Group revenues.

# INTERIM GROUP MANAGEMENT REPORT

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# FINANCIAL PERFORMANCE

## GENERAL ECONOMIC ENVIRONMENT

The global economy continued to recover in the first half of 2023. In the USA and Europe, the rise in interest rates dampened growth momentum. China's growth rate slowed during the six-month period under report, mainly reflecting the impact on economic growth caused by a combination of the country's real estate crisis, weaker export figures and reluctance to spend on the part of consumers.

**International automobile markets**

The world's automobile markets generally performed well during the first half of 2023. Europe in particular saw a significant upturn year on year, albeit still failing to reach pre-coronavirus pandemic levels. The automobile market in China also grew again, mainly reflecting the reduction in the production backlog that had built up since mid-2022 as a consequence of global supply bottlenecks. In the six-month period from January to June 2023, the world's largest automobile markets developed as follows:

	Change compared to prior year in %
EU 27	+ 17
thereof Germany	+ 13
thereof France	+ 15
thereof Italy	+ 23
thereof Spain	+ 24
United Kingdom (UK)	+ 18
USA	+ 12
China	+ 3
Japan	+ 19
South Korea	+ 10
<b>Total</b>	<b>+ 9</b>

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## GROUP OVERVIEW

### BMW Group maintains leading position in premium segment – high demand for multifaceted product range

The BMW Group can look back on a successful six-month performance, during which it was able to comprehensively meet customer requirements with its broad range of products. Attractive vehicle models and unabated high demand ensured double-digit sales volume growth worldwide in the second quarter compared to one year earlier. In total, 626,726 BMW, MINI and Rolls-Royce brand vehicles were delivered to customers between April and June (2022: 563,187 units; +11.3 %), bringing the total for the six-month period to 1,214,864 units (2022: 1,160,094<sup>1</sup> units; +4.7 %). This excellent performance enabled the BMW Group to maintain its global lead in the premium segment.

Electric mobility in general remains firmly on course for growth and business with all-electric vehicle models (BEVs) in particular performed extremely well. Once again, the number of BMW and MINI BEV models delivered during the period from April to June more than doubled year on year to 88,289 units (2022: 40,601 units; +117.5 %). The share of all-electric vehicles in total deliveries in the second quarter jumped to 14.1 % (2022: 7.2 %; +95.8 %). BEV sales between January and June totalled 152,936 units (2022: 75,890<sup>2</sup> units; +101.5 %), as a result of which the share of all-electric vehicles in total deliveries for the six-month period rose to 12.6 % (2022: 6.5 %; +93.8 %). In total, the BMW Group delivered 245,468 PHEV and BEV vehicle models to customers during the first half of 2023 (2022: 184,468<sup>2</sup> units; +33.1 %).

At 30 June 2023, the Financial Services segment's retail customer business comprised a total of 5,055,578 credit financing and leasing contracts (31 December 2022: 5,210,246 contracts; –3.0 %). During the six-month period under report, 729,308 new contracts were concluded with retail customers (2022: 815,448 contracts; –10.6 %). Rising interest rates and the associated price increases as well as the generally high level of competition within the financial services sector continued to be the main reasons for the decrease in new business.

### Six-month performance in line with expectations

When comparing figures with the previous year, it should be noted that BMW Brilliance Automotive Ltd. (BMW Brilliance) has been fully consolidated as a subsidiary since 11 February 2022, whereas up to that date it had been accounted for using the equity method. Consequently, BMW Brilliance is included in the figures reported for the whole of the first half-year 2023, but only for the relevant part of the first half-year 2022.

Group revenues recorded between January and June rose significantly year on year to € 74,072 million (2022: € 65,912 million; +12.4 %, second quarter 2023: € 37,219 million, 2022: € 34,770; +7.0 %).

Compared to the previous year, revenues for the six-month period benefited from the combined effect of the timing of BMW Brilliance's full consolidation and sustained favourable product mix effects. The number of vehicles delivered to customers rose year on year, particularly in the second quarter. In the corresponding three-month period of the previous year, production and consequently sales were adversely affected by supply bottlenecks, mainly due to a combination of limited availability of semiconductor components on the one hand and lockdowns in China on the other.

In the first half of 2023, Group revenues continued to be boosted by income generated on the back of growth in dealership financing, mainly reflecting the impact of higher contract values and interest rates as well as increased dealership inventories. By contrast, second-quarter revenues were adversely affected by unfavourable currency effects compared to one year earlier.

<sup>1</sup> Deliveries including BMW Brilliance Automotive Ltd., also for the period prior to that entity's full consolidation in the BMW Group Financial Statements (1 January to 10 February 2022): 96,133 units.

<sup>2</sup> Including BMW Brilliance Automotive Ltd., also for the period prior to that entity's full consolidation in the BMW Group Financial Statements.

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Group cost of sales for the six-month period totalled € 59,170 million (2022: € 54,399 million; + 8.8 %, second quarter 2023: € 30,089 million (2022: € 28,780 million; + 4.5 %). As with revenues, the fact that BMW Brilliance is now fully consolidated contributed significantly to the rise in cost of sales. Moreover, manufacturing costs rose due to higher sales volumes and the increased cost of materials. In the previous year, expenses recognised in conjunction with the first-time consolidation of BMW Brilliance had a negative impact on cost of sales. By contrast, the cost of sales figure for the second quarter 2023 was impacted in particular by higher warranty expenses.

Group research and development expenditure totalling € 3,396 million (2022: € 2,942 million; + 15.4 %) was significantly higher than one year earlier, causing the R&D ratio to rise to 4.6 %. Research and development expenditure during the six-month period under report related mainly to new models, the electrification and digitalisation of the vehicle fleet, and automated driving.

Selling and administrative expenses went up by 5.9 % to € 4,989 million (2022: € 4,712 million), mainly reflecting selling expenses incurred at the level of BMW Brilliance (only included in the previous year as from the date of full consolidation) and the increased number of employees.

The financial result for the six-month period was a net negative amount of € 367 million, significantly down on the previous year's corresponding figure (2022: net positive amount of € 9,339 million) which included a gain of € 7.7 billion recognised in conjunction with the remeasurement of the BMW Group's at-equity interest in BMW Brilliance. While the financial result reported for the first quarter 2023 was negatively impacted by the unfavourable fair value development of interest rate hedges, in the second quarter 2023 higher interest rates had an offsetting positive impact on other financial result. In the previous year, other financial result also benefited from the favourable fair value development of interest and currency rate hedges. Furthermore, in 2022 the result from at-equity accounted investments included the Group's share of BMW Brilliance's profit until 10 February 2022. Interest and similar expenses reported for the second quarter 2022 also included income arising on the change in interest rates in connection with the measurement of provisions.

Group profit before tax for the six-month period amounted to € 9,351 million (2022: € 16,156 million; – 42.1%, second quarter 2023: € 4,222 million, 2022: € 3,929 million; + 7.5 %). The Group's EBT margin for the six-month period came in at 12.6 % (2022: 24.5 %), second quarter 2023: 11.3 % (2022: 11.3 %).

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**BMW Group research and development expenses**

in € million	2nd quarter 2023	2nd quarter 2022	Change in %	1 January to 30 June 2023	1 January to 30 June 2022	Change in %
Research and development expenditure <sup>1</sup>	1,842	1,551	18.8	3,396	2,942	15.4
Amortisation	606	523	15.9	1,236	1,041	18.7
Capitalised development costs	- 602	- 514	17.1	- 981	- 855	14.7
<b>Research and development expenses</b>	<b>1,846</b>	<b>1,560</b>	<b>18.3</b>	<b>3,651</b>	<b>3,128</b>	<b>16.7</b>

in %	2nd quarter 2023	2nd quarter 2022	Change in %pts.	1 January to 30 June 2023	1 January to 30 June 2022	Change in %pts.
Research and development expenditure ratio <sup>2</sup>	4.9	4.5	0.4	4.6	4.5	0.1
Capitalisation rate <sup>3</sup>	32.7	33.1	- 0.4	28.9	29.1	- 0.2

<sup>1</sup> Research and development expenditure comprises the sum of research and non-capitalised development costs (excluding the associated scheduled amortisation) as well as investments in capitalised development costs.

<sup>2</sup> Research and development expenditure as a percentage of Group revenues.

<sup>3</sup> Capitalised development costs as a percentage of research and development expenditure.

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### Share buyback programme

At the Annual General Meeting of BMW AG on 11 May 2022, the shareholders authorised the Board of Management to acquire treasury shares via the stock exchange up to a maximum value of 10 % of the share capital in place at the date of the resolution and to redeem those shares without further resolution of the Annual General Meeting. The buyback authorisation remains valid until 10 May 2027.

BMW AG resolved to initiate a share buyback programme on the basis of this authorisation. The programme had a volume of up to € 2.0 billion (total purchase price excluding incidental acquisition costs), comprising up to € 1.85 billion for shares of common stock and up to € 0.15 billion for shares of preferred stock. The programme was launched on 1 July 2022 and ran until 30 June 2023.

During that period, BMW AG repurchased 22,087,841 shares of common stock for € 1,838 million and 1,913,160 shares of preferred stock for € 149 million, all of which are reported as treasury shares. At 30 June 2023, BMW AG therefore held a total of 24,001,001 treasury shares, corresponding to a nominal amount of € 24,001,001 or 3.63 % of the Company's share capital at the date the resolution was authorised. On 18 July 2023, the Board of Management resolved to redeem 22,199,529 of the shares of common stock and 1,923,871 of the shares of preferred stock acquired in conjunction with the first buyback programme.\*

Based on the authorisation of the Annual General Meeting of 11 May 2022, on 3 May 2023 the Board of Management resolved to initiate a further share buyback programme, which duly started on 3 July 2023. The programme, with a volume of up to € 2 billion (total purchase price excluding incidental acquisition costs), relates to shares of common and preferred stock, the latter of which is limited to a maximum of € 350 million. The programme will be completed by no later than 31 December 2025.

### Financing activities

During the six-month period ended 30 June 2023, the BMW Group issued bonds totalling approximately € 4.9 billion, refinancing itself via a variety of instruments, including a euro benchmark bond, a sterling benchmark bond, a bond denominated in Canadian dollars and a Panda bond in China. In addition, ABS transactions with a total volume of approximately € 6.4 billion were either newly concluded or prolonged in the USA, Germany, the UK, China, Korea and Japan. Group liquidity stood at approximately € 22.0 billion at 30 June 2023, representing a solid increase compared to the end of the previous financial year (31 December 2022: € 20.3 billion).

\* The number of shares reported here corresponds to the number transferred by the mandated banks to BMW AG up to 30 June 2023. Due to the fact that shares continued to be transferred after the period end, this does not match the transaction volume published on the BMW Group website or the volume of shares to be redeemed.

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## AUTOMOTIVE SEGMENT

		2nd quarter 2023	2nd quarter 2022	Change in %
Deliveries <sup>1</sup>	units	626,726	563,187	11.3
Production volume	units	663,080	616,878	7.5
Revenues	€ million	31,630	30,015	5.4
Profit before financial result (EBIT)	€ million	2,898	2,463	17.7
Profit before tax	€ million	2,740	2,526	8.5
EBIT margin <sup>1</sup>	%	9.2	8.2	12.2

		1 January to 30 June 2023	1 January to 30 June 2022	Change in %
Deliveries <sup>1,2</sup>	units	1,214,864	1,160,094	4.7
Production volume <sup>3</sup>	units	1,340,932	1,158,654	15.7
Revenues	€ million	62,898	56,741	10.9
Profit before financial result (EBIT)	€ million	6,675	4,830	38.2
Profit before tax	€ million	6,568	12,946	- 49.3
EBIT margin <sup>1</sup>	%	10.6	8.5	24.7

### Strong second quarter for BMW Group

The BMW Group maintained its worldwide leading position in the premium segment on the back of a strong second-quarter performance, with deliveries of BMW, MINI and Rolls-Royce brand vehicles up by 11.3 % compared to the previous year. The BMW Group covers a wide range of customer requirements due to the technological diversity of its drive system variants, whether all-electric, plug-in hybrid (PHEV) or highly efficient combustion engines. The fresh, attractive range of products on offer, together with robust global demand, helped drive up sales volume to 626,726 units (2022: 563,187 units) in the period from April to June 2023. Both the BMW and the MINI brand recorded significant growth during the three-month period, with

deliveries rising sharply to 553,369 units (2022: 496,432 units; +11.5 %) and 71,816 units (2022: 65,188 units; +10.2 %) respectively. Rolls-Royce delivered 1,541 vehicles to customers, only slightly below the high level recorded in the corresponding period of the previous year (2022: 1,567 units; -1.7 %).

<sup>1</sup> Key performance indicator.

<sup>2</sup> Deliveries including BMW Brilliance Automotive Ltd., also for the period prior to that entity's full consolidation in the BMW Group Financial Statements (1 January to 10 February 2022): 96,133 units.

<sup>3</sup> Production including BMW Brilliance Automotive Ltd., also for the period prior to that entity's full consolidation in the BMW Group Financial Statements (1 January to 10 February 2022): 58,507 units.



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Over the six-month period, a total of 1,214,864 units (2022: 1,160,094<sup>1</sup> units; + 4.7 %) were delivered to customers, with the BMW brand accounting for 1,071,326 units (2022: 1,016,228<sup>1</sup> units; + 5.4 %) and the MINI brand for 140,357 units (2022: 140,675 units; – 0.2 %). In addition, the ultra-luxury Rolls-Royce marque reported another fine performance for a first half-year, with 3,181 units delivered to customers (2022: 3,191 units; – 0.3 %).

### Deliveries of all-electric vehicles again more than doubled

The ramp-up of electric mobility worldwide and hence the rigorous electrification of the model range is proving to be a key success factor for the BMW Group. This fact was reflected in particular in the dynamic sales growth of the Group's all-electric vehicles in the second quarter 2023, which saw another doubling of deliveries in the three-month period to 88,289 units (2022: 40,601 units; + 117.5 %). The share of all-electric vehicles in total deliveries in the second quarter rose to 14.1 % (2022: 7.2 %; + 95.8 %). The picture was similar for the six-month period as a whole, with high demand driving up BEV deliveries to 152,936 units (2022: 75,890<sup>2</sup> units; + 101.5 %). In line with expectations, the share of all-electric vehicles in total deliveries was also significantly higher for the six-month period, rising to 12.6 % (2022: 6.5 %; + 93.8 %). Total deliveries of BMW and MINI brand electrified vehicles (PHEV and BEV models) rose to 134,982 units (2022: 94,799 units; + 42.4 %) in the second quarter and to 245,468 units (2022: 184,468<sup>2</sup> units; + 33.1 %) for the six-month period as a whole.

The all-electric BMW i4<sup>3</sup> Sports Coupé, which is enjoying growing international popularity, played a highly significant part in this fine performance. Together with the innovation champion BMW iX<sup>3</sup> and the successful BMW iX3<sup>3</sup> model, it contributed to strong growth in BEV sales. The all-electric BMW i7<sup>3</sup> Luxury Sedan and the BMW iX1<sup>3</sup> are also meeting with an extremely positive response on the markets. The most sought-after MINI model during the second quarter 2023 was again the MINI Cooper SE<sup>3</sup>. The rigorous electrification of the Group's product range will reach a further milestone towards the end of 2023 with the launch of the all-electric BMW i5<sup>3</sup> Business Sedan and the BMW iX2. By that stage, the BMW Group will have at least one all-electric model on the market in all of its major model series.

### BMW Group – deliveries of electrified models

in units	1 January to 30 June 2023	1 January to 30 June 2022	Change in %
BEV	152,936	75,890	101.5
BMW	133,927	57,462	133.1
MINI	19,009	18,428	3.2
PHEV	92,532	108,578	– 14.8
BMW	83,427	101,472	– 17.8
MINI	9,105	7,106	28.1
<b>Total<sup>2</sup></b>	<b>245,468</b>	<b>184,468</b>	<b>33.1</b>

### Delivery figures up in all major regions

The BMW Group's worldwide sales performance in the second quarter 2023 was highly encouraging. Whereas in the previous year deliveries were still being adversely impacted by supply bottlenecks, all major sales regions again recorded growth, in some cases on a significant scale. Solid growth was achieved in Europe, with deliveries rising to 232,994 units (2022: 213,842 units; + 9.0 %) during the period from April to June 2023. For the six-month period, deliveries increased slightly to 449,264 units (2022: 434,235 units; + 3.5 %). The figures for Germany followed a similar pattern, with deliveries up solidly to 67,623 units for the second quarter (2022: 61,682 units; + 9.6 %) and slightly to 124,080 units for the six-month period (2022: 121,780 units; + 1.9 %).

In the Americas, the positive business trend seen in the first quarter continued, with a further significant year-on-year increase of 11.5 % for the second quarter (2023: 117,790 units; 2022: 105,606 units), bringing deliveries for the six-month period to 225,645 units (2022: 204,775 units; + 10.2 %). In the region's main market, the USA, the number of vehicles delivered to customers in the period from April to June also climbed significantly to 95,948 units (2022: 84,489 units; + 13.6 %). In the first half of the year, deliveries in the USA rose by 12.5 % to 186,122 units (2022: 165,463 units).

<sup>1</sup> Deliveries including BMW Brilliance Automotive Ltd., also for the period prior to that entity's full consolidation in the BMW Group Financial Statements (1 January to 10 February 2022): 96,133 units.

<sup>2</sup> Including BMW Brilliance Automotive Ltd., also for the period prior to that entity's full consolidation in the BMW Group Financial Statements.

<sup>3</sup> ↗ Consumption and Carbon Disclosures.

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While the after-effects of the Covid-19 pandemic were still being felt in China during the first quarter 2023, business picked up increasingly in Asia during the second quarter. Deliveries in the region from April to June were significantly higher year on year, rising by 13.3 % to 261,242 units (2022: 230,494 units). The corresponding figure for the six-month period was 513,169 units (2022: 495,559\* units; + 3.6 %). In China, deliveries rose to 198,161 units (2022: 170,571 units; + 16.2 %) in the second quarter and to 393,261 units for the six-month period (2022: 379,524\* units; + 3.6 %).

### Automotive segment – deliveries of vehicles by region and market

in units	2nd quarter 2023	2nd quarter 2022	Change in %	1 January to 30 June 2023	1 January to 30 June 2022	Change in %
Europe	232,994	213,842	9.0	449,264	434,235	3.5
thereof Germany	67,623	61,682	9.6	124,080	121,780	1.9
thereof UK	36,527	37,883	- 3.6	75,040	77,784	- 3.5
Americas	117,790	105,606	11.5	225,645	204,775	10.2
thereof USA	95,948	84,489	13.6	186,122	165,463	12.5
Asia*	261,242	230,494	13.3	513,169	495,559	3.6
thereof China*	198,161	170,571	16.2	393,261	379,524	3.6
Other markets	14,700	13,245	11.0	26,786	25,525	4.9
<b>Total*</b>	<b>626,726</b>	<b>563,187</b>	<b>11.3</b>	<b>1,214,864</b>	<b>1,160,094</b>	<b>4.7</b>

\* Including BMW Brilliance Automotive Ltd., also for the period prior to that entity's full consolidation in the BMW Group Financial Statements.

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**BMW brand: Sharp rise in second-quarter deliveries**

Deliveries of BMW brand vehicles rose significantly in the second quarter 2023 to 553,369 units (2022: 496,432 units), surpassing the previous year's corresponding figure by 11.5%. Deliveries of the core brand for the six-month period were up by 5.4% to 1,071,326 units (2022: 1,016,228<sup>1</sup> units). Sales of all-electric vehicles more than doubled compared to the previous year's corresponding six-month period (+133.1%), with growth in excess of 150% recorded in the second quarter 2023. The BMW iX<sup>2</sup> and the i4<sup>2</sup> continued to play a major role in this performance. The top models of the X family also enjoyed strong demand, with growth in this segment driven in particular by the BMW X5. The BMW XM<sup>2</sup>, BMW M's first high-performance PHEV, got off to a particularly fast start.

**Deliveries of BMW vehicles by model variant**

in units	1 January to 30 June 2023	1 January to 30 June 2022	Change in %
BMW 1 Series / 2 Series	112,123	98,316	14.0
BMW 3 Series / 4 Series	262,343	228,274	14.9
BMW 5 Series / 6 Series	140,989	158,977	-11.3
BMW 7 Series / 8 Series	27,155	23,863	13.8
BMW Z4	6,446	6,673	-3.4
BMW X1 / X2	138,100	130,643	5.7
BMW X3 / X4	195,664	198,844	-1.6
BMW X5 / X6	136,201	116,758	16.7
BMW X7	28,074	27,843	0.8
BMW iX	21,172	12,839	64.9
BMW XM	2,484	-	-
BMW i3 / i8	575	13,198	-95.6
<b>BMW total<sup>1</sup></b>	<b>1,071,326</b>	<b>1,016,228</b>	<b>5.4</b>
thereof BEV	133,927	57,462	133.1
thereof PHEV	83,427	101,472	-17.8

<sup>1</sup> Deliveries including BMW Brilliance Automotive Ltd., also for the period prior to that entity's full consolidation in the BMW Group Financial Statements (1 January to 10 February 2022): 96,133 units.

<sup>2</sup> ↗ Consumption and Carbon Disclosures.

**MINI: Electrifying performance in second quarter**

The MINI brand achieved significant growth (+10.2%) in the second quarter 2023, delivering 71,816 units to customers (2022: 65,188 units). Deliveries during the six-month period totalled 140,357 units and were therefore at a similar level to one year earlier (2022: 140,675 units; -0.2%). The premium brand's electrified models played a key role in its success. For example, almost 20,000 units of the popular MINI Cooper SE<sup>2</sup> were delivered in the first six months of 2023. In total, electrified vehicles accounted for 20% of the brand's deliveries in the first half of the year. Demand was also strong for the MINI Cooper SE Convertible<sup>2</sup>, which has now added a further dimension to the niche model range for electrified driving pleasure.

**Rolls-Royce looking forward to electrified future**

Rolls-Royce delivered 1,541 units to customers in the second quarter (2022: 1,567 units; -1.7%), bringing the luxury marque's total for the period from January to June to 3,181 units, once again a fine performance for a first half-year (2022: 3,191 units; -0.3%). The most sought-after models were the Rolls-Royce Cullinan<sup>2</sup> and the Rolls-Royce Ghost<sup>2</sup>. Numerous pre-orders have already been received for the Rolls-Royce Spectre<sup>2</sup>. The ultra-luxury marque's first all-electric model will be launched towards the end of 2023.

**EBIT margin of 10.6% for six-month period**

As with the year-on-year comparison for the BMW Group as a whole, when comparing figures reported for the Automotive segment with those of the previous year, it should be noted that BMW Brilliance Automotive Ltd. (BMW Brilliance) has been fully consolidated as a subsidiary since 11 February 2022 and was therefore – in contrast to 2023 – only included for a part of the first half of 2022.

Segment revenues increased to € 62,898 million (2022: € 56,741 million; +10.9%, second quarter 2023: € 31,630 million, 2022: € 30,015 million; +5.4%). The main reasons for this growth in revenues were the full consolidation of BMW Brilliance and the higher number of vehicles sold (especially in the second quarter). In the previous year, volumes had been lower due to production cutbacks in connection with the limited availability of semi-conductors and wiring harnesses and pandemic-related lockdowns in China. Revenues also continued to benefit from favourable pricing and product mix

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factors during the six-month period. In the second quarter, however, revenues were negatively impacted by unfavourable currency effects.

Segment cost of sales amounted to € 51,890 million (2022: € 48,093 million; + 7.9 %, second quarter 2023: € 26,400 million, 2022: € 25,464 million; + 3.7 %). The main reasons for the increase were the full consolidation of BMW Brilliance, higher costs for components and raw materials and the higher volume of sales. Increased research and development expenses – particularly relating to the development of new models, the further electrification and digitalisation of the vehicle fleet, and automated driving – also contributed to the rise in cost of sales for the six-month period. The higher share of electrified vehicles delivered was a further factor driving the rise in cost of sales. In the previous year, cost of sales was negatively impacted by higher expenses recognised in conjunction with the first-time consolidation of BMW Brilliance, such as the expense for depreciation and amortisation arising on the purchase price allocation and the elimination of intragroup profits totalling approximately € 2.3 billion. In the first half of 2023, cost of sales included purchase price allocation-related depreciation and amortisation amounting to € 0.7 billion. The cost of sales figure for the second quarter 2023 was impacted in particular by higher warranty expenses.

Selling and administrative expenses went up by € 257 million year on year (2023: € 4,150 million; 2022: € 3,893 million; + 6.6 %, second quarter 2023: € 2,191 million, 2022: € 2,065 million; + 6.1 %), mainly reflecting selling expenses incurred at the level of BMW Brilliance (only included in the previous year as from the date of full consolidation) and the increased number of employees.

Profit before financial result for the six-month period amounted to € 6,675 million (2022: € 4,830 million; + 38.2 %, second quarter 2023: € 2,898 million, 2022: € 2,463 million; + 17.7 %). The EBIT margin improved by 2.1 percentage points to 10.6 % (2022: 8.5 %, second quarter 2023: 9.2 %, 2022: 8.2 %).

The segment financial result for the six-month period was a net negative amount of € 107 million (2022: net positive amount of € 8,116 million, second quarter 2023: net negative amount of € 158 million, 2022: net positive amount of € 63 million). The main contributing factor for the deterioration in the first half of 2023 was the gain of € 7.7 billion recognised in the previous year in connection with the remeasurement of the segment's previous at-equity interest in BMW Brilliance, reported within other financial result. The result from at-equity accounted investments decreased compared with the previous year, mainly due to the fact that earnings from BMW Brilliance on an at-equity basis were still included until 10 February 2022. Interest and similar expenses reported for the second quarter 2022 also included income arising on the change in interest rates in connection with the measurement of provisions.

Segment profit before tax for the six-month period amounted to € 6,568 million (2022: € 12,946 million; – 49.3 %, second quarter 2023: € 2,740 million, 2022: € 2,526 million; + 8.5 %).

### **Automotive segment – free cash flow for the period from 1 January to 30 June**

Free cash flow generated by the Automotive segment between January and June totalled € 3,141 million (2022: € 7,770 million). The increase in net cash inflows from operating activities mainly reflected the segment's improved profit before tax (excluding the impact of the remeasurement of the BMW Group's at-equity interest in BMW Brilliance in the previous year). The net changes arising in the area of working capital had an offsetting effect. Strong global demand resulted in higher levels of inventories to help secure supply chains across the various markets. At the same time, rising procurement costs for bought-in components and raw materials had a negative impact on working capital, offset in part by the associated increase in trade payables as well as a reduction in trade receivables.

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The change in the net cash outflow from investing activities was mainly due to the full consolidation of BMW Brilliance with effect from 11 February 2022 and the related positive impact of € 5,011 million recorded in the previous year. In addition, increased investments in intangible assets and property, plant and equipment, particularly in conjunction with the transformation to electric mobility, resulted in a higher net cash outflow from investing activities.

in € million	2023	2022	Change
Cash inflow (+) / outflow (-) from operating activities	7,180	5,677	1,503
Cash inflow (+) / outflow (-) from investing activities	-4,031	2,057	-6,088
Adjustment for net investment in marketable securities and investment funds	-8	36	-44
<b>Free cash flow Automotive segment</b>	<b>3,141</b>	<b>7,770</b>	<b>-4,629</b>

### Automotive segment – net financial assets

In the Automotive segment, net financial assets comprised the following:

in € million	30.6.2023	31.12.2022	Change
Cash and cash equivalents	15,259	13,109	2,150
Marketable securities and investment funds	3,081	3,031	50
Intragroup net financial assets	2,976	11,197	-8,221
<b>Financial assets</b>	<b>21,316</b>	<b>27,337</b>	<b>-6,021</b>
Less: external financial liabilities*	-2,560	-2,734	174
<b>Net financial assets Automotive segment</b>	<b>18,756</b>	<b>24,603</b>	<b>-5,847</b>

\* Excluding derivative financial instruments.

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## FINANCIAL SERVICES SEGMENT

		2nd quarter 2023	2nd quarter 2022	Change in %
New contracts with retail customers		382,010	382,019	-
Revenues	€ million	8,795	8,765	0.3
Profit before financial result (EBIT)	€ million	751	982	- 23.5
Profit before tax	€ million	759	974	- 22.1

		1 January to 30 June 2023	1 January to 30 June 2022	Change in %
New contracts with retail customers		729,308	815,448	- 10.6
Revenues	€ million	17,621	17,251	2.1
Profit before financial result (EBIT)	€ million	1,709	1,948	- 12.3
Profit before tax	€ million	1,704	1,981	- 14.0

		30.6.2023	31.12.2022	Change in %
Contract portfolio with retail customers		5,055,578	5,210,246	- 3.0
Business volume in balance sheet terms*	€ million	132,975	135,689	- 2.0

### Earnings down on previous year

The Financial Services segment's profit before tax for the first half of 2023 decreased to € 1,704 million (2022: € 1,981 million; -14.0%), mainly due to higher refinancing costs in light of rising interest rates on the one hand and the reduced size of the contract portfolio on the other. By contrast, high remarketing proceeds from lease returns continued to have a positive impact on earnings.

The credit loss ratio on the total credit portfolio remained at a low level, finishing at 0.15% for the six-month period (2022: 0.10%). In balance sheet terms, business volume decreased slightly during the six-month period (31 December 2022: € 135,689 million; -2.0%), mainly due to currency effects.

\* Calculated on the basis of the line items "Leased products" and "Receivables from sales financing" (current and non-current) as reported in the Financial Services segment balance sheet.

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### Lower volume of new business with retail customers

A total of 729,308 new credit financing and leasing contracts were concluded with retail customers during the six-month period under report (2022: 815,448 contracts; –10.6 %). The main reasons for the decrease were the general rise in interest rates (which perceptibly increased financing costs for retail consumers) and the continued high level of competition within the financial services sector.

Accordingly, the volume of new leasing and credit financing business fell by 4.7 % and 13.1 % respectively in the first half of 2023. Leasing accounted for 32.1 % and credit financing for 67.9 % of new business concluded between January and June 2023.

New contracts signed included 158,935 credit financing and leasing contracts relating to pre-owned BMW and MINI brand vehicles (2022: 170,721 contracts; –6.9 %).

Compared to the first half of the previous year, the total volume of new credit financing and leasing contracts with retail customers fell by 5.8 % to € 26,797 million (2022: € 28,442 million). Higher selling prices achieved by the Automotive segment and an improved product mix also gave rise to a higher average financing volume per vehicle in the Financial Services segment, partially offsetting the impact of the lower overall number of new contracts signed (–10.6 %). During the first half of 2023, 37.5 %<sup>1</sup> of new BMW Group vehicles were either leased or financed by the Financial Services segment (2022: 44.4 %; –6.9 percentage points).

At 30 June 2023, the Financial Services segment's portfolio of credit financing and leasing contracts with retail customers comprised 5,055,578 contracts (31 December 2022: 5,210,246 contracts; –3.0 %), with a downward trend arising in all regions (EU-Bank<sup>2</sup> –3.1 %; Europe –2.3 %; Americas –1.8 %; Asia / Pacific / Middle East / Africa –1.6 %; China –7.6 %).

### Fleet business at previous year's level

Under the brand name Alphabet, the Financial Services segment's fleet management business offers leasing and financing arrangements as well as a range of related services, primarily to commercial customers. Out of the total portfolio of credit financing and leasing contracts with retail customers, this line of business accounted for 716,059 contracts at 30 June 2023 (31 December 2022: 714,630<sup>3</sup> contracts; +0.2 %).

### Dealership financing slightly up on previous year

The total volume of dealership financing contracts at the end of the reporting period was slightly up at € 15,762 million (31 December 2022: € 15,209 million; +3.6 %), mainly reflecting the improved availability of vehicles.

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

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

<sup>3</sup> Previous year's figure adjusted due to brand name change for contracts relating to non-BMW Group brands.

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## OTHER ENTITIES SEGMENT AND ELIMINATIONS

Profit before tax generated by the Other Entities segment for the six-month period amounted to € 117 million (2022: € 962 million; – 87.8 %, second quarter 2023: € 245 million, 2022: € 277 million; – 11.6 %). Whereas in the first quarter the financial result was mainly impacted by negative market value developments arising on interest rate hedges, higher interest rates had a partially offsetting impact on other financial result reported for the second quarter. In the previous year, other financial result benefited from the favourable fair value development of interest and currency rate hedges.

At the level of profit / loss before tax for the six-month period, eliminations totalled a positive amount of € 649 million (2022: € 30 million, second quarter 2023: € 319 million, 2022: € 24 million). The year-on-year change was mainly impacted by lower eliminations due to the decrease in new leasing business.



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# OUTLOOK, RISK AND OPPORTUNITY MANAGEMENT

The outlook presented in this Half-Year Report as well as the comments on risk and opportunity management show the expected development of the BMW Group, including significant risks and opportunities, from a Group management perspective for the remainder of the financial year 2023. The forward-looking statements contained therein are based on expectations and assessments that may be influenced by unanticipated future events. As a result, the actual course of business could differ – either positively or negatively – from the assumptions described below. Currently, the main areas of uncertainty with respect to the economic, (geo-)political and legal situation include high inflation rates and rising interest rates worldwide, which are increasingly having an impact on consumers, as well as the war in Ukraine. Further information is provided in the [↗ Outlook](#) and [↗ Risks and Opportunities](#) chapters of the BMW Group Report 2022.

## OUTLOOK

### International automobile markets

In July, the International Monetary Fund (IMF) raised its April 2023 projection for global economic growth slightly to 3.0 %. High inflation worldwide, weakening demand on global markets and geopolitical tensions are expected to continue to weigh on the global economy.

Despite the generally subdued outlook for the global economy, the current assessment is that the world's automobile markets are likely to grow overall. However, the major markets are expected to develop with varying momentum. In Europe, the overall market is set to grow in 2023, while the US market is expected to remain robust. Despite the tense overall economic situation in China, the automobile market there is expected to grow slightly as a whole in the course of 2023.

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## BMW Group – assumptions used and outlook

The following outlook relates to the financial year 2023 and is based on the expected composition of the BMW Group during that period.

The six-month period under report saw conditions improving in key sales markets for new vehicles. Europe in particular benefited from the high order backlog as well as from a more settled period in terms of inflation and interest rates in the second quarter. Sales in the USA continued on their upward trajectory. Although business in China picked up during the second quarter, competition in the region continued to increase.

Due to improved vehicle availability, high order intake and positive sales volume trends, the BMW Group now expects to record a solid year-on-year increase in deliveries to customers in 2023.

Within a highly competitive environment, the BMW Group also continues to benefit from favourable selling prices on both new and pre-owned automobile markets. In the meantime, the situation is not expected to show any further signs of normalising before the end of the year.

The supply situation also improved during the first half of the year, with global supply chains showing good signs of recovery.

The situation on raw materials markets has also improved, despite purchase prices remaining high. In addition, increased costs for battery-related raw materials, impacted by the ever-growing popularity of electrified vehicles, is driving up manufacturing costs.

Costs are also expected to rise along the whole supply chain as a result of labour shortages, parts availability issues, continued high prices for raw materials and energy and other unfavourable factors. As in the previous year, logistics-related costs will therefore continue to have a negative impact on earnings.

Payroll and other personnel-related costs as well as expenses for bought-in services are set to increase over the course of the year due to the high level of inflation seen in the previous year.

The war in Ukraine and its potential implications for the BMW Group's business performance are being closely monitored. All applicable restrictions resulting from sanctions have been factored into the outlook. Following an analysis of the requirements of the 11th sanctions package, the measures decided upon are currently in the implementation phase. In this context, additional negative effects cannot yet be ruled out and have not been taken into account in this outlook.

Uncertainties also exist in conjunction with legal and warranty risks. Further information is provided in the comments on contingent liabilities in [note 19](#) to the Interim Group Financial Statements.

The Covid-19 pandemic is no longer currently expected to have a significant impact on the results of operations, financial and net assets position of BMW AG and the Group as a whole.

The outlook does not factor in the following:

- A deep recession in the BMW Group's key sales markets
- A further escalation of the conflict between Russia and Ukraine, combined with a spillover of the war

In view of the unpredictability of political developments, actual macroeconomic developments in some regions may deviate from expected trends and outcomes. Potential sources of political uncertainty include policies affecting trade and customs tariffs, security developments and a possible worsening of international trade conflicts.

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### Outlook for the BMW Group – key performance indicators

Deliveries of BMW, MINI and Rolls-Royce brand vehicles by the Automotive segment are now expected to show a solid year-on-year increase due to improved vehicle availability, high order book levels and the upward volume trend.

In light of these favourable developments, an EBIT margin of between 9.0 and 10.5 % is now forecast for the Automotive segment in 2023. The RoCE for the Automotive segment is now expected to finish within a range between 18 and 22 % due to the improvement in earnings.

The BMW Group expects to achieve its target of slightly reducing the carbon emissions generated by its EU new vehicle fleet by continuously improving the overall fuel consumption of its products.

In view of the increasing focus on all-electric vehicles, from the financial year 2023 onwards the BMW Group reports the share of all-electric vehicles in total deliveries, which is expected to increase significantly compared to 2022. The previous key performance indicator “share of electrified vehicles in deliveries” will no longer be reported.

Carbon emissions per vehicle produced are expected to decrease slightly.

Motorcycles segment deliveries are predicted to increase slightly. The segment EBIT margin is expected to finish within a range between 8 and 10 % and the segment RoCE between 21 and 26 %.

The RoE in the Financial Services segment is forecast to finish within a range between 16 and 19 %. The favourable results from remarketing lease returns are no longer expected to weaken before the end of the financial year 2023.

Group profit before tax will decrease significantly. The underlying reason for this development is the one-time gain of € 7.7 billion recorded in 2022 in conjunction with the remeasurement of the BMW Group's previous at-equity interest in BMW Brilliance. Excluding the one-time gain recognised in 2022, Group profit before tax for the financial year 2023 would be significantly higher than for the preceding twelve-month period.

The aforementioned targets are to be met with a slight growth in the size of the workforce. Likewise, the share of women in management positions in the BMW Group is expected to increase slightly.

The BMW Group's actual business performance may also deviate from current expectations due to the risks and opportunities discussed below in the section on [Risk and Opportunity Management](#).

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**The BMW Group key performance indicators**

Based on current knowledge and assessments, the key performance indicators of the BMW Group for the full year 2023 are forecast as follows:

		2022 reported	2023 outlook	
			originally reported	updated
<b>GROUP</b>				
Profit before tax	€ million	23,509	Significant decrease	-
Workforce at year-end		149,475	Slight increase	-
Share of women in management positions in the BMW Group	%	20.2	Slight increase	-
<b>AUTOMOTIVE SEGMENT</b>				
Deliveries <sup>1</sup>	units	2,399,632	Slight increase	Solid increase
Share of all-electric vehicles in deliveries	%	9.0	Significant increase	-
CO <sub>2</sub> emissions EU new vehicle fleet <sup>2, 3</sup>	g / km	105.0	Slight reduction	-
CO <sub>2</sub> emissions per vehicle produced <sup>4</sup>	tons	0.32	Slight reduction	-
EBIT margin	%	8.6	between 8 and 10	between 9 and 10.5
Return on capital employed (RoCE)	%	18.1	between 15 and 20	between 18 and 22
<b>MOTORCYCLES SEGMENT</b>				
Deliveries	units	202,895	Slight increase	-
EBIT margin	%	8.1	between 8 and 10	-
Return on capital employed (RoCE)	%	24.9	between 21 and 26	-
<b>FINANCIAL SERVICES SEGMENT</b>				
Return on equity (RoE)	%	17.9	between 14 and 17	between 16 and 19

<sup>1</sup> Includes BMW Brilliance Automotive Ltd., also for the period prior to that entity's full consolidation in the BMW Group Financial Statements (1 January to 10 February 2022: 96,133 units).

<sup>2</sup> EU-27 countries including Norway and Iceland; with effect from 2021, values are calculated on a converted basis in line with WLTP (Worldwide Harmonised Light Vehicles Test Procedure).

<sup>3</sup> Includes an allowance for eco-innovations of significantly lower importance.

<sup>4</sup> Efficiency ratio calculated on the basis of Scope 1 and Scope 2 carbon emissions (i.e. a market-based method according to GHG Protocol Scope 2 guidance; mainly based on the emissions factors for electricity, district heating and fuels of the VDA [each in the most current version: 12 / 2022] and occasionally using local emissions factors; excluding climate-changing gases other than carbon dioxide from vehicle production (BMW Group manufacturing sites including BMW Brilliance Automotive Ltd. and Motorrad, but excluding partner plants and contract manufacturers), as well as BMW Group non-manufacturing sites (e.g. research centres, sales centres, offices) divided by the number of vehicles produced (BMW Group manufacturing sites including BMW Brilliance Automotive Ltd. and partner plants, but excluding contract manufacturers).

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## RISK AND OPPORTUNITY MANAGEMENT

Managing risks and making full use of any opportunities that may arise is the cornerstone of the BMW Group's business success. This strategy is based on effective risk and opportunity management, which enables the Group to respond quickly and flexibly to changes in the political, economic, environmental, social, technical or legal situation. The general risk situation is regularly assessed as part of this strategy. Changes are integrated during the year and for long-term planning purposes.

The potential financial impact on the BMW Group of the matters explained in the note on contingent liabilities, including those relating to legal and warranty risks, cannot be definitively assessed at this point in time.

Further information on risks and opportunities as well as on the methods employed to manage them is provided in the chapter [➤ Risks and Opportunities](#) in the BMW Group Report 2022.

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# INCOME STATEMENT FOR GROUP AND SEGMENTS

## FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE

in € million	Note	Group		Automotive <sup>1</sup>		Motorcycles <sup>1</sup>	
		2023	2022	2023	2022	2023	2022
Revenues	05	74,072	65,912	62,898	56,741	1,921	1,663
Cost of sales		- 59,170	- 54,399	- 51,890	- 48,093	- 1,481	- 1,300
<b>Gross profit</b>		<b>14,902</b>	<b>11,513</b>	<b>11,008</b>	<b>8,648</b>	<b>440</b>	<b>363</b>
Selling and administrative expenses		- 4,989 <sup>2</sup>	- 4,712 <sup>2</sup>	- 4,150	- 3,893	- 131	- 131
Other operating income	06	416	739	382	595	4	4
Other operating expenses	06	- 611	- 723	- 565	- 520	- 1	- 1
<b>Profit / loss before financial result</b>		<b>9,718</b>	<b>6,817</b>	<b>6,675</b>	<b>4,830</b>	<b>312</b>	<b>235</b>
Result from equity accounted investments		- 122	137	- 122	137	-	-
Interest and similar income	07	313	170	615	242	4	2
Interest and similar expenses	07	- 244	102	- 632	11	- 3	-
Other financial result	08	- 314	8,930	32	7,726	-	-
<b>Financial result</b>		<b>- 367</b>	<b>9,339</b>	<b>- 107</b>	<b>8,116</b>	<b>1</b>	<b>2</b>
<b>Profit / loss before tax</b>		<b>9,351</b>	<b>16,156</b>	<b>6,568</b>	<b>12,946</b>	<b>313</b>	<b>237</b>
Income taxes	09	- 2,731	- 2,924	- 1,934	- 2,341	- 92	- 43
<b>Net profit / loss</b>		<b>6,620</b>	<b>13,232</b>	<b>4,634</b>	<b>10,605</b>	<b>221</b>	<b>194</b>
Attributable to non-controlling interests		395	251	378	226	-	-
<b>Attributable to shareholders of BMW AG</b>		<b>6,225</b>	<b>12,981</b>	<b>4,256</b>	<b>10,379</b>	<b>221</b>	<b>194</b>
<b>Basic earnings per share of common stock in €</b>		<b>9.70</b>	<b>19.63</b>				
<b>Basic earnings per share of preferred stock in €</b>		<b>9.71</b>	<b>19.64</b>				
Dilutive effects		-	-				
<b>Diluted earnings per share of common stock in €</b>		<b>9.70</b>	<b>19.63</b>				
<b>Diluted earnings per share of preferred stock in €</b>		<b>9.71</b>	<b>19.64</b>				

<sup>1</sup> Additional information: not subject to external auditor review.

<sup>2</sup> Includes general administrative expenses amounting to € 2,252 million (2022: € 2,062 million).

# INCOME STATEMENT FOR GROUP AND SEGMENTS

## FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE

in € million	Note	Financial Services*		Other Entities*		Eliminations*	
		2023	2022	2023	2022	2023	2022
Revenues	05	17,621	17,251	6	3	- 8,374	- 9,746
Cost of sales		- 15,155	- 14,678	-	-	9,356	9,672
<b>Gross profit</b>		<b>2,466</b>	<b>2,573</b>	<b>6</b>	<b>3</b>	<b>982</b>	<b>- 74</b>
Selling and administrative expenses		- 704	- 685	- 19	- 19	15	16
Other operating income	06	13	104	10	11	7	25
Other operating expenses	06	- 66	- 44	- 2	- 169	23	11
<b>Profit / loss before financial result</b>		<b>1,709</b>	<b>1,948</b>	<b>- 5</b>	<b>- 174</b>	<b>1,027</b>	<b>- 22</b>
Result from equity accounted investments		-	-	-	-	-	-
Interest and similar income	07	4	1	1,519	571	- 1,829	- 646
Interest and similar expenses	07	- 6	- 3	- 1,054	- 604	1,451	698
Other financial result	08	- 3	35	- 343	1,169	-	-
<b>Financial result</b>		<b>- 5</b>	<b>33</b>	<b>122</b>	<b>1,136</b>	<b>- 378</b>	<b>52</b>
<b>Profit / loss before tax</b>		<b>1,704</b>	<b>1,981</b>	<b>117</b>	<b>962</b>	<b>649</b>	<b>30</b>
Income taxes	09	- 501	- 361	- 34	- 174	- 170	- 5
<b>Net profit / loss</b>		<b>1,203</b>	<b>1,620</b>	<b>83</b>	<b>788</b>	<b>479</b>	<b>25</b>
Attributable to non-controlling interests		16	25	1	-	-	-
<b>Attributable to shareholders of BMW AG</b>		<b>1,187</b>	<b>1,595</b>	<b>82</b>	<b>788</b>	<b>479</b>	<b>25</b>
<b>Basic earnings per share of common stock in €</b>							
<b>Basic earnings per share of preferred stock in €</b>							
Dilutive effects							
<b>Diluted earnings per share of common stock in €</b>							
<b>Diluted earnings per share of preferred stock in €</b>							

\* Additional information: not subject to external auditor review.



# CONDENSED STATEMENT OF COMPREHENSIVE INCOME FOR GROUP FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE

in € million	2023	2022
<b>Net profit / loss</b>	<b>6,620</b>	<b>13,232</b>
Remeasurement of the net liability for defined benefit pension plans	83	781
<b>Items not expected to be reclassified to the income statement in the future</b>	<b>83</b>	<b>781</b>
Marketable securities (at fair value through other comprehensive income)	20	- 122
Derivative financial instruments	78	- 289
Costs of hedging	159	- 399
Other comprehensive income from equity accounted investments	- 5	- 83
Currency translation foreign operations	- 1,885	2,168
<b>Items that can be reclassified to the income statement in the future</b>	<b>- 1,633</b>	<b>1,275</b>
<b>Other comprehensive income for the period after tax</b>	<b>- 1,550</b>	<b>2,056</b>
<b>Total comprehensive income</b>	<b>5,070</b>	<b>15,288</b>
Total comprehensive income attributable to non-controlling interests	248	309
<b>Total comprehensive income attributable to shareholders of BMW AG</b>	<b>4,822</b>	<b>14,979</b>

# INCOME STATEMENT FOR GROUP AND SEGMENTS

## FOR THE PERIOD FROM 1 APRIL TO 30 JUNE<sup>1</sup>

in € million	Note	Group		Automotive		Motorcycles	
		2023	2022	2023	2022	2023	2022
Revenues	05	37,219	34,770	31,630	30,015	988	864
Cost of sales		-30,089	-28,780	-26,400	-25,464	-760	-669
<b>Gross profit</b>		<b>7,130</b>	<b>5,990</b>	<b>5,230</b>	<b>4,551</b>	<b>228</b>	<b>195</b>
Selling and administrative expenses		-2,630 <sup>2</sup>	-2,493 <sup>2</sup>	-2,191	-2,065	-71	-71
Other operating income	06	231	404	213	282	2	4
Other operating expenses	06	-388	-475	-354	-305	-1	-1
<b>Profit / loss before financial result</b>		<b>4,343</b>	<b>3,426</b>	<b>2,898</b>	<b>2,463</b>	<b>158</b>	<b>127</b>
Result from equity accounted investments		-96	-123	-96	-123	-	-
Interest and similar income	07	166	89	336	139	3	1
Interest and similar expenses	07	-144	138	-380	88	-2	-
Other financial result	08	-47	399	-18	-41	-	-
<b>Financial result</b>		<b>-121</b>	<b>503</b>	<b>-158</b>	<b>63</b>	<b>1</b>	<b>1</b>
<b>Profit / loss before tax</b>		<b>4,222</b>	<b>3,929</b>	<b>2,740</b>	<b>2,526</b>	<b>159</b>	<b>128</b>
Income taxes	09	-1,264	-882	-827	-625	-48	-23
<b>Net profit / loss</b>		<b>2,958</b>	<b>3,047</b>	<b>1,913</b>	<b>1,901</b>	<b>111</b>	<b>105</b>
Attributable to non-controlling interests		153	207	147	194	-	-
<b>Attributable to shareholders of BMW AG</b>		<b>2,805</b>	<b>2,840</b>	<b>1,766</b>	<b>1,707</b>	<b>111</b>	<b>105</b>
<b>Basic earnings per share of common stock in €</b>		<b>4.39</b>	<b>4.30</b>				
<b>Basic earnings per share of preferred stock in €</b>		<b>4.40</b>	<b>4.31</b>				
Dilutive effects		-	-				
<b>Diluted earnings per share of common stock in €</b>		<b>4.39</b>	<b>4.30</b>				
<b>Diluted earnings per share of preferred stock in €</b>		<b>4.40</b>	<b>4.31</b>				

<sup>1</sup> Additional information: not subject to external auditor review.

<sup>2</sup> Includes general administrative expenses amounting to € 1,185 million (2022: € 1,069 million).

# INCOME STATEMENT FOR GROUP AND SEGMENTS

## FOR THE PERIOD FROM 1 APRIL TO 30 JUNE\*

in € million	Note	Financial Services		Other Entities		Eliminations	
		2023	2022	2023	2022	2023	2022
Revenues	05	8,795	8,765	3	2	-4,197	-4,876
Cost of sales		-7,641	-7,489	-	-	4,712	4,842
<b>Gross profit</b>		<b>1,154</b>	<b>1,276</b>	<b>3</b>	<b>2</b>	<b>515</b>	<b>-34</b>
Selling and administrative expenses		-369	-358	-10	-12	11	13
Other operating income	06	11	95	7	9	-2	14
Other operating expenses	06	-45	-31	-1	-141	13	3
<b>Profit / loss before financial result</b>		<b>751</b>	<b>982</b>	<b>-1</b>	<b>-142</b>	<b>537</b>	<b>-4</b>
Result from equity accounted investments		-	-	-	-	-	-
Interest and similar income	07	-	1	831	311	-1,004	-363
Interest and similar expenses	07	-	-2	-548	-339	786	391
Other financial result	08	8	-7	-37	447	-	-
<b>Financial result</b>		<b>8</b>	<b>-8</b>	<b>246</b>	<b>419</b>	<b>-218</b>	<b>28</b>
<b>Profit / loss before tax</b>		<b>759</b>	<b>974</b>	<b>245</b>	<b>277</b>	<b>319</b>	<b>24</b>
Income taxes	09	-231	-178	-71	-52	-87	-4
<b>Net profit / loss</b>		<b>528</b>	<b>796</b>	<b>174</b>	<b>225</b>	<b>232</b>	<b>20</b>
Attributable to non-controlling interests		5	13	1	-	-	-
<b>Attributable to shareholders of BMW AG</b>		<b>523</b>	<b>783</b>	<b>173</b>	<b>225</b>	<b>232</b>	<b>20</b>
<b>Basic earnings per share of common stock in €</b>							
<b>Basic earnings per share of preferred stock in €</b>							
Dilutive effects							
<b>Diluted earnings per share of common stock in €</b>							
<b>Diluted earnings per share of preferred stock in €</b>							

\* Additional information: not subject to external auditor review.

# CONDENSED STATEMENT OF COMPREHENSIVE INCOME FOR GROUP FOR THE PERIOD FROM 1 APRIL TO 30 JUNE\*

in € million	2023	2022
<b>Net profit / loss</b>	<b>2,958</b>	<b>3,047</b>
Remeasurement of the net liability for defined benefit pension plans	85	660
<b>Items not expected to be reclassified to the income statement in the future</b>	<b>85</b>	<b>660</b>
Marketable securities (at fair value through other comprehensive income)	- 3	- 65
Derivative financial instruments	207	- 855
Costs of hedging	64	- 328
Other comprehensive income from equity accounted investments	- 4	-
Currency translation foreign operations	- 1,248	648
<b>Items that can be reclassified to the income statement in the future</b>	<b>- 984</b>	<b>- 600</b>
<b>Other comprehensive income for the period after tax</b>	<b>- 899</b>	<b>60</b>
<b>Total comprehensive incomes</b>	<b>2,059</b>	<b>3,107</b>
Total comprehensive income attributable to non-controlling interests	34	158
<b>Total comprehensive income attributable to shareholders of BMW AG</b>	<b>2,025</b>	<b>2,949</b>

\* Additional information: not subject to external auditor review.

# BALANCE SHEET FOR GROUP AND SEGMENTS AT 30 JUNE 2023

in € million	Note	Group		Automotive*		Motorcycles*	
		30.6.2023	31.12.2022	30.6.2023	31.12.2022	30.6.2023	31.12.2022
<b>ASSETS</b>							
Intangible assets	10	20,184	21,776	19,617	21,220	199	185
Property, plant and equipment	11	32,389	32,126	31,786	31,514	499	491
Leased products		42,154	42,820	-	-	-	-
Investments accounted for using the equity method		418	420	418	420	-	-
Other investments		1,287	1,351	14,753	14,775	-	-
Receivables from sales financing		49,046	50,368	-	-	-	-
Financial assets	12	2,721	3,073	1,338	1,522	-	-
Deferred tax		2,217	1,758	3,201	3,340	-	-
Other assets		1,420	1,030	2,281	2,612	20	25
<b>Non-current assets</b>		<b>151,836</b>	<b>154,722</b>	<b>73,394</b>	<b>75,403</b>	<b>718</b>	<b>701</b>
Inventories		24,637	20,005	23,328	18,679	842	802
Trade receivables		3,717	4,127	3,406	3,869	185	143
Receivables from sales financing		34,687	35,340	-	-	-	-
Financial assets	12	5,617	5,164	4,184	3,841	-	-
Current tax	13	909	1,096	575	547	-	-
Other assets		9,995	9,602	29,982	31,576	4	4
Cash and cash equivalents		18,560	16,870	15,259	13,109	45	21
<b>Current assets</b>		<b>98,122</b>	<b>92,204</b>	<b>76,734</b>	<b>71,621</b>	<b>1,076</b>	<b>970</b>
<b>Total assets</b>		<b>249,958</b>	<b>246,926</b>	<b>150,128</b>	<b>147,024</b>	<b>1,794</b>	<b>1,671</b>

\* Additional information: not subject to external auditor review.



# BALANCE SHEET FOR GROUP AND SEGMENTS AT 30 JUNE 2023

in € million	Note	Financial Services*		Other Entities*		Eliminations*	
		30.6.2023	31.12.2022	30.6.2023	31.12.2022	30.6.2023	31.12.2022
<b>ASSETS</b>							
Intangible assets	10	367	370	1	1	-	-
Property, plant and equipment	11	104	121	-	-	-	-
Leased products		49,119	49,867	-	-	-6,965	-7,047
Investments accounted for using the equity method		-	-	-	-	-	-
Other investments		28	28	23,006	23,020	-36,500	-36,472
Receivables from sales financing		49,169	50,482	-	-	-123	-114
Financial assets	12	501	481	969	1,191	-87	-121
Deferred tax		510	517	24	23	-1,518	-2,122
Other assets		1,940	2,325	36,997	38,315	-39,818	-42,247
<b>Non-current assets</b>		<b>101,738</b>	<b>104,191</b>	<b>60,997</b>	<b>62,550</b>	<b>-85,011</b>	<b>-88,123</b>
Inventories		467	524	-	-	-	-
Trade receivables		126	114	-	1	-	-
Receivables from sales financing		34,687	35,340	-	-	-	-
Financial assets	12	744	560	706	766	-17	-3
Current tax	13	141	134	193	415	-	-
Other assets		4,654	5,020	60,630	54,857	-85,275	-81,855
Cash and cash equivalents		2,936	3,530	320	210	-	-
<b>Current assets</b>		<b>43,755</b>	<b>45,222</b>	<b>61,849</b>	<b>56,249</b>	<b>-85,292</b>	<b>-81,858</b>
<b>Total assets</b>		<b>145,493</b>	<b>149,413</b>	<b>122,846</b>	<b>118,799</b>	<b>-170,303</b>	<b>-169,981</b>

\* Additional information: not subject to external auditor review.



# BALANCE SHEET FOR GROUP AND SEGMENTS AT 30 JUNE 2023

in € million	Note	Group		Automotive*		Motorcycles*	
		30.6.2023	31.12.2022	30.6.2023	31.12.2022	30.6.2023	31.12.2022
<b>EQUITY AND LIABILITIES</b>							
Subscribed capital	14	663	663				
Capital reserves		2,432	2,432				
Revenue reserves	14	86,264	85,425				
Accumulated other equity		- 1,687	- 117				
Treasury shares	14	- 1,987	- 1,278				
<b>Equity attributable to shareholders of BMW AG</b>	<b>14</b>	<b>85,685</b>	<b>87,125</b>				
Non-controlling interests		4,303	4,163				
<b>Equity</b>		<b>89,988</b>	<b>91,288</b>	<b>63,032</b>	<b>67,234</b>	-	-
Pension provisions		229	339	138	233	-	9
Other provisions		8,881	8,445	8,656	8,206	82	83
Deferred tax		3,176	2,765	3,160	2,786	-	-
Financial liabilities	16	52,603	53,469	2,502	2,730	2	2
Other liabilities	17	6,429	6,199	6,650	6,840	797	721
<b>Non-current provisions and liabilities</b>		<b>71,318</b>	<b>71,217</b>	<b>21,106</b>	<b>20,795</b>	<b>881</b>	<b>815</b>
Other provisions		7,924	7,316	7,260	6,668	126	123
Current tax	15	1,523	1,224	971	886	-	-
Financial liabilities	16	43,438	40,727	1,514	1,646	-	-
Trade payables		15,544	14,120	13,985	12,763	534	494
Other liabilities	17	20,223	21,034	42,260	37,032	253	239
<b>Current provisions and liabilities</b>		<b>88,652</b>	<b>84,421</b>	<b>65,990</b>	<b>58,995</b>	<b>913</b>	<b>856</b>
<b>Total equity and liabilities</b>		<b>249,958</b>	<b>246,926</b>	<b>150,128</b>	<b>147,024</b>	<b>1,794</b>	<b>1,671</b>

\* Additional information: not subject to external auditor review.



# BALANCE SHEET FOR GROUP AND SEGMENTS AT 30 JUNE 2023

in € million	Note	Financial Services*		Other Entities*		Eliminations*	
		30.6.2023	31.12.2022	30.6.2023	31.12.2022	30.6.2023	31.12.2022
<b>EQUITY AND LIABILITIES</b>							
Subscribed capital	14						
Capital reserves							
Revenue reserves	14						
Accumulated other equity							
Treasury shares	14						
<b>Equity attributable to shareholders of BMW AG</b>	<b>14</b>						
Non-controlling interests							
<b>Equity</b>		<b>16,400</b>	<b>17,737</b>	<b>52,625</b>	<b>48,894</b>	<b>- 42,069</b>	<b>- 42,577</b>
Pension provisions		13	20	78	77	-	-
Other provisions		143	156	-	-	-	-
Deferred tax		2,947	3,447	77	315	- 3,008	- 3,783
Financial liabilities	16	16,348	16,343	33,838	34,515	- 87	- 121
Other liabilities	17	38,158	39,654	644	1,185	- 39,820	- 42,201
<b>Non-current provisions and liabilities</b>		<b>57,609</b>	<b>59,620</b>	<b>34,637</b>	<b>36,092</b>	<b>- 42,915</b>	<b>- 46,105</b>
Other provisions		533	519	5	6	-	-
Current tax	15	215	123	337	215	-	-
Financial liabilities	16	25,771	25,718	16,170	13,366	- 17	- 3
Trade payables		1,016	852	9	11	-	-
Other liabilities	17	43,949	44,844	19,063	20,215	- 85,302	- 81,296
<b>Current provisions and liabilities</b>		<b>71,484</b>	<b>72,056</b>	<b>35,584</b>	<b>33,813</b>	<b>- 85,319</b>	<b>- 81,299</b>
<b>Total equity and liabilities</b>		<b>145,493</b>	<b>149,413</b>	<b>122,846</b>	<b>118,799</b>	<b>- 170,303</b>	<b>- 169,981</b>

\* Additional information: not subject to external auditor review.



# CONDENSED CASH FLOW STATEMENT FOR GROUP AND SEGMENTS FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE

in € million	Group		Automotive <sup>1</sup>		Financial Services <sup>1</sup>	
	2023	2022	2023	2022	2023	2022
Profit / loss before tax	9,351	16,156	6,568	12,946	1,704	1,981
Depreciation and amortisation of tangible, intangible and investment assets	4,551	3,932	4,479	3,867	17	15
Change in provisions	1,338	542	1,355	751	-33	-131
Change in leased products and receivables from sales financing	516	2,792	-	-	512	3,070
Changes in working capital	-3,399	-586	-3,535	-555	199	19
Other	-2,659	-11,722 <sup>2</sup>	-1,687	-11,332 <sup>2</sup>	429	445
<b>Cash inflow / outflow from operating activities</b>	<b>9,698</b>	<b>11,114</b>	<b>7,180</b>	<b>5,677</b>	<b>2,828</b>	<b>5,399</b>
Total investment in intangible assets and property, plant and equipment	-3,992	-2,998	-3,911	-2,955	-4	-1
Expenditure for acquisitions, net of cash acquired	-	3,587	-	5,011	-	-
Net investment in marketable securities and investment funds	21	64	8	-36	14	24
Other	-133	40	-128	37	-	10
<b>Cash inflow / outflow from investing activities</b>	<b>-4,104</b>	<b>693</b>	<b>-4,031</b>	<b>2,057</b>	<b>10</b>	<b>33</b>
<b>Cash inflow / outflow from financing activities</b>	<b>-3,130</b>	<b>-5,979</b>	<b>-373</b>	<b>-1,657</b>	<b>-3,293</b>	<b>-5,407</b>
<b>Effect of exchange rate on cash and cash equivalents</b>	<b>-801</b>	<b>404</b>	<b>-653</b>	<b>269</b>	<b>-139</b>	<b>111</b>
<b>Effect of changes in composition of Group on cash and cash equivalents</b>	<b>27</b>	<b>-</b>	<b>27</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Change in cash and cash equivalents</b>	<b>1,690</b>	<b>6,232</b>	<b>2,150</b>	<b>6,346</b>	<b>-594</b>	<b>136</b>
Cash and cash equivalents as at 1 January	16,870	16,009	13,109	12,009	3,530	3,471
<b>Cash and cash equivalents as at 30 June</b>	<b>18,560</b>	<b>22,241</b>	<b>15,259</b>	<b>18,355</b>	<b>2,936</b>	<b>3,607</b>

<sup>1</sup> Additional information: not subject to external auditor review.

<sup>2</sup> Includes the elimination of the non-cash revaluation effect of the investment in BMW Brilliance amounting to € 7,649 million.

# STATEMENT OF CHANGES IN GROUP EQUITY

in € million	Note	Subscribed capital	Capital reserves	Revenue reserves	Accumulated other equity			
					Translation differences	Marketable securities	Derivative financial instruments	Costs of hedging
<b>1 January 2023</b>	14	<b>663</b>	<b>2,432</b>	<b>85,425</b>	<b>- 584</b>	<b>- 107</b>	<b>1,728</b>	<b>- 1,154</b>
Net profit		-	-	6,225	-	-	-	-
Other comprehensive income for the period after tax		-	-	83	- 1,618	20	- 29	141
<b>Comprehensive income at 30 June 2023</b>		<b>-</b>	<b>-</b>	<b>6,308</b>	<b>- 1,618</b>	<b>20</b>	<b>- 29</b>	<b>141</b>
Dividend payments		-	-	- 5,430	-	-	-	-
Treasury shares acquired		-	-	-	-	-	-	-
Other changes		-	-	- 39	-	-	- 84	-
<b>30 June 2023</b>	14	<b>663</b>	<b>2,432</b>	<b>86,264</b>	<b>- 2,202</b>	<b>- 87</b>	<b>1,615</b>	<b>- 1,013</b>

  

in € million	Note	Subscribed capital	Capital reserves	Revenue reserves	Accumulated other equity			
					Translation differences	Marketable securities	Derivative financial instruments	Costs of hedging
<b>1 January 2022</b>	14	<b>661</b>	<b>2,325</b>	<b>71,705</b>	<b>- 438</b>	<b>2</b>	<b>362</b>	<b>- 251</b>
Net profit		-	-	12,981	-	-	-	-
Other comprehensive income for the period after tax		-	-	781	1,612	- 122	- 15	- 258
<b>Comprehensive income at 30 June 2022</b>		<b>-</b>	<b>-</b>	<b>13,762</b>	<b>1,612</b>	<b>- 122</b>	<b>- 15</b>	<b>- 258</b>
Dividend payments		-	-	- 3,827	-	-	-	-
Treasury shares acquired		-	-	-	-	-	-	-
Other changes		-	-	- 1,158	-	-	- 291	-
<b>30 June 2022</b>	14	<b>661</b>	<b>2,325</b>	<b>80,482</b>	<b>1,174</b>	<b>- 120</b>	<b>56</b>	<b>- 509</b>



# STATEMENT OF CHANGES IN GROUP EQUITY

in € million	Note	Treasury shares	Equity attributable to shareholders of BMW AG	Non-controlling interests	Total
<b>1 January 2023</b>	14	- 1,278	87,125	4,163	91,288
Net profit		-	6,225	395	6,620
Other comprehensive income for the period after tax		-	- 1,403	- 147	- 1,550
<b>Comprehensive income at 30 June 2023</b>		-	4,822	248	5,070
Dividend payments		-	- 5,430	- 38	- 5,468
Treasury shares acquired		- 709	- 709	-	- 709
Other changes		-	- 123	- 70	- 193
<b>30 June 2023</b>	14	- 1,987	85,685	4,303	89,988

in € million	Note	Treasury shares	Equity attributable to shareholders of BMW AG	Non-controlling interests	Total
<b>1 January 2022</b>	14	-	74,366	766	75,132
Net profit		-	12,981	251	13,232
Other comprehensive income for the period after tax		-	1,998	58	2,056
<b>Comprehensive income at 30 June 2022</b>		-	14,979	309	15,288
Dividend payments		-	- 3,827	- 11	- 3,838
Treasury shares acquired		-	-	-	-
Other changes		-	- 1,449	4,199	2,750
<b>30 June 2022</b>	14	-	84,069	5,263	89,332

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# NOTES TO THE GROUP FINANCIAL STATEMENTS

## ACCOUNTING PRINCIPLES AND POLICIES

### 01 Basis of preparation

The consolidated financial statements of Bayerische Motoren Werke Aktiengesellschaft (BMW Group Financial Statements or Group Financial Statements) at 31 December 2022 were drawn up in accordance with International Financial Reporting Standards (IFRS), as endorsed by the European Union (EU), and the supplementary requirements of § 315e (1) of the German Commercial Code (HGB). The Interim Group Financial Statements (Interim Report) at 30 June 2023, which have been prepared in accordance with International Accounting Standard (IAS) 34 (Interim Financial Reporting), have been drawn up using, in all material respects, the same accounting methods as those utilised in the 2022 Group Financial Statements. The BMW Group applies the option of publishing condensed group financial statements. All Interpretations issued by the IFRS Interpretations Committee which are mandatory at 30 June 2023 have been applied. The Interim Report also complies with German Accounting Standard No. 16 (GAS 16) – Interim Financial Reporting – issued by the German Accounting Standards Committee e.V. (GASC).

The reporting period for these Interim Group Financial Statements in accordance with IAS 34 is the six-month period from 1 January 2023 to 30 June 2023. In addition, the income statement and statement of comprehensive income as well as the notes disclosures for the period from 1 April 2023 to 30 June 2023 are presented for informational purposes, but were not within the scope of the external auditor's review.

Government grants related to assets were previously reported as deferred income and recognised through profit or loss over the accounting periods in which the costs occur that they are intended to compensate. With effect from the financial year 2023, government grants relating to assets are deducted from the carrying amount of the relevant assets. They are recognized in profit or loss over the respective useful lives of the assets in the form of reduced depreciation / amortization. In this context, the accounting treatment applied for investment tax credits was also changed. Instead of being recognized immediately with income tax reduction effect, such credits are also being deducted from the carrying amount of the assets with effect from the beginning of the financial year 2023. The change in accounting policy has not been applied retrospectively on the grounds of immateriality. Prior year figures have therefore not been adjusted.

Deferred income for government grants relating to assets at 31 December 2022 amounted to € 465 million or 0.19 % of Group total assets at that date. At 30 June 2023, the corresponding amount was € 407 million.

With effect from the financial year 2023 advance payments to suppliers are reported within other assets. At 31 December 2022, advance payments to suppliers amounting to € 257 million were reported within inventories. Prior year figures have not been adjusted on the grounds of immateriality.

The impact of the changes in accounting policy is not material for the results of operations, financial position and net assets of the BMW Group.

Further information regarding the Group's accounting principles and policies is contained in the notes to the Group Financial Statements within the BMW Group Report 2022.

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The Group currency is the euro. All amounts are disclosed in millions of euros (€ million) unless stated otherwise. Detailed information on foreign currency translation is provided in the BMW Group Report 2022, [↗ note 5](#) to the Group Financial Statements.

Key figures presented in this report have been rounded in accordance with standard commercial practise. In certain cases, this may mean that values do not add up exactly to the stated total and that percentages cannot be derived from the values shown.

The income statement for the BMW Group and segments is presented using the cost of sales method.

In order to provide a better insight into the results of operations, financial position and net assets of the BMW Group, and going beyond the requirements of IFRS 8 (Operating Segments), the Group Financial Statements also include an income statement and a balance sheet for the Automotive, Motorcycles, Financial Services and Other Entities segments. The Group Cash Flow Statement is supplemented by a statement of cash flows for the Automotive and Financial Services segments. Intersegment transactions relate primarily to internal sales of products, the provision of funds for Group companies and the related interest. These items are eliminated on consolidation. More detailed information regarding the allocation of activities of the BMW Group to segments and a description of the segments is provided in the explanatory notes to segment information in the BMW Group Report 2022.

The Interim Group Financial Statements at 30 June 2023 have been reviewed by the Group auditors, PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Frankfurt am Main, Munich office.

**02 Group reporting entity**

The BMW Group Financial Statements to 30 June 2023 include Bayerische Motoren Werke Aktiengesellschaft (BMW AG) and all material subsidiaries over which BMW AG – either directly or indirectly – exercises control. This also includes 59 structured entities, consisting of asset-backed financing arrangements and special purpose funds. In some cases, contractual agreements are in place with the asset-backed securities companies to offset their losses in connection with residual value risks arising from the receivables sold to them.

The following changes took place in the Group reporting entity during the first six months of 2023:

	Germany	Foreign	Total
Included at 31 December 2022	20	184	204
Included for the first time in 2023	–	10	10
No longer included in 2023	–	11	11
<b>Included at 30 June 2023</b>	<b>20</b>	<b>183</b>	<b>203</b>

BMW Manufacturing Hungary Kft., previously classified as immaterial, was fully consolidated for the first time with effect from 1 January 2023, as the company is now classified as a material subsidiary in view of the advanced stage of construction of a plant.

All other changes to the Group reporting entity are not significant in terms of the results of operations, financial position and net assets of the Group.

On 11 February 2022, via the Group company BMW Holding B.V., the BMW Group increased its shareholding in the BMW Brilliance Automotive Ltd. (BMW Brilliance) joint venture from 50 to 75% with the acquisition of a further 25% of BMW Brilliance's shares. BMW Brilliance has been fully consolidated in the Group Financial Statements since that date. With regard to the previous year's figures, it should therefore be noted that BMW Brilliance is only included for the relevant part of the first half of 2022 (i.e. from

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11 February onwards). If BMW Brilliance had been fully included in the Group Financial Statements with effect from 1 January 2022, Group revenues and profit after tax for the first half of 2022 would have amounted to € 68,823 million and € 13,399 million respectively. The remeasurement of the investment resulted in a gain of € 7,649 million on first-time consolidation, which was recognised in income from investments within the line item "Other financial result" in the previous year. Detailed information is provided in the BMW Group Report 2022, [note 3](#) to the Group Financial Statements.

**03 Financial reporting rules**

**a** Standards or amendments of standards that are significant for the BMW Group and were applied for the first time in the first half of the current financial year:

Standard / Interpretation	Date of issue by IASB	Date of mandatory application IASB	Date of mandatory application EU
IFRS 17 Insurance Contracts	18.5.2017	1.1.2023	1.1.2023

In May 2017 the IASB published IFRS 17 Insurance Contracts. The Standard replaces IFRS 4 and contains new rules relating to the recognition, measurement, presentation and disclosure requirements for insurance contracts. In a Group-wide project, the BMW Group examined the impact of adopting IFRS 17 for existing agreements. The BMW Group offers various products that meet the definition of an insurance contract in accordance with IFRS 17. However, for the majority of these products, either an exemption applies (e.g. for warranty agreements) or the insurance arrangements qualify as fixed-fee service contracts, which can continue to be accounted for in accordance with IFRS 15 due to the option available in IFRS 17. In some markets, however, products are offered (e.g. comprehensive vehicle insurance) that are required to be accounted for in accordance with IFRS 17. These contracts can be accounted for using the premium allocation approach, which is essentially the same as the current accounting method applied for these contracts. In the first half of the financial year 2023, insurance pre-

miums for insurance contracts totalling € 45 million were recognised in revenue, of which € 18 million was attributable to service contracts, telematics and roadside assistance, and € 27 million to other revenue. At 30 June 2023, insurance liabilities for the remaining terms of these contracts amounted to € 281 million.

**b** Other financial reporting standards issued by the IASB and not yet applied are not expected to have any significant impact on the BMW Group Financial Statements.

**04 Other significant events****Impairment tests**

An indication of the potential impairment of tangible and intangible assets existed at 30 June 2023 in that the Group's market capitalisation was lower than total equity at that date. As a result, impairment tests were performed for the cash-generating units Automotive excluding BMW Brilliance, BMW Brilliance, Motorcycles and Financial Services. A detailed description of impairment test procedures is provided in the BMW Group Report 2022, [note 7](#) to the Group Financial Statements. By analogous application of the procedures used for the other cash-generating units, the value in use is also determined for the BMW Brilliance cash-generating unit in view of the time elapsed since the acquisition date.

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The following pre-tax discount rates were applied to measure the relevant values:

in %	30.6.2023	31.12.2022
Automotive excluding BMW Brilliance	13.5	12.4
BMW Brilliance	16.1	15.4
Motorcycles	13.5	12.4
Financial Services	14.9	13.7

In conjunction with the impairment tests for cash-generating units, sensitivity analyses are performed for the main assumptions in order to rule out that possible changes to the assumptions used to determine the recoverable amount would result in the requirement to recognise an impairment loss. Even in the case of a 10 % deterioration in the individual measurement assumptions, the need to recognise an impairment loss did not arise.

**Russia-Ukraine war**

Major uncertainties remained at the end of the reporting period with respect to the ongoing Russia-Ukraine war. The sanctions already imposed as well as new sanctions, together with any countermeasures taken, significantly restrict economic activities with Russia and also have an impact on the Russian companies of the BMW Group.

The restrictions currently in place for payments mean that transfers of liquid funds from Russia are limited. Developments in this area are reviewed by the BMW Group on a regular basis. In total, the Russian companies hold around 3 % of the BMW Group's cash and cash equivalents.

Foreign currency items denominated in Russian roubles (RUB) were translated at 30 June 2023 at a closing rate of RUB 97.8858 to the euro. The BMW Group was able to execute transactions at this rate.

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## NOTES TO THE INCOME STATEMENT

### 05 Revenue

Revenues by activity comprise the following:

in € million	2nd quarter 2023*	2nd quarter 2022	1 January to 30 June 2023	1 January to 30 June 2022
Sales of products and related goods	28,184	25,874	56,273	48,311
Sales of products previously leased to customers	3,450	3,825	6,955	7,440
Income from lease instalments	3,025	2,996	5,834	5,949
Interest income on loan financing and finance leases	1,261	995	2,488	1,966
Revenues from service contracts, telematics and roadside assistance	860	771	1,744	1,489
Other income	439	309	778	757
<b>Revenues</b>	<b>37,219</b>	<b>34,770</b>	<b>74,072</b>	<b>65,912</b>

Revenues recognised from contracts with customers in accordance with IFRS 15 totalled € 65,613 million (2022: € 57,898 million).

An analysis of revenues by segment is shown in the segment information in [note 23](#). Revenues from the sale of products and related goods are generated primarily in the Automotive segment and, to a lesser extent, in the Motorcycles segment. Revenues from the sales of products previously leased to customers, income from lease instalments and interest income on loan financing are allocated to the Financial Services segment. Other income relates mainly to the Automotive segment and the Financial Services segment.

Interest income on loan financing and finance leases includes interest calculated on the basis of the effective interest method totalling € 1,944 million (2022: € 1,780 million). This interest income is not reported separately in the income statement as it is not significant compared to total Group revenues.

### 06 Other operating income and expenses

These line items principally include exchange gains and losses, gains and losses on the disposal of assets, impairment allowances, as well as income / expense from the reversal of and allocation to provisions, including provisions for ongoing legal disputes, legal disputes that have been concluded and other legal risks.

\* Additional information: not subject to external auditor review.



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**07 Net interest result**

in € million	2nd quarter 2023*	2nd quarter 2022	1 January to 30 June 2023	1 January to 30 June 2022
Other interest and similar income	166	89	313	170
thereof from subsidiaries	9	5	23	11
<b>Interest and similar income</b>	<b>166</b>	<b>89</b>	<b>313</b>	<b>170</b>
Net interest impact relating to other non-current provisions	- 112	207	- 162	218
Net interest expense on the net defined benefit liability for pension plans	- 3	- 2	- 5	- 5
Other interest and similar expenses	- 29	- 67	- 77	- 111
thereof to subsidiaries	- 1	-	- 2	-
<b>Interest and similar expenses</b>	<b>- 144</b>	<b>138</b>	<b>- 244</b>	<b>102</b>
<b>Net interest result</b>	<b>22</b>	<b>227</b>	<b>69</b>	<b>272</b>

Interest expense from unwinding the discounting of other non-current provisions on the one hand and interest income from adjusting the discount rate on the other are netted and, as in previous years, reported as a net interest effect within interest expense.

In the previous year, steepening yield curves had a positive impact on the discount unwinding result.

**08 Other financial result**

Other financial result developed as follows:

in € million	2nd quarter 2023*	2nd quarter 2022	1 January to 30 June 2023	1 January to 30 June 2022
Result on investments	- 68	3	- 22	7,784
Sundry other financial result	21	396	- 292	1,146
<b>Other financial result</b>	<b>- 47</b>	<b>399</b>	<b>- 314</b>	<b>8,930</b>

\* Additional information: not subject to external auditor review.

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In the previous year, the main item affecting the result from investments was the remeasurement of the investment in BMW Brilliance.

The deterioration in the sundry other financial result was mainly due to changes in the fair value of stand-alone derivatives.

### **09 Income taxes**

The effective tax rate for the six-month period to 30 June 2023 was 29.2 % (2022: 18.1%) and corresponds to the best estimate of the weighted average annual income tax rate for the full year. This tax rate has been applied to the pre-tax profit for the period under report.

The lower effective tax rate in the previous year was mainly due to the non-tax-relevant gain recognised in conjunction with the remeasurement of the investment in BMW Brilliance.

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## NOTES TO THE BALANCE SHEET

### 10 Intangible assets

Intangible assets mainly comprise capitalised development costs on vehicle, module and architecture projects as well as rights reacquired in conjunction with a business acquisition. Also included are subsidies for tool costs, licences, purchased development projects, emission allowances, software and purchased customer bases.

in € million	30.6.2023	31.12.2022
Development costs	11,871	12,127
Goodwill	1,478	1,562
thereof allocated to the Automotive excluding BMW Brilliance CGU	33	33
thereof allocated to the BMW Brilliance CGU	1,098	1,182
thereof allocated to the Financial Services CGU	347	347
Other intangible assets	6,835	8,087
<b>Intangible assets</b>	<b>20,184</b>	<b>21,776</b>

Intangible assets developed during the first six months of the year as follows:

in € million	2023	2022
Development costs		
Additions	981	855
Amortisation	1,236	1,041
Other intangible assets		
Additions	83	162
Additions arising on business acquisitions	-	8,349
Amortisation	754	568

The additions arising on business combinations in the previous year related entirely to the acquisition of further shares in BMW Brilliance. Detailed information is provided in the BMW Group Report 2022, [note 3](#) to the Group Financial Statements.

### 11 Property, plant and equipment (including right-of-use assets from leases)

Property, plant and equipment developed during the first six months as follows:

in € million	2023	2022
Additions	3,148	2,767
Additions arising on business acquisitions	-	7,072
Additions resulting from changes in the Group reporting entity	552	-
Depreciation	2,561	2,323
Disposals	202	30

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The additions arising on business acquisitions in the previous year related entirely to the acquisition of further shares in BMW Brilliance. Detailed information is provided in the BMW Group Report 2022, [note 3](#) to the Group Financial Statements.

Additions resulting from changes in the Group reporting entity arose on the first-time consolidation of BMW Manufacturing Hungary Kft. and comprise mainly assets under construction.

Purchase commitments for property, plant and equipment (including right-of-use assets from leases) total € 7,567 million (31 December 2022: € 5,758 million).

Government grants amounting to € 34 million (31 December 2022: € 0 million) were deducted from the carrying amount of the relevant items of property, plant and equipment.

## 12 Financial assets

Financial assets comprise:

in € million	30.6.2023	31.12.2022
Derivative instruments	4,332	4,386
Marketable securities and investment funds	3,468	3,438
Loans to third parties	37	34
Other	501	379
<b>Financial assets</b>	<b>8,338</b>	<b>8,237</b>

## 13 Income tax assets

Current income taxes amounting to € 909 million (31 December 2022: € 1,096 million) include € 25 million (31 December 2022: € 26 million) that is expected to be settled after more than twelve months. Claims may be settled earlier than this depending on the timing of the underlying proceedings.

## 14 Equity

The Group Statement of Changes in Equity is shown in the [Statement of Changes in Equity, page 42 et seq.](#)

### Subscribed capital

The number of shares of common stock issued by BMW AG at 30 June 2023 was 601,995,196 shares, each with a par value of € 1, unchanged from 31 December 2022. The number of issued shares of preferred stock at that date was 60,844,279 shares, each with a par value of € 1, unchanged from 31 December 2022. Unlike the shares of common stock, no voting rights are attached to the shares of preferred stock.

Subscribed capital stood at € 663 million at the end of the reporting period, unchanged from 31 December 2022. All of the Company's stock is issued to bearer. Preferred stock bears an additional dividend of € 0.02 per share.

The shareholders passed a resolution at the 2019 Annual General Meeting authorising the Board of Management, with the approval of the Supervisory Board, to increase the Company's share capital by up to € 5 million prior to 15 May 2024 by the issuance of new shares of non-voting preferred stock, carrying the same rights as existing non-voting preferred stock, in return for cash contributions. So far, 4,717,375 shares of preferred stock have been issued on the basis of this authorisation. The number of authorised shares and the amount of authorised capital at the level of BMW AG are therefore 0.3 million shares and € 0.3 million respectively.

### Revenue reserves

In the second quarter 2023, BMW AG paid the dividend for the financial year 2022 amounting to € 4,939 million for common stock and € 491 million for preferred stock.

### Treasury shares

BMW AG has resolved a share buyback programme on the basis of the authorisation granted by the Annual General Meeting held on 11 May 2022. The programme has a volume of up to € 2.0 billion (total purchase price excluding incidental acquisition costs).

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Between 1 July 2022 and 30 June 2023, BMW AG repurchased 22,087,841 shares of common stock for € 1,838 million and 1,913,160 shares of preferred stock for € 149 million, all of which are reported as treasury shares. At 30 June 2023, BMW AG therefore held a total of 24,001,001 treasury shares, corresponding to a nominal amount of € 24,001,001.

Between 30 June 2023 and 4 July 2023, an additional 122,399 shares (111,688 shares of common stock and 10,711 shares of preferred stock) were transferred from the mandated banks.

On 18 July 2023, the Board of Management of BMW AG resolved to redeem 24,123,400 treasury shares (22,199,529 shares of common stock and 1,923,871 shares of preferred stock) acquired on the basis of the authorisation and to reduce issued share capital accordingly by € 24,123,400. This corresponds to around 3.6 % of share capital prior to the redemption of the shares and the reduction of issued share capital.

Following the reduction, BMW AG's issued share capital amounts to € 638,716,075, divided into 579,795,667 shares of common stock, each with a par value of € 1, and 58,920,408 shares of non-voting preferred stock, each with a par value of € 1.

### 15 Income tax liabilities

Current income taxes amounting to € 1,523 million (31 December 2022: € 1,224 million) include liabilities of € 77 million (31 December 2022: € 58 million), which are expected to be settled after more than twelve months. Liabilities may be settled earlier than this depending on the timing of the underlying proceedings.

### 16 Financial liabilities

Financial liabilities of the BMW Group comprise the following:

in € million	30.6.2023	31.12.2022
Bonds	39,520	41,084
Asset-backed financing transactions	19,425	18,746
Liabilities from customer deposits (banking)	17,259	16,511
Commercial paper	5,853	1,712
Liabilities to banks	5,495	7,255
Derivative instruments	4,935	5,061
Lease liabilities	2,480	2,764
Other	1,074	1,063
<b>Financial liabilities</b>	<b>96,041</b>	<b>94,196</b>

During the six-month period ended 30 June 2023, the BMW Group issued bonds totalling approximately € 4.9 billion, refinancing itself via a variety of instruments, including a euro benchmark bond, a sterling benchmark bond, a bond denominated in Canadian dollars and a Panda bond in China. In addition, ABS transactions with a total volume of approximately € 6.4 billion were either newly concluded or prolonged in the USA, Germany, the UK, China, Korea and Japan.

### 17 Other liabilities

Other liabilities include contract liabilities relating to contracts with customers amounting to € 7,264 million (31 December 2022: € 7,651 million). The liabilities relate mainly to service and repair work as well as telematics services and roadside assistance agreed to be part of the sale of a vehicle (in some cases multi-component arrangements).

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## OTHER DISCLOSURES

### 18 Research and development expenses

Research and development expenses were as follows:

in € million	2nd quarter 2023*	2nd quarter 2022	1 January to 30 June 2023	1 January to 30 June 2022
Research and development expenditure	1,842	1,551	3,396	2,942
Amortisation	606	523	1,236	1,041
New expenditure for capitalised development costs	- 602	- 514	- 981	- 855
<b>Research and development expenses</b>	<b>1,846</b>	<b>1,560</b>	<b>3,651</b>	<b>3,128</b>

### 19 Contingent liabilities

The following contingent liabilities existed at the balance sheet date:

in € million	30.6.2023	31.12.2022
Litigation	187	94
Investment subsidies	67	63
Guarantees	64	89
Other	1,138	1,112
<b>Contingent liabilities</b>	<b>1,456</b>	<b>1,358</b>

Other contingent liabilities mainly comprise risks relating to taxes and customs duties.

The BMW Group determines its best estimate of contingent liabilities on the basis of the information available at the date of preparation of the Group Financial Statements. This assessment may change over time and is adjusted regularly on the basis of new information and circumstances. A part of the risks is covered by insurance.

The EU Commission's antitrust proceedings (see the BMW Group Report 2021, [note 10](#) to the Group Financial Statements) were settled on 8 July 2021.

In addition, respective antitrust proceedings were opened against BMW AG by the Chinese State Administration for Market Regulation in March 2019 and the Korea Fair Trade Commission in May 2020. Possible risks for the BMW Group in connection with the antitrust proceedings in China cannot be currently foreseen, neither in terms of their outcome nor the amounts involved. In April 2023, the South Korean antitrust authority imposed a fine of approximately 13 billion South Korean won (approximately € 9 million). BMW AG has filed an appeal in court against the South Korean authority's decision.

In relation to these allegations, numerous class action lawsuits have been brought in the USA and Canada in the second half of 2017, as well as several individual customers' lawsuits in South Korea in June 2018. In the USA, the customer class actions were withdrawn in August 2021 and the dealer class action was dismissed in the final instance in June 2022. The class action lawsuits in Canada and individual customers' lawsuits in South Korea remain at an early stage. Further civil lawsuits based on the allegations are

\* Additional information: not subject to external auditor review.

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possible going forward. Further disclosures pursuant to IAS 37.86 cannot be provided at present.

Beginning in 2014, regulatory authorities have ordered the BMW Group to recall various vehicle models in conjunction with airbags supplied by the Takata group of companies. Provision for the costs involved has been recognised within warranty provisions. In addition to the risks already covered by warranty provisions, it cannot be ruled out that further vehicles of the BMW Group will be affected by future recall actions. Further disclosures pursuant to IAS 37.86 cannot be provided at present.

In May 2023, the National Highway Traffic Safety Administration (NHTSA), an agency of the U.S. federal government, requested a recall of airbags in the U.S. that are equipped with airbag inflators produced by ARC Automotive. Further implications for the BMW Group in other regions outside of North America as well as implications from class action lawsuits, which have been brought in this context against the BMW Group in the U.S., cannot be estimated at present. Further disclosures pursuant to IAS 37.86 cannot be provided at present.

In March 2022, the European Commission (EC) conducted inspections at the premises of automobile manufacturers and associations located in several member states. In parallel, the EC sent out formal requests for information to several automobile manufacturers, including BMW AG. The inspections and requests for information concern possible collusion in relation to the collection, treatment and recovery of end-of-life vehicles and light commercial vehicles. The inspections were conducted in coordination with the UK Competition and Markets Authority, which has initiated formal proceedings in respect of the UK market. The competition authorities allege that car manufacturers (i) coordinated the remuneration to be paid to dismantlers for the provision of their services and (ii) agreed that issues related to end-of-life vehicles should be dealt with in a non-competitive way. Appropriate risk provisions were recognised in the second quarter 2022 in connection with these investigations. Due to the early stage of the investigations, further risks for the BMW Group in connection with the proceedings of the two authorities cannot be quantified at present. Further disclosures pursuant to IAS 37.86 cannot be provided at present.

Following a request for legal assistance from the Korean authorities in 2020 in connection with leaks in exhaust gas recirculation modules in BMW Group vehicles, the Munich public prosecutor's office initiated an investigation and searched BMW Group offices in Munich and Steyr in June 2022. Potential risks for the BMW Group cannot be quantified at the present time. Further disclosures pursuant to IAS 37.86 cannot be provided at present.

In several recent judgements, the European Court of Justice has ruled on emission control systems in diesel vehicles and has significantly tightened requirements pertaining to the justification of these systems. As a result of these new judgements by the European Court of Justice, the interpretation of regulatory requirements for emission control systems is evolving. This is reflected, amongst other things, by the fact that established administrative practices of type approval authorities are being questioned from numerous sides. This development leads to a reassessment of court proceedings pending in different court instances in Germany, which have been brought by individual claimants due to the emissions performance of BMW and MINI diesel vehicles. According to previously established case law of German national courts, damage claims could only be asserted on the basis of intentional damage inflicted in a manner offending common decency. BMW has so far successfully defended such civil proceedings in Germany. In its most recent judgements linked to proceedings against other manufacturers and taking into account the case law of the European Court of Justice, the German Federal Court of Justice has ruled that a manufacturer can also be held liable for negligent breach of EU homologation standards and on the basis of a far-reaching reversal of the burden of proof to the detriment of the manufacturer. An increase in the effort and complexity of the defence in individual cases, an increasing number of new court proceedings, increased legal risks and increased financial expenditure are to be expected. Further disclosures pursuant to IAS 37.86 cannot be provided at present. In addition, the BMW Group is in dialogue with two responsible type approval authorities in Europe in order to clarify queries pertaining to emission performance that have arisen during market surveillance of measurement results for a BMW vehicle model which was manufactured from September 2010 to March 2014. In this context and against the background of the development in case law referred to above, the company, in consultation with the authorities, is investigating whether and to what extent these questions also apply to other

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vehicle models, and whether this or other vehicle models comply with legal requirements. Given that the investigations will take some time, it is not currently possible to make any disclosures pursuant to IAS 37.86 with regard to possible measures to be taken, possible effects on administrative and civil court proceedings and any financial risks that may be related thereto.

Furthermore, several BMW Group entities have been facing a number of diesel emissions-related court claims in England and Wales since November 2021 as well as in Scotland since March 2023. In October 2022, the claimants in England and Wales applied for a group litigation order. The claimants in Scotland applied for permission to bring group proceedings alongside their claims. Given that the proceedings are still at an early stage, the probability, amount or timing of any liability cannot be determined at present. Further disclosures pursuant to IAS 37.86 cannot be provided at present.



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## 20 Financial instruments

Information regarding the recognition and measurement of financial instruments is provided in the BMW Group Report 2022, [notes 7](#) and [41](#) to the Group Financial Statements.

### Disclosures relating to financial instruments measured at amortised cost

The following table shows the fair values and carrying amounts of financial assets and liabilities that are measured at amortised cost and whose carrying amounts differ from their fair value:

in € million	30.6.2023		31.12.2022	
	Fair value	Carrying amount	Fair value	Carrying amount
Receivables from sales financing – credit financing	63,552	62,045	65,237	63,808
Receivables from sales financings – finance and operating leases	22,235	21,688	22,600	21,900
<b>Financial liabilities</b>				
Bonds	40,584	39,520	42,173	41,084
Asset-backed financing transactions	19,320	19,425	18,542	18,746
Liabilities from customer deposits (banking)	17,185	17,259	15,939	16,511
Liabilities to banks	5,419	5,495	7,302	7,255

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The fair values are generally determined using the discounted cash flow method, taking into account the relevant risk of default. For the purposes of fair value measurement using the discounted cash flow method, expected future cash flows are discounted on the basis of up-to-date interest curves observable on the market.

The fair values of receivables from sales financing are measured using the discounted cash flow method, taking into account customer-specific credit risk. In view of the fact that these allowances are calculated in part on the basis of internal information, receivables from sales financing are allocated to Level 3 in the level hierarchy in accordance with IFRS 13.

In the case of financial liabilities, own credit risk is taken into account based on credit default swaps available on the market, so that the fair values of these items are allocated to Level 2.

For all other financial instruments not listed here that are measured at amortised cost, the carrying amount corresponds to the fair value. For this reason, they are not presented separately.

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**Disclosures relating to financial instruments measured at fair value**

The carrying amounts of financial instruments measured at fair value are allocated to the measurement levels pursuant to IFRS 13 as follows:

in € million	30.6.2023			31.12.2022		
	Level hierarchy in accordance with IFRS 13			Level hierarchy in accordance with IFRS 13		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Marketable securities, investment funds and collateral assets	3,092	376	-	3,048	390	-
Other investments	192	-	778	164	-	839
Cash equivalents	23	2	-	10	-	-
Loans to third parties	-	-	9	-	-	8
Derivative instruments (assets)						
Interest rate risk	-	2,219	-	-	2,121	-
Currency risk	-	1,719	-	-	768	-
Raw material market price risk	-	394	-	-	1,495	-
Other risks	-	-	-	-	-	2
Derivative instruments (liabilities)						
Interest rate risk	-	3,293	-	-	3,368	-
Currency risk	-	389	-	-	1,174	-
Raw material market price risk	-	1,253	-	-	519	-

As a general rule, any transfers between fair-value hierarchy levels are made at the end of the relevant reporting period.

In the six-month period to 30 June 2023, no financial instruments measured at fair value were reclassified between measurement levels.

In the previous year, derivative instruments used to hedge raw material price risks with a fair value of € 71 million were reclassified from Level 3 to Level 2 as sufficient observable market data was available for the first time for valuation purposes.

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Financial instruments classified to Level 3 and measured at fair value comprise the following:

in € million	Fair value 30.6.2023	Fair value 31.12.2022
Unquoted equity instruments	778	839
Convertible bonds	9	8
Options on unquoted equity instruments	-	2

Financial instruments allocated to Level 3 relate mainly to investments in a private-equity fund. The valuation of unlisted equity instruments is determined primarily using the market-based approach. In particular, the financing rounds that take place within the private equity sector – usually on a regular basis at intervals of approximately 12 to 24 months – represent a significant input factor for these purposes. In addition, the investment advisor provides the external fund manager with relevant, investment-specific information on an ongoing basis (at least quarterly). The latter subsequently assesses the underlying individual companies in accordance with the guidelines for International Private Equity and Venture Capital Valuations (IPEV).

As part of the process of analysing valuations, the external fund manager reviews the investment-specific milestones, including an analysis of financial, technical and liquidity-specific performance indicators. Based on this analysis, it is considered whether the price of the most recent financing round is acceptable as a reasonable market valuation, in particular for early-stage or growth-phase investments. Key performance indicators used for the purpose of milestone analysis are highly dependent on the business model underlying the investment; typical technical key performance indicators relate to licenses and patents held, the stage of technology development such as evidence of feasibility and prototypes, market entries, customer and user growth and appointments to key management positions. Key financial performance indicators used are revenues, EBITDA and the corresponding growth rate and/or development of specific contribution margins. Key

liquidity-specific performance indicators are cash on hand, cash burn rates and prospects for future financing rounds.

Since the pricing of equity investments held after financing rounds is considered to be the key input factor for their valuation, increases or decreases in valuation arising in this context are recognised on the same basis with income statement effect.

In addition, equity instruments that are held outside the private equity fund are measured using the income approach. This involves discounting cash flows on the basis of current business cases using the weighted average cost of capital to determine the fair value of the financial instrument. Changes in fair values determined in connection with adjustments to significant input factors are not material for the BMW Group.

The convertible bonds that have been classified to Level 3 are primarily used as instruments in advance of future financing rounds relating to private equity investments. Valuations are therefore performed in accordance with the IPEV guidelines.

Mandatory conversions are usually structured in such a way that the number of shares to be received depends on the future share price. Due to the generally short maturities, the instruments are subject to only insignificant fluctuations in value. Irrespective of this fact, impairment tests are performed at regular intervals.

The exercise price for share options in such companies is generally low, verging towards zero. Consequently, financing rounds have a direct impact on the fair value of the options. In this respect, the valuation of options and assessment of their impact on sensitivity is similar to the approach taken to unquoted equity instruments, as described above.

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The balance sheet carrying amount of Level 3 financial instruments developed as follows:

in € million	Unquoted equity instruments	Convertible bonds	Options on unquoted equity instruments	Derivative instruments	Financial instruments Level 3
1 January 2023	839	8	2	-	849
Additions	21	2	-	-	23
Disposals	-	-	-1	-	-1
Gains (+) / losses (-) recognised in accumulated other equity	-	-	-	-	-
Gains (+) / losses (-) recognised in the income statement	-67	-1	-1	-	-69
Currency translation differences	-15	-	-	-	-15
Level transfer	-	-	-	-	-
<b>30 June 2023</b>	<b>778</b>	<b>9</b>	<b>-</b>	<b>-</b>	<b>787</b>

in € million	Unquoted equity instruments	Convertible bonds	Options on unquoted equity instruments	Derivative instruments	Financial instruments Level 3
1 January 2022	724	23	-	67	814
Additions	75	-	-	-	75
Disposals	-6	-12	-	-5	-23
Gains (+) / losses (-) recognised in accumulated other equity	-	-	-	7	7
Gains (+) / losses (-) recognised in the income statement	14	-4	2	2	14
Currency translation differences	32	1	-	-	33
Level transfer	-	-	-	-71	-71
<b>31 December 2022</b>	<b>839</b>	<b>8</b>	<b>2</b>	<b>-</b>	<b>849</b>

Gains and losses recognised in the income statement are reported within the line item "Other financial result". Of the gains and losses recorded in the financial year 2023 to date, net negative € 69 million (2022: € 14 million) are unrealised.

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## 21 Related party relationships

The following individuals and entities are related parties in accordance with IAS 24:

- Stefan Quandt and Susanne Klatten, as well as companies controlled by them
- The Board of Management and the Supervisory Board of the BMW Group
- Associated companies, joint ventures, non-consolidated subsidiaries, BMW Trust e.V. and BMW Foundation Herbert Quandt

Transactions of the Group companies with related parties were carried out, without exception, in the normal course of business of each of the parties concerned and conducted at market conditions, i.e. conditions that are also granted to other third parties.

Stefan Quandt, Germany, is a shareholder and Deputy Chairman of the Supervisory Board of BMW AG. He is also the sole shareholder and Chairman of the Supervisory Boards of DELTON Health AG, Bad Homburg v.d.H., and DELTON Technology SE, Bad Homburg v.d.H., as well as the sole shareholder of DELTON Logistics S.à.r.l., Grevenmacher, which via its subsidiaries, performed logistic-related services for the BMW Group during the first six months of 2023. In addition, the DELTON companies held by Stefan Quandt acquired vehicles from the BMW Group by way of leasing.

Stefan Quandt, Germany, is also the indirect majority shareholder of SOLARWATT GmbH, Dresden. Cooperation arrangements are in place between BMW Group and SOLARWATT GmbH, Dresden, within the field of electric mobility. The focus of this collaboration is on the provision of complete photovoltaic solutions for rooftop systems and carports to BMW i customers. In addition, SOLARWATT GmbH purchases battery cells and related components for home battery storage applications as part of a supply project. During the first half of 2023, in addition to the deliveries of goods described above, SOLARWATT GmbH, Dresden, also purchased vehicles from the BMW Group by way of leasing.

Susanne Klatten, Germany, is a shareholder and member of the Supervisory Board of BMW AG and also a shareholder and Deputy Chairwoman of the Supervisory Board of ALTANA AG, Wesel. In the first half of 2023, ALTANA AG, Wesel, acquired vehicles from the BMW Group, mainly by way of leasing.

Susanne Klatten, Germany, is also the sole shareholder and Chairwoman of the Supervisory Board of UnternehmerTUM GmbH, Garching. In the first half of 2023, the BMW Group bought in services from UnternehmerTUM GmbH, Garching, mainly in the form of consultancy and workshop services.

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Seen from the perspective of BMW Group entities, the volume of significant transactions with the above-mentioned entities was as follows:

in € thousand	Supplies and services performed		Supplies and services received		Receivables		Payables	
	1 January to 30 June 2023	1 January to 30 June 2022	1 January to 30 June 2023	1 January to 30 June 2022	30.6.2023	31.12.2022	30.6.2023	31.12.2022
DELTON Health AG	992	950	-	-	14	13	-	-
DELTON Logistics S.à.r.l.	396	395	4,925	9,870	16	70	1,033	5,216
SOLARWATT GmbH	8,744	7,717	30	11	2,004	1,057	-	6
ALTANA AG	1,014	856	-	-	205	187	-	-
UnternehmerTUM GmbH	-	-	300	317	-	-	74	197

in € thousand	Supplies and services performed		Supplies and services received		Receivables		Payables	
	2nd quarter 2023*	2nd quarter 2022	2nd quarter 2023*	2nd quarter 2022	30.6.2023	31.12.2022	30.6.2023	31.12.2022
DELTON Health AG	509	504	-	-	14	13	-	-
DELTON Logistics S.à.r.l.	218	225	2,409	5,251	16	70	1,033	5,216
SOLARWATT GmbH	2,278	2,892	-	-	2,004	1,057	-	6
ALTANA AG	543	376	-	-	205	187	-	-
UnternehmerTUM GmbH	-	-	154	242	-	-	74	197

\* Additional information: not subject to external auditor review.

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In total, the following amounts of goods and services were supplied to or received from joint ventures and associated companies:

in € million	Supplies and services performed		Supplies and services received		Receivables		Payables	
	1 January to 30 June 2023	1 January to 30 June 2022	1 January to 30 June 2023	1 January to 30 June 2022	30.6.2023	31.12.2022	30.6.2023	31.12.2022
Joint ventures and associated companies	6	10	36	30	-	8	26	16

in € million	Supplies and services performed		Supplies and services received		Receivables		Payables	
	2nd quarter 2023*	2nd quarter 2022	2nd quarter 2023*	2nd quarter 2022	30.6.2023	31.12.2022	30.6.2023	31.12.2022
Joint ventures and associated companies	3	7	19	15	-	8	26	16

BMW Brilliance has been fully consolidated as a subsidiary of the BMW Group since 11 February 2022, see [7 note 2](#). Up to the date of first-time consolidation, goods and services supplied (mainly vehicle components for further processing) totalled € 1,330 million. Goods and services received amounted to € 106 million and mainly comprised vehicles and services.

BMW Trust e.V., Munich, administers assets on a trustee basis to secure obligations relating to pensions in Germany and is therefore a related party of the BMW Group in accordance with IAS 24. This entity has no assets of its own. It had no income or expenses during the first half of the year. BMW AG bears expenses on a minor scale and renders services on behalf of BMW Trust e.V., Munich.

The BMW Foundation Herbert Quandt, Munich, is an independent corporate foundation and due to the BMW Group's significant influence, qualifies as a related party according to IAS 24. In the first six months of 2023, the

\* Additional information: not subject to external auditor review.





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BMW Group donated a total of € 5.8 million (2022: € 5.8 million) to the BMW Foundation Herbert Quandt. No other significant transactions arose.

## 22 Events after the end of the reporting period

No events have occurred after the balance sheet date with a particular significance for the results of operations, financial position or net assets of the BMW Group.

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## SEGMENT INFORMATION

### 23 Explanatory notes to segment information

Information on the definition of reportable segments and management performance system is provided in the BMW Group Report 2022. Due to the various methodologies applied, the reported segment result and asset figures are based on different measures of segment performance and asset valuation. Detailed information is provided in the BMW Group Report 2022, [note 47](#) to the Group Financial Statements.

Segment information is prepared as a general rule in conformity with the accounting policies adopted for preparing and presenting the Interim Group Financial Statements. Exceptions to this general principle include the treatment of intersegment warranties, the earnings impact of which is allocated to the Automotive and Financial Services segments on the basis used internally to manage the business. In addition, intragroup repurchase agreements between the Automotive and Financial Services segments pursuant to IFRS 15, impairment allowances on intragroup receivables and changes in the value of consolidated other investments pursuant to IFRS 9 are also excluded. Intercompany leases are not accounted for in accordance with IFRS 16 for internal management and reporting purposes, and instead are treated within in the segments concerned as operating leases. Intersegment receivables and payables, provisions, income, expenses and profits are eliminated upon consolidation. Intersegment revenues are based on market prices. Centralised functions are included in the segments concerned. Centralised cost components are included in the respective segments, without resulting in cash flows.

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Segment information by operating segment for the first six months is as follows:

in € million	Automotive		Motorcycles		Financial Services	
	2023	2022	2023	2022	2023	2022
External revenues	55,489	47,646	1,939	1,668	16,644	16,598
Inter-segment revenues	7,409	9,095	-18	-5	977	653
<b>Total revenues</b>	<b>62,898</b>	<b>56,741</b>	<b>1,921</b>	<b>1,663</b>	<b>17,621</b>	<b>17,251</b>
Segment result	6,675	4,830	312	235	1,704	1,981
Result from equity accounted investments	-122	137	-	-	-	-
Capital expenditure on non-current assets	4,126	3,735	77	42	11,200	10,554
Depreciation and amortisation on non-current assets	4,479	3,867	55	50	4,845	5,073

in € million	Other Entities		Reconciliation to Group figures		Group	
	2023	2022	2023	2022	2023	2022
External revenues	-	-	-	-	74,072	65,912
Inter-segment revenues	6	3	-8,374	-9,746	-	-
<b>Total revenues</b>	<b>6</b>	<b>3</b>	<b>-8,374</b>	<b>-9,746</b>	<b>74,072</b>	<b>65,912</b>
Segment result	117	962	543	8,148	9,351	16,156
Result from equity accounted investments	-	-	-	-	-122	137
Capital expenditure on non-current assets	-	-	-2,746	-2,663	12,657	11,668
Depreciation and amortisation on non-current assets	-	-	-2,045	-2,272	7,334	6,718

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Segment information by operating segment for the second quarter is as follows\*:

in € million	Automotive		Motorcycles		Financial Services	
	2nd quarter 2023	2nd quarter 2022	2nd quarter 2023	2nd quarter 2022	2nd quarter 2023	2nd quarter 2022
External revenues	27,953	25,467	1,000	868	8,266	8,435
Inter-segment revenues	3,677	4,548	-12	-4	529	330
<b>Total revenues</b>	<b>31,630</b>	<b>30,015</b>	<b>988</b>	<b>864</b>	<b>8,795</b>	<b>8,765</b>
Segment result	2,898	2,463	158	127	759	974
Result from equity accounted investments	-96	-123	-	-	-	-
Capital expenditure on non-current assets	2,451	2,317	52	22	6,117	5,205
Depreciation and amortisation on non-current assets	2,227	2,115	29	21	2,522	2,450

in € million	Other Entities		Reconciliation to Group figures		Group	
	2nd quarter 2023	2nd quarter 2022	2nd quarter 2023	2nd quarter 2022	2nd quarter 2023	2nd quarter 2022
External revenues	-	-	-	-	37,219	34,770
Inter-segment revenues	3	2	-4,197	-4,876	-	-
<b>Total revenues</b>	<b>3</b>	<b>2</b>	<b>-4,197</b>	<b>-4,876</b>	<b>37,219</b>	<b>34,770</b>
Segment result	245	277	162	88	4,222	3,929
Result from equity accounted investments	-	-	-	-	-96	-123
Capital expenditure on non-current assets	-	-	-1,462	-1,301	7,158	6,243
Depreciation and amortisation on non-current assets	-	-	-1,013	-1,079	3,765	3,507

\* Additional information: not subject to external auditor review.

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in € million	Automotive		Motorcycles		Financial Services	
	30.6.2023	31.12.2022	30.6.2023	31.12.2022	30.6.2023	31.12.2022
Segment assets	64,152	62,519	1,191	1,127	16,400	17,737
Investments accounted for using the equity method	418	420	-	-	-	-

in € million	Other Entities		Reconciliation to Group figures		Group	
	30.6.2023	31.12.2022	30.6.2023	31.12.2022	30.6.2023	31.12.2022
Segment assets	99,966	95,727	68,249	69,816	249,958	246,926
Investments accounted for using the equity method	-	-	-	-	418	420

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The total of the segment figures can be reconciled to the corresponding Group figures as follows:

in € million	2nd quarter 2023*	2nd quarter 2022	1 January to 30 June 2023	1 January to 30 June 2022
<b>Reconciliation of segment result</b>				
Total for reportable segments	4,060	3,841	8,808	8,008
Financial result of Automotive segment	- 158	63	- 107	8,116
Financial result of Motorcycles segment	1	1	1	2
Elimination of inter-segment items	319	24	649	30
<b>Group profit before tax</b>	<b>4,222</b>	<b>3,929</b>	<b>9,351</b>	<b>16,156</b>
<b>Reconciliation of capital expenditure on non-current assets</b>				
Total for reportable segments	8,620	7,544	15,403	14,331
Elimination of inter-segment items	- 1,462	- 1,301	- 2,746	- 2,663
<b>Total Group capital expenditure on non-current assets</b>	<b>7,158</b>	<b>6,243</b>	<b>12,657</b>	<b>11,668</b>
<b>Reconciliation of depreciation and amortisation on non-current assets</b>				
Total for reportable segments	4,778	4,586	9,379	8,990
Elimination of inter-segment items	- 1,013	- 1,079	- 2,045	- 2,272
<b>Total Group depreciation and amortisation on non-current assets</b>	<b>3,765</b>	<b>3,507</b>	<b>7,334</b>	<b>6,718</b>

\* Additional information: not subject to external auditor review.

44 Accounting Principles and Policies

48 Notes to the Income Statement

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54 Other Disclosures

**66 Segment Information**

The total of the segment figures can be reconciled to the corresponding Group figures as follows:

in € million	30.6.2023	31.12.2022
<b>Reconciliation of segment assets</b>		
Total for reportable segments	181,709	177,110
Financial and other assets – Automotive	71,991	71,742
Trade payables – Automotive	13,985	12,763
Financial and other assets – Motorcycles	69	50
Trade payables – Motorcycles	534	494
Total liabilities – Financial Services	129,093	131,676
Non-operating assets – Other Entities	22,880	23,072
Elimination of inter-segment items	- 170,303	- 169,981
<b>Total Group assets</b>	<b>249,958</b>	<b>246,926</b>

Munich, 1 August 2023

**Bayerische Motoren Werke**  
Aktiengesellschaft

The Board of Management

Oliver Zipse

Ilka Horstmeier

Walter Mertl

Dr.-Ing. Milan Nedeljković

Pieter Nota

Dr.-Ing. Joachim Post

Frank Weber

# RESPONSIBILITY STATEMENT BY THE COMPANY'S LEGAL REPRESENTATIVES

"To the best of our knowledge, and in accordance with the applicable principles for interim financial reporting, the Interim Group Financial Statements give a true and fair view of the assets, liabilities, financial position and results of operations of the Group, and the Interim Group Management Report includes a fair review of the development and performance of business and position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group for the remaining months of the financial year."

Munich, 1 August 2023

**Bayerische Motoren Werke**  
Aktiengesellschaft

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# REVIEW REPORT

## To Bayerische Motoren Werke Aktiengesellschaft, München

We have reviewed the condensed consolidated interim financial statements – comprising the income statement, condensed statement of comprehensive income, balance sheet, condensed cash flow statement, statement of changes in equity and selected explanatory notes – and the interim group management report of Bayerische Motoren Werke Aktiengesellschaft, München, for the period from January 1, 2023, to June 30, 2023, which are part of the half-year financial report pursuant to § (Article) 115 WpHG ("Wertpapierhandelsgesetz": German Securities Trading Act). The preparation of the condensed consolidated interim financial statements in accordance with the IFRS applicable to interim financial reporting as adopted by the EU and of the interim group management report in accordance with the provisions of the German Securities Trading Act applicable to interim group management reports is the responsibility of the parent Company's Board of Managing Directors. Our responsibility is to issue a review report on the condensed consolidated interim financial statements and on the interim group management report based on our review.

We conducted our review of the condensed consolidated interim financial statements and the interim group management report in accordance with German generally accepted standards for the review of financial statements promulgated by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany) (IDW). Those standards require that we plan and perform the review so that we can preclude through critical evaluation, with moderate assurance, that the condensed consolidated interim financial statements have not been prepared, in all material respects, in accordance with the IFRS applicable to interim financial reporting as adopted by the EU and that the interim group management report has not been prepared, in all material respects, in accordance with the provisions of the German Securities Trading Act applicable to interim group management reports. A review is limited

primarily to inquiries of company personnel and analytical procedures and therefore does not provide the assurance attainable in a financial statement audit. Since, in accordance with our engagement, we have not performed a financial statement audit, we cannot express an audit opinion.

Based on our review, no matters have come to our attention that cause us to presume that the condensed consolidated interim financial statements have not been prepared, in all material respects, in accordance with the IFRS applicable to interim financial reporting as adopted by the EU nor that the interim group management report has not been prepared, in all material respects, in accordance with the provisions of the German Securities Trading Act applicable to interim group management reports.

Munich, 2 August 2023

## PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft

Petra Justenhoven Wirtschaftsprüferin (German Public Auditor)	Michael Popp Wirtschaftsprüfer (German Public Auditor)
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# OTHER INFORMATION

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[75 Consumption and Carbon Disclosures](#)

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# CONSUMPTION AND CARBON DISCLOSURES

Figures according to WLTP

Model	Fuel consumption in l / 100 km (combined / weighted combined) max / min	CO <sub>2</sub> emissions in g / km (combined / weighted combined) max / min	Electricity power consumption in kWh / 100 km (combined / weighted combined) max / min	Electric range (combined / weighted combined)
<b>BMW</b>				
BMW i4 eDrive40	-	-	19.1 – 16.1	493 – 590
BMW i4 M50	-	-	22.5 – 18.0	416 – 520
BMW i5 eDrive40	-	-	18.9 – 15.9	497 – 582
BMW i5 M60 xDrive	-	-	20.6 – 18.2	455 – 516
BMW i7 xDrive60	-	-	19.6 – 18.4	591 – 625
BMW i7 M70 xDrive	-	-	23.7 – 20.8	490 – 559
BMW iX xDrive40	-	-	21.1 – 19.5	394 – 422
BMW iX xDrive50	-	-	21.5 – 20.7	587 – 607
BMW iX M60	-	-	24.5 – 22.5	502 – 549
BMW iX1 xDrive30	-	-	18.4 – 17.3	413 – 438
BMW iX3	-	-	18.9 – 18.5	453 – 461
BMW XM	1.9 – 1.5	43 – 35	33.6 – 32.5	76 – 83
BMW XM Label Red	2.0 – 1.6	45 – 35	33.5 – 32.5	76 – 82
<b>MINI</b>				
MINI Cooper SE	-	-	17.6 – 15.4	203 – 232
MINI Cooper SE Cabrio*	-	-	17.2	201
<b>Rolls-Royce</b>				
Rolls-Royce Cullinan	16.5 – 16.1	377 – 368	-	-
Rolls-Royce Ghost	15.8 – 15.2	359 – 347	-	-
Rolls-Royce Spectre*	-	-	21.5	520

\* Values are preliminary.

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## **THE BMW GROUP ON THE INTERNET**

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➤ [www.bmwgroup.com](http://www.bmwgroup.com)

Investor Relations information is available directly at:

➤ [www.bmwgroup.com/ir](http://www.bmwgroup.com/ir)

Information about the various BMW Group brands is available at:

➤ [www.bmw.com](http://www.bmw.com)

➤ [www.mini.com](http://www.mini.com)

➤ [www.rolls-roycemotorcars.com](http://www.rolls-roycemotorcars.com)

➤ [www.bmw-motorrad.com](http://www.bmw-motorrad.com)

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