

## Credit Rating Report

# BMW AG

Issuer Credit Rating\*: AAA<sub>spc</sub>; Outlook: Stable

Rating Date: July 2, 2026

Date of Expiry: July 1, 2027

### Primary Analyst:

Zhe Yang: +86-10-6516- 6032 ; Zhe.Yang@spgchinaratings.cn

### Secondary Analyst:

Huang Wang, CPA: +86-10-6516-6029; Huang.Wang@spgchinaratings.cn

## Contents

Rating Summary.....	2
Credit Highlights.....	2
Overview.....	2
Rating Outlook.....	3
Related Methodologies, Models & Research.....	3
Attachment 1: Research Update of BMW AG by S&P Global Ratings on August 2025.....	5
Attachment 2: Full Analysis of BMW AG by S&P Global Ratings on July 2025.....	14
Appendix.....	33

\* This rating is an Issuer Credit Rating (ICR). An ICR typically reflects our view of the senior unsecured credit rating of an issuer and is not specific to an individual issuance that it may issue.

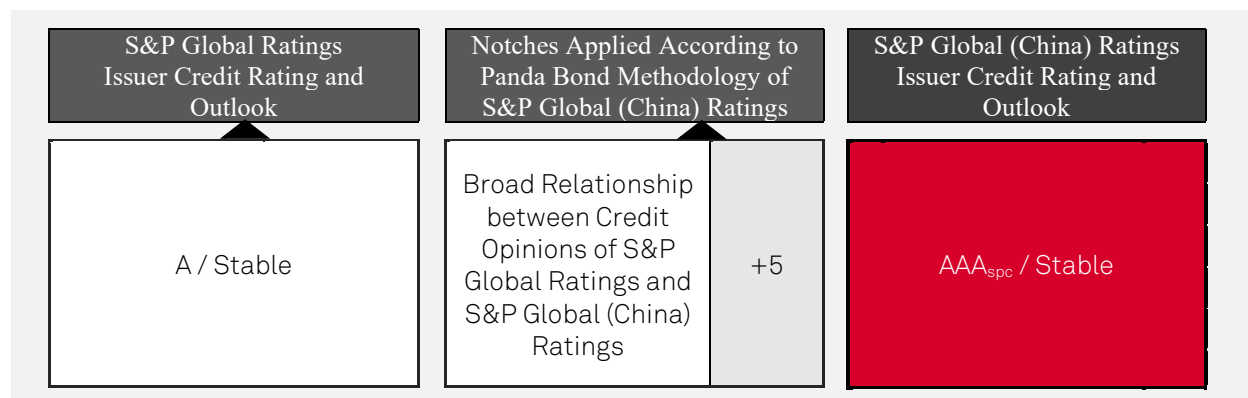
S&P RATINGS (CHINA) CO., LTD. (SP CHINA) RATINGS, AS DESIGNATED BY "spc" AT THE END OF THE RATING SYMBOL, ARE ASSIGNED ON A RATING SCALE THAT IS DISTINCT FROM THE S&P GLOBAL RATING SCALE. AN S&P CHINA RATING MUST NOT BE EQUATED WITH OR REPRESENTED AS A RATING ON THE S&P GLOBAL RATINGS SCALE.

The above "Date of Expiry" refers to the validity period of this report. The rating presented in this report is effective from the rating date until the date of expiry.

This document is an English translation of the Chinese original and is provided for reference purposes only at the discretion of S&P China. This translation is not required by law or any regulation, and should not be used for any regulatory purpose. While reasonable efforts have been made to ensure the consistency of this translation with the Chinese original, certain elements may not be translated accurately due to fundamental linguistic differences between the two languages. The Chinese version will prevail in the event of any inconsistency between the English version and the Chinese version.

## Rating Summary

Company Name	Rating Type	Current Rating	Rating Date	Outlook/Credit Watch
BMW AG	Issuer Credit Rating	AAA <sub>spc</sub>	July 2, 2026	Stable



## Credit Highlights

The following are strengths and weaknesses of BMW AG as identified by S&P Global Ratings:

Key strengths	Key risk
<ul style="list-style-type: none"> <li>— A global premium automotive manufacturer with a market share of about 18% (January to July 2025) in the premium segment, for its highly recognized brand BMW, and geographically well-diversified sales.</li> </ul>	<ul style="list-style-type: none"> <li>— Large exposure to China (about 25.4% of cars sold in 2025), a region where the group will likely face increasingly tougher competitive market conditions, in our view.</li> </ul>
<ul style="list-style-type: none"> <li>— Flexible powertrain strategy, and timely transition to the new Neue Klasse architecture supporting BEVs hybrid and gasoline powertrains.</li> </ul>	<ul style="list-style-type: none"> <li>— Some scale-linked mismatch between production and sales and global vs local sourcing exposing the group to tariffs for import of finished vehicles and parts into the U.S. from Europe and Mexico, and of EVs from China into Europe.</li> </ul>
<ul style="list-style-type: none"> <li>— Well positioned to tackle tightening carbon dioxide regulations in Europe.</li> </ul>	<ul style="list-style-type: none"> <li>— Although peaking in 2024, research and development (R&amp;D) and capital expenditure (capex) remains above 12.0% of auto revenues on average over 2023–2027 for new architectures and model launches. At times of weaker demand this lack of flexibility may constrain earnings and free operating cash flows (FOCF).</li> </ul>
<ul style="list-style-type: none"> <li>— Well-established captive finance operations support vehicle sales and leasing, particularly in the U.S. and Europe, characterized by strong asset quality and conservative residual value exposure management.</li> </ul>	

Note: This key strengths and risks analysis is an excerpt from the credit report on BMW AG dated July 11, 2015 from S&P Global Ratings, and it should be used and interpreted in the context of the rating criteria of S&P Global Ratings. See the appendix for the full report from S&P Global Ratings.

## Overview

BMW AG has received an issuer credit rating of 'A' and a 'Negative' outlook from S&P Global Ratings. Based on the rating level assigned by S&P Global Ratings, and in accordance with the S&P Global Ratings the S&P Global (China) Ratings Panda Bond Methodology, S&P Global (China) Ratings has assigned an issuer credit rating of 'AAA' and a 'Stable' outlook to BMW AG.

According to our Panda Bond Methodology, for analyzing Foreign Issuers, we typically consider the credit opinion of S&P Global Ratings on that issuer and use such credit opinion as the starting point for S&P Global (China) Ratings' rating determination. Where the Foreign Issuer has a credit quality that's equivalent to or higher than BBB category credit quality as determined by S&P Global Ratings, S&P Global (China) Ratings may assign an issuer credit rating of AAA<sub>spc</sub>. When the Foreign Issuer's credit quality declines, S&P Global (China) Ratings' issuer credit rating will be adjusted down accordingly. Where the Foreign Issuer has a credit quality that's equivalent to B category credit quality as determined by S&P Global Ratings, S&P Global (China) Ratings may assign a similar view of credit quality that falls within B<sub>spc</sub> category.

S&P Global Ratings assigned a stand-alone credit profile of "a" to BMW, and based on the approximate relationship between S&P Global and S&P Global (China) Ratings' credit quality opinions, we consider BMW's stand-alone credit quality to be extremely high in S&P Global (China) Ratings' national scale, equivalent to "aaa<sub>spc</sub>".

## Rating Outlook

The stable outlook considers the ratings which S&P Global Ratings has assigned to BMW and the notching uplift we have applied. According to S&P Global (China) Ratings' Panda Bond Methodology, S&P Global (China) Ratings may assign an issuer credit rating of 'AAA' if the corresponding S&P Global Ratings assessment is at the 'BBB' category or above. In the case of BMW AG, the current 'A/Negative' rating from S&P Global Ratings remains well above the threshold that would trigger a downgrade by S&P Global (China) ratings. Consequently, S&P Global (China) Ratings has assigned a 'stable' outlook to BMW AG.

**Upside Scenario:** Not applicable.

**Downside Scenario:** We may consider the possibility of lowering our ratings on BMW if S&P Global Ratings downgrades the issuer to BB category, which we believe is highly unlikely to occur in the next two years.

## S&P Global (China) ratings' Latest Issuer Credit Rating Result on BMW AG

Issuer Credit Rating	Outlook/Watch	Rating date	Maturity Date
AAA <sub>spc</sub>	Stable	July 2, 2025	July 1, 2026

## Related Methodologies, Models & Research

### Methodology:

- [S&P Global \(China\) Ratings -Panda Bond Methodology, April 23, 2025.](#)
- [S&P Global \(China\) Ratings General Considerations on Rating Modifiers and Relative Ranking, May 21, 2019.](#)

**Research:** None.

**Models:** None.

## Declaration

No association that may affect the independence, objectivity and unbiasedness of the rating process exists between S&P Global (China) Ratings or its analysts and the rated entity, other than the engagement as a result of this credit rating project.

This rating is based on publicly available information or information provided by the rated entity or collected in compliance with regulatory requirements. S&P Global (China) Ratings has conducted prudent analysis on such information but not guarantee the legitimacy, accuracy, adequacy, or completeness of any information used.

S&P Global (China) Ratings and its analysts have conducted on-site investigations and observed their fiduciary duties, thus have confidence to assure that this rating report adheres to principles of truthfulness, objectivity and unbiasedness.

S&P Global (China) Ratings arrived at analytical conclusions presented in this credit rating report based on its own methodologies and procedures and did not change any of its rating opinions as a result of any inappropriate influence from the rated entity or any other organization(s) or individual(s).

This credit rating report is used to support related decision making, and does not constitute a conclusion or recommendation that any particular decision(s) should be made.

## Surveillance Plan

S&P Ratings (China) Co., Ltd. shall monitor the credit quality of the rated issuer on a periodic (if applicable) and an ongoing basis. If any material credit events are likely to change the credit quality of the issuer, we will conduct ad hoc surveillance and determine whether the outstanding ratings need to be adjusted.

### Head of Analytics

Dan Li

Beijing

Dan.li@spgchinaratings.cn

### Primary Credit Analyst

Zhe Yang

Beijing

Zhe.yang@spgchinaratings.cn

### Secondary Contact

Huang Wang

Beijing

Huang.wang@spgchinaratings.cn

Research Update:

# BMW Outlook Revised To Negative On Turbulent Market Conditions; 'A/A-1' Ratings Affirmed

August 1, 2025

## Rating Action Overview

- Competitive pressure in China combined with import tariff-related headwinds on earnings are denting German car manufacturer BMW's rating headroom.
- We expect profitability, specifically the S&P Global Ratings-adjusted EBITDA margin, to come under pressure in 2025 and 2026.
- We therefore revised our outlook on BMW to negative from stable. At the same time, we affirmed our long- and short-term 'A/A-1' issuer credit ratings on BMW and its rated subsidiaries as well as our 'A/A-1' issue ratings on the company's debt.
- The negative outlook reflects the market erosion in China, the lack of clarity regarding when market conditions in the region will return to normal, and the uncertainty over pending tariff negotiations with the U.S. administration.

### Primary contact

**Vittoria Ferraris**  
Milan  
390272111207  
vittoria.ferraris  
@spglobal.com

### Secondary contact

**Lukas Paul**  
Frankfurt  
49-693-399-9132  
lukas.paul  
@spglobal.com

## Rating Action Rationale

**China will continue to be a challenging market for BMW over 2025-2026.** With market growth concentrated in a price area below Chinese yuan (CNY) 300,000 (approximately €36,000), China-- which represents little less than 30% of the group's global sales--remains BMW's main problem. The group reported a 13.7% year-on-year decline in sales in the country in the second quarter of 2025, although sequentially this is an improvement on the 17% sales decline in the first quarter. While the Mini brand, supported by a refreshed electric model range, is showing positive momentum, the BMW brand's market share in the battery electric vehicles (BEV) segment is eroding despite being listed among the top selling BEV brands in Europe. We do not expect competitive pressure from Chinese domestic original equipment manufacturers to ease substantially in the second half of 2025 since EV startups such as Xiaomi, Xpeng, and Li Auto are ready to flood the market with new full electric models that have attractive ranges, faster charging speeds, and interactive functions. As a result, we think BMW's expectation of flat 2025 sales (with growth or contraction of less than 5%) 2025 sales in China compared to last year (715,000 units) looks ambitious. Our base case also factors in a mid-single-digit percentage decrease in its China sales for this year and a modest decline next year.

## BMW Outlook Revised To Negative On Turbulent Market Conditions; 'A/A-1' Ratings Affirmed

It is unclear whether recent initiatives by the Chinese government--such as urging domestic car manufacturers to shorten payable days to suppliers and limiting the auto finance commissions paid by banks to car dealers, which are then passed onto customers as discounts--will materially alter market dynamics and ease the ongoing price war. In the meantime, we will monitor the impact of BMW's restructuring efforts on its dealer network in China on its bid to restore brand value and defend its premium positioning. Its capillary partnerships with local tech and content suppliers hinge on the perception that BMW is an increasingly local brand, thus mitigating the risk that consumers will shy away from international brands.

**After the 0%-15% EU-U.S. tariff deal, BMW's guidance factors in additional tariff de-escalation.** BMW's 5%-7% auto operating margin assumes a further tariff de-escalation on imports from Mexico and Canada, as well as on steel and aluminum imports into the U.S., for a total tariff impact of 125 basis points on its 2025 automotive EBIT. Our estimate is close to BMW's guidance, resulting in tariff headwinds as high as €1.5 billion for the nine months in 2025. Our tariff impact forecast for 2026 hovers at about €1.8 billion before mitigating measures are considered. We then assume a lower tariff-related impact on earnings from 2027 based on a mix of pricing, product mix, and optimization of the production footprint. The EU-U.S. deal provides BMW with an immediate mitigant: assuming the deal comes into force on August 1, 2025, BMW will be able to import the X-family produced in the U.S. into the EU at 0% tariffs, compared to 10% previously, leading to a higher share of European sales sourced in the U.S. compared to 12% currently.

**Long-term profitable growth remains BMW's main challenge.** Declining sales in China and U.S. tariff headwinds will drive the company's adjusted EBITDA margins below our downgrade threshold of 11% in 2025 and 2026, and we anticipate a recovery no earlier than 2027. Over a longer horizon, tariffs pose a challenge to BMW's long-standing target of an 8%-10% auto operating margin corridor. The group remains confident to hit the target by combining: increased local content in China where structure and labor costs are well below their equivalent in Europe and the U.S.; reduced fixed cost, including research and development (R&D), capital expenditure (capex), and other fixed costs; and the transition to BMW's new architecture Neue Klasse, which aims to narrow the margin gap between electric and internal combustion engine-powered vehicles.

## Outlook

The negative outlook reflects our view that BMW's rating headroom is reducing due to weak volume and pricing in China combined with U.S. tariff-related headwinds in 2025 and 2026. We now expect adjusted EBITDA margins to remain below 11% while free operating cash flow (FOCF) to adjusted revenues will remain solid at more than 3%.

### Downside scenario

We could lower the rating if BMW fails to improve profitability and cash flows, such that its adjusted EBITDA margin remains under 11% or its FOCF to adjusted revenue ratio sustainably drops below 3%. We consider this linked to intense competition in China accompanied by a tough pricing environment, a marked deterioration in U.S. market conditions, or BMW failing to mitigate tariff-related costs. In addition, if BMW fails to defend its 3% market share in China, this would raise concerns on its competitiveness and put pressure on the rating.

## Upside scenario

We could revise the outlook to stable if BMW stabilizes its market position in China and smoothly deploys Neue Klasse and other cost optimization initiatives, such that its EBITDA margin recovers above 11% and the FOCF to adjusted revenue ratio continues to exceed 3%

## Company Description

Germany-based BMW is a leading global automotive manufacturer focused on the premium segment. The group's automotive operations comprise three brands: BMW (89.8% of car deliveries in 2024); Mini (10%); and Rolls-Royce (0.2%).

The group also manufactures motorcycles and operates a captive finance business to support sales operations. In 2024, BMW reported consolidated revenue of €142.4 billion (of which €124.9 billion was from the automotive segment, €3.2 billion from the motorcycle segment, €38.6 billion from financial services, minus €24.3 billion eliminations). The Quandt family (48.5%) owns BMW, and about 51.4% of its shares are free float.

## Our Base-Case Scenario

### Assumptions

- Eurozone real GDP growth of 0.8% in 2025, recovering to 1.1% in 2026, and 1.4% in 2027. Real GDP growth in China of 4.3% in 2025, 4.0% growth in 2026, and 4.3% in 2027. Real GDP growth in the eurozone of 1.7% in 2025, 1.6% growth in 2026, and recovering to 2.0% in 2027.
- Global light vehicle sales to decline by up to 2% in 2025 and 2026, thereafter increasing by up to 2% in 2027, after growth of about 2.1% in 2024 (see "[Global Auto Outlook: From Drive To Dive](#)," May 6, 2025, on RatingsDirect).
- We assume volumes will be a slight headwind in 2025 and 2026 but will recover to positive growth in 2027. We expect the product mix to positively contribute to revenue growth over the period. Pricing effects will be negative this year but turn into a tailwind in 2026. As a result, auto revenue growth will be slightly negative in 2025 before turning positive in 2026 and 2027.
- We assume the estimated impact of U.S. tariffs on the cost of sales to be €1.5 billion in 2025, €1.8 billion in 2026, and €1.0 billion in 2027, when we expect the full impact of mitigation measures to deploy.
- A gradual decline of capex down from a peak of 6.4% of group revenues in 2024, which is consistent with the postlaunch phase of Neue Klasse.
- Our forecast for common and preferred dividend payments reflects BMW's targeted payout ratio of 30%-40% of net profit attributable to BMW AG shareholders.
- Our working assumption is BMW will continue to buy back its own shares worth up to €1.0 billion in 2026 and 2027 (after €1.25 announced for 2025) under its new mandate following the latest annual general meeting.

## Key metrics

### BMW AG--Forecast summary

Period ending	Dec-31-2021	Dec-31-2022	Dec-31-2023	Dec-31-2024	Dec-31-2025	Dec-31-2026	Dec-31-2027
(Mil. EUR)	2021a	2022a	2023a	2024a	2025e	2026f	2027f
Revenue	79,935	109,029	135,491	128,137	126,145	130,570	135,903
EBITDA (reported)	19,895	22,565	27,456	20,159	19,300	19,053	21,778
Plus/(less): Other	(6,736)	(5,979)	(7,842)	(6,815)	(6,336)	(6,272)	(6,108)
EBITDA	13,159	16,586	19,614	13,344	12,963	12,780	15,670
Less: Cash interest paid	(190)	(213)	(1,031)	(1,207)	(1,265)	(1,224)	(1,201)
Less: Cash taxes paid	(1,794)	(4,025)	(3,472)	(2,043)	(1,233)	(1,165)	(1,924)
Funds from operations (FFO)	11,175	12,348	15,111	10,094	10,465	10,391	12,545
EBIT	10,873	10,760	13,534	7,301	5,980	5,778	8,448
Cash flow from operations (CFO)	9,628	11,788	14,040	12,041	12,667	12,593	13,740
Capital expenditure (capex)	4,101	6,219	8,084	8,289	7,803	7,766	7,308
Free operating cash flow (FOCF)	5,527	5,569	5,956	3,752	4,863	4,827	6,432
Dividends	1,277	5,282	6,915	4,794	2,687	2,437	2,381
Share repurchases (reported)	--	1,278	1,242	1,024	1,000	1,000	1,000
Discretionary cash flow (DCF)	4,250	(991)	(2,201)	(2,066)	1,176	1,390	3,051
Debt (reported)	101,043	91,432	92,471	108,708	114,183	119,399	122,615
Plus: Lease liabilities debt	2,420	2,764	2,539	2,553	2,567	2,581	2,595
Less: Accessible cash and liquid investments	(13,785)	(12,628)	(12,252)	(13,692)	(13,720)	(13,710)	(13,407)
Plus/(less): Other	(101,627)	(91,371)	(92,211)	(107,277)	(112,752)	(117,968)	(121,184)
<b>Adjusted ratios</b>							
Annual revenue growth (%)	13.5	36.4	24.3	(5.4)	(1.6)	3.5	4.1
Gross margin (%)	1.9	3.6	17.6	17.8	16.9	16.3	17.8
EBITDA margin (%)	16.5	15.2	14.5	10.4	10.3	9.8	11.5
FOCF/adjusted revenues (%)	6.9	5.1	4.4	2.9	3.9	3.7	4.7

## Liquidity

Our short-term rating on BMW is 'A-1'. We assess the group's liquidity as strong because we expect liquidity sources to cover uses by more than 2.0x in the next 24 months. We do not assess liquidity as exceptional because we think the company may not maintain its liquidity buffers such that sources of liquidity exceed uses by more than 2.0x in weaker market conditions. We perform our liquidity analysis for BMW on a joint basis, which looks at industrial and captive operations in combination.

## BMW Outlook Revised To Negative On Turbulent Market Conditions; 'A/A-1' Ratings Affirmed

Our estimated net cash inflows and outflows from BMW's portfolio run-off, portfolio reinvestment, and debt maturities can be broken down as follows:

- Gross portfolio run-off: Inflows from contractual repayments of loans and finance principal, as well as expected proceeds from the remarketing of leased assets, totaling about €54 billion and €24 billion in the first and subsequent 12 months, respectively;
- Net portfolio run-off: We net these amounts with our assumption of €8 billion portfolio investments in the first 12 months and €4 billion in the subsequent 12 months, which we assume BMW would undertake using its own funds during periods of constrained capital market access. These estimates are based on an imputed debt-to-equity ratio that we apply to the gross portfolio run-off plus cash receipts from operating leases (see liquidity sources); and
- The group's debt maturities of about €32 billion in the first 12 months and €22 billion in the subsequent 12 months, which we calculate by subtracting our estimate of stable retail deposits from total maturities of €37 billion in the first 12 months and €23 billion in the subsequent 12 months. The amount of stable retail deposits is calculated after deducting our estimate of monthly deposit attrition.

Our strong liquidity assessment for BMW is supported by:

- Our view that BMW enjoys well-established relationships with banks, reflected in the available committed revolving credit facility (RCF) of €8 billion with a broad consortium of more than 40 domestic and international banks;
- Our liquidity coverage metric for the group of about 0.7x in the 12 months from April 1, 2025, is well above the 0.5x threshold at which we typically consider liquidity coverage to be weaker;
- Our estimate of a coverage ratio of scheduled asset maturities to contractual debt repayments of more than 1.2x in the next 24 months; and
- Good diversification of funding sources across markets and instruments, including bonds, bank debt, asset-backed securities (ABS), deposits, and commercial paper (CP), as well as a track record of tapping these sources in a variety of market conditions.

### Principal liquidity sources

For the 24 months starting March 31, 2025, we include:

- Cash and liquid investments of about €18 billion for the group (industrial and captive finance operations);
- An undrawn €8.0 billion committed RCF due 2030;
- Cash funds from operations from BMW's industrial business of €15 billion-€16 billion annually;
- Minimum net cash receipts from operating lease installments of the existing leasing portfolio (excluding investments in new leased assets) of €6 billion in the first 12 months and €3.5 billion in the second 12 months; and
- Cash inflow of about €8.8 billion in the first 12 months that reflects the net amount of cash receipts from maturities in the existing captive asset

### Principal liquidity uses

For the same period, we include:

- Capex (including capitalized R&D) of about €11 billion annually in each period;
- Peak intra-year working capital swings of up to €3 billion;
- Dividend payouts of €2.5 billion-€3.5 billion annually, including dividends to minority shareholders in BMW Brilliance Automotive Ltd.; and
- Cash outflow of about €5.4 billion from the net portfolio run-off in the second year (12-24 months from March 31, 2025).

portfolio, a reduced level of portfolio reinvestment from BMW's own funds, and the group's debt maturities.

## Covenants

There are no financial covenants, rating triggers, or material adverse change clauses in the documentation for BMW's €8.0 billion undrawn RCF due 2028, nor in BMW's other debt documentation, including for its unsecured bonds, ABS, CP, and bank debt.

## Issue Ratings--Subordination Risk Analysis

### Capital structure

BMW had about €108 billion of debt (excluding derivatives) as of December 2024, of which €3 billion relates to the automotive business. BMW typically funds about 50% of its total debt with public unsecured notes, mostly at its finance companies, in particular BMW Finance N.V. and BMW U.S. Capital LLC.

### Analytical conclusions

We rate BMW's senior unsecured debt 'A', in line with the issuer credit rating since we see no significant elements of subordination risk present in the capital structure.

## Rating Component Scores

### Rating Component Scores

#### Component

Foreign currency issuer credit rating	A/Negative/A-1
Local currency issuer credit rating	A/Negative/A-1
Business risk	Satisfactory
Country risk	Low
Industry risk	Moderately high
Competitive position	Strong
Financial risk	Minimal
Cash flow/leverage	Minimal
Anchor	a
<b>Modifiers</b>	
Diversification/portfolio effect	Neutral/undiversified
Capital structure	Neutral
Financial policy	Neutral
Liquidity	Strong
Management and governance	Neutral

## Rating Component Scores

### Component

Comparable rating analysis	Neutral
Stand-alone credit profile	a

## Related Criteria

- [Criteria | Corporates | General: Sector-Specific Corporate Methodology](#), July 7, 2025
- [Criteria | Corporates | General: Methodology: Management And Governance Credit Factors For Corporate Entities](#), Jan. 7, 2024
- [Criteria | Corporates | General: Corporate Methodology](#), Jan. 7, 2024
- [Criteria | Corporates | General: Methodology: The Impact Of Captive Finance Operations On Nonfinancial Corporate Issuers](#), Oct. 23, 2023
- [General Criteria: Environmental, Social, And Governance Principles In Credit Ratings](#), Oct. 10, 2021
- [General Criteria: Group Rating Methodology](#), July 1, 2019
- [Criteria | Corporates | General: Corporate Methodology: Ratios And Adjustments](#), April 1, 2019
- [Criteria | Corporates | General: Reflecting Subordination Risk In Corporate Issue Ratings](#), March 28, 2018
- [General Criteria: Methodology For Linking Long-Term And Short-Term Ratings](#), April 7, 2017
- [Criteria | Corporates | General: Methodology And Assumptions: Liquidity Descriptors For Global Corporate Issuers](#), Dec. 16, 2014
- [General Criteria: Country Risk Assessment Methodology And Assumptions](#), Nov. 19, 2013
- [General Criteria: Methodology: Industry Risk](#), Nov. 19, 2013
- [General Criteria: Principles Of Credit Ratings](#), Feb. 16, 2011

## Related Research

- [Industry Credit Outlook Update Europe: Autos](#), July 16, 2025
- [Global Auto Outlook: From Drive To Dive](#), May 6, 2025
- [Industry Credit Outlook 2025: Autos](#), Jan. 14, 2025
- [BMW AG 'A/A-1' Ratings Affirmed Following Implementation Of New Captive Finance Criteria: Off UCO; Outlook Stable](#), Nov. 6, 2023

## Ratings List

### Ratings list

#### Outlook Action; Ratings Affirmed

	To	From
<b>BMW AG</b>		

**BMW Outlook Revised To Negative On Turbulent Market Conditions; 'A/A-1' Ratings Affirmed**

**Ratings list**

Issuer Credit Rating	A/Negative/A-1	A/Stable/A-1
<b>Ratings Affirmed</b>		
<b><u>BMW AG</u></b>		
<b><u>BMW Finance N.V.</u></b>		
<b><u>BMW International Investment B.V.</u></b>		
<b><u>BMW U.S. Capital LLC</u></b>		
Commercial Paper	A-1	
<b><u>BMW Canada Inc.</u></b>		
<b><u>BMW Finance N.V.</u></b>		
<b><u>BMW International Investment B.V.</u></b>		
<b><u>BMW Japan Finance Corp.</u></b>		
<b><u>BMW U.S. Capital LLC</u></b>		
Senior Unsecured	A	

Certain terms used in this report, particularly certain adjectives used to express our view on rating relevant factors, have specific meanings ascribed to them in our criteria, and should therefore be read in conjunction with such criteria. Please see Ratings Criteria at <https://disclosure.spglobal.com/ratings/en/regulatory/ratings-criteria> for further information. A description of each of S&P Global Ratings' rating categories is contained in "S&P Global Ratings Definitions" at <https://disclosure.spglobal.com/ratings/en/regulatory/article/-/view/sourceId/504352>. Complete ratings information is available to RatingsDirect subscribers at [www.capitaliq.com](http://www.capitaliq.com). All ratings referenced herein can be found on S&P Global Ratings' public website at [www.spglobal.com/ratings](http://www.spglobal.com/ratings).

## BMW Outlook Revised To Negative On Turbulent Market Conditions; 'A/A-1' Ratings Affirmed

Copyright © 2026 by Standard & Poor's Financial Services LLC. All rights reserved.

No content (including ratings, credit-related analyses and data, valuations, model, software or other application or output therefrom) or any part thereof (Content) may be modified, reverse engineered, reproduced or distributed in any form by any means, or stored in a database or retrieval system, without the prior written permission of Standard & Poor's Financial Services LLC or its affiliates (collectively, S&P). The Content shall not be used for any unlawful or unauthorized purposes. S&P and any third-party providers, as well as their directors, officers, shareholders, employees or agents (collectively S&P Parties) do not guarantee the accuracy, completeness, timeliness or availability of the Content. S&P Parties are not responsible for any errors or omissions (negligent or otherwise), regardless of the cause, for the results obtained from the use of the Content, or for the security or maintenance of any data input by the user. The Content is provided on an "as is" basis. S&P PARTIES DISCLAIM ANY AND ALL EXPRESS OR IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE, FREEDOM FROM BUGS, SOFTWARE ERRORS OR DEFECTS, THAT THE CONTENT'S FUNCTIONING WILL BE UNINTERRUPTED OR THAT THE CONTENT WILL OPERATE WITH ANY SOFTWARE OR HARDWARE CONFIGURATION. In no event shall S&P Parties be liable to any party for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees, or losses (including, without limitation, lost income or lost profits and opportunity costs or losses caused by negligence) in connection with any use of the Content even if advised of the possibility of such damages.

Some of the Content may have been created with the assistance of an artificial intelligence (AI) tool. Published Content created or processed using AI is composed, reviewed, edited, and approved by S&P personnel.

Credit-related and other analyses, including ratings, and statements in the Content are statements of opinion as of the date they are expressed and not statements of fact. S&P's opinions, analyses and rating acknowledgment decisions (described below) are not recommendations to purchase, hold, or sell any securities or to make any investment decisions, and do not address the suitability of any security. S&P assumes no obligation to update the Content following publication in any form or format. The Content should not be relied on and is not a substitute for the skill, judgment and experience of the user, its management, employees, advisors and/or clients when making investment and other business decisions. S&P does not act as a fiduciary or an investment advisor except where registered as such. While S&P has obtained information from sources it believes to be reliable, S&P does not perform an audit and undertakes no duty of due diligence or independent verification of any information it receives. Rating-related publications may be published for a variety of reasons that are not necessarily dependent on action by rating committees, including, but not limited to, the publication of a periodic update on a credit rating and related analyses.

To the extent that regulatory authorities allow a rating agency to acknowledge in one jurisdiction a rating issued in another jurisdiction for certain regulatory purposes, S&P reserves the right to assign, withdraw or suspend such acknowledgment at any time and in its sole discretion. S&P Parties disclaim any duty whatsoever arising out of the assignment, withdrawal or suspension of an acknowledgment as well as any liability for any damage alleged to have been suffered on account thereof.

S&P keeps certain activities of its business units separate from each other in order to preserve the independence and objectivity of their respective activities. As a result, certain business units of S&P may have information that is not available to other S&P business units. S&P has established policies and procedures to maintain the confidentiality of certain non-public information received in connection with each analytical process.

S&P may receive compensation for its ratings and certain analyses, normally from issuers or underwriters of securities or from obligors. S&P reserves the right to disseminate its opinions and analyses. S&P's public ratings and analyses are made available on its Web sites, [www.spglobal.com/ratings](http://www.spglobal.com/ratings) (free of charge), and [www.ratingsdirect.com](http://www.ratingsdirect.com) (subscription), and may be distributed through other means, including via S&P publications and third-party redistributors. Additional information about our ratings fees is available at [www.spglobal.com/usratingsfees](http://www.spglobal.com/usratingsfees).

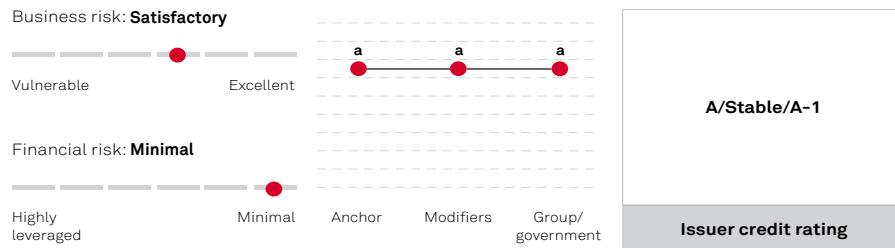
STANDARD & POOR'S, S&P and RATINGSDIRECT are registered trademarks of Standard & Poor's Financial Services LLC.

# BMW AG

July 11, 2025

This report does not constitute a rating action.

## Ratings Score Snapshot



### Primary contact

**Vittoria Ferraris**  
Milan  
390272111207  
vittoria.ferraris  
@spglobal.com

### Additional contact

**Lukas Paul**  
Frankfurt  
49-693-399-9132  
lukas.paul  
@spglobal.com

## Credit Highlights

### Overview

Key strengths	Key risks
A global premium automotive manufacturer with a market share of about 18% (2025 year to date) in the premium segment, for its highly recognized brand BMW, and geographically well-diversified sales.	Large exposure to China (just under than 30% of cars sold in 2024), a region where the group will likely face increasingly tougher competitive market conditions, in our view.
Flexible powertrain strategy, and timely transition to the new Neue Klasse architecture supporting BEVs hybrid and gasoline powertrains.	Some scale-linked mismatch between production and sales and global vs local sourcing exposing the group to tariffs for import of finished vehicles and parts into the U.S. from Europe and Mexico, and of EVs from China into Europe.
Well positioned to tackle tightening carbon dioxide regulations in Europe.	Although peaking in 2024, research and development (R&D) and capital expenditure (capex) remains above 12.0% of auto revenues on average over 2023–2027 for new architectures and model launches. At times of weaker demand this lack of flexibility may constrain earnings and free operating cash flows (FOCF).
Well-established captive finance operations support vehicle sales and leasing, particularly in the U.S. and Europe, characterized by strong asset	

Overview

Key strengths

quality and conservative residual value exposure management.

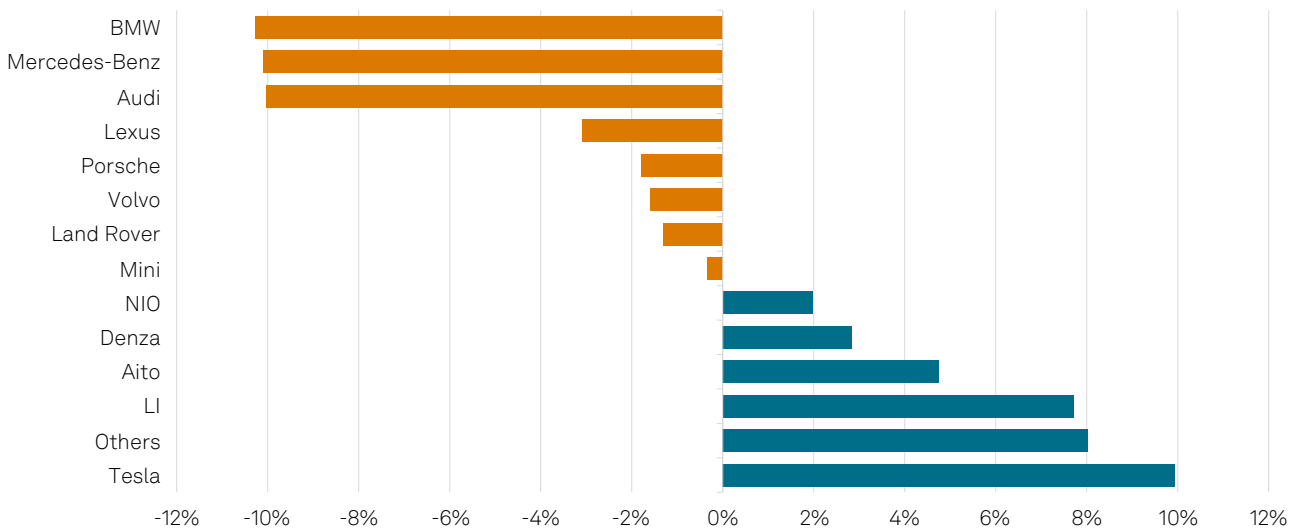
Key risks

**BMW AG’s sales in China have been declining for the last three quarters.** With little less than 30% of total units sold in 2024, China remains a key market for BMW. In our revised global auto sector forecast, we anticipate slightly declining sales in the region, in addition to ongoing pricing pressure over 2025 and 2026 because of intense competition in the battery electric vehicle (BEV) segment and declining appeal of internal combustion engine (ICE)-powered vehicles. Unlike in Europe and the U.S., we think BMW’s premium positioning in China is less effective in protecting it against aggressive price competition because China-based original equipment manufacturers (OEMs) are gaining market share in the domestic premium space.

BMW remains highly committed to China where it aims to defend its 3% market share. To counter the offensive of domestic competitors, BMW is fostering a local-for-local approach, consisting in strengthening local footprint for development and purchasing, and increasing use of local off the shelf solutions. The transition to the new architecture Neue Klasse in 2026 represents an opportunity to enhance BMW’s market position in China, in that it increases range and charging speed of BEVs, improves energy efficiency, and improves digital interaction to create a more user friendly and personalized driving experience.

Change in premium market share in China

2025 year to date compared with 2019



Year to date--January to May 2025. Source: S&P Global Ratings.

Copyright © 2025 by Standard & Poor’s Financial Services LLC. All rights reserved.

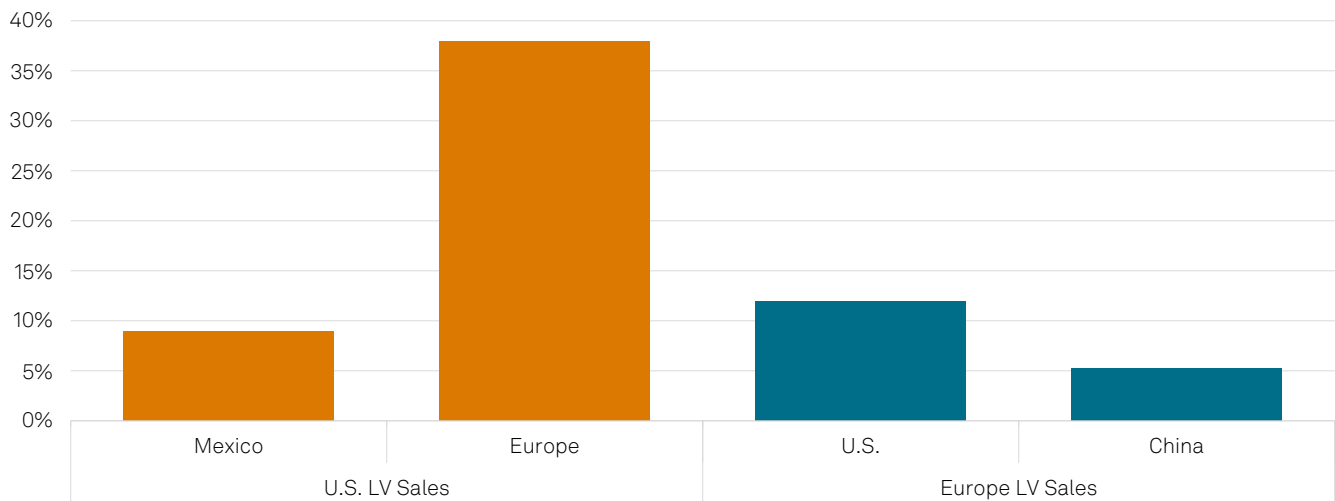
**Increasing geopolitical tensions expose BMW to the risk of paying import tariffs.** Under our 25% assumption of a permanent import tariff on Completely Built Up vehicles and parts into the U.S. from Europe (including the U.K.), Mexico, and, to a lesser extent, South Africa. We think that

BMW's exposure is high as 15% of its pre-tariff 2025 EBITDA before any mitigating action by the group. This is despite the large production footprint in the U.S., BMW's facilities are in Spartanburg, South Carolina, which is the group's biggest plant. It hosts the production of its SUVs (X3, X4, X5, X6; X7; XM), which are either sold in the domestic market or exported to Europe. We consider BMW's neutral net export position as potentially mitigating its exposure to the import tariffs, even before considering any other strategic levers in terms of pricing, mix, and relocations. We have lower visibility on the potential consequences of tariffs on U.S. imports from Mexico where the group produces the 3 series, the 2 series coupe, and the M2, and where BMW intends to build its Neue Klasse concept as from 2027. With this in mind, we estimate that any exposure to tariffs on U.S. imports from Mexico is lower (based on the current setup) compared to the direct exposure to tariffs on imports from Europe in terms of EBITDA at risk (see "[Auto Industry Buckles Up For Trump's Proposed Tariffs on Car Imports](#)," Nov. 29, 2024). We do not exclude any further positive development that could lower EBITDA at risk and at the same time we acknowledge BMW's intention to increase local content in the U.S. Therefore, we conclude that the tariff risk associated with President Donald Trump's second term dents rating headroom but does not represent a key downside risk on the rating.

As of November 2024, BMW is exposed to a 20.7% duty on BEVs produced in China and exported to Europe. This mainly concerns the iX3 (manufacturer suggested retail price [MSRP]: €60,000-€65,000) and the newly launched Mini Aceman and Cooper (MSRP: €28,000-€31,000). BMW recently filed a case with the Court of Justice of the European Union against the tariffs, and in the meantime, it announced its intention to produce the two electric Minis in Oxford from 2026.

**BMW's origin of vehicles sold in the U.S. and Europe**

As a % of local sales, end-2024



Source: S&P Global Ratings.

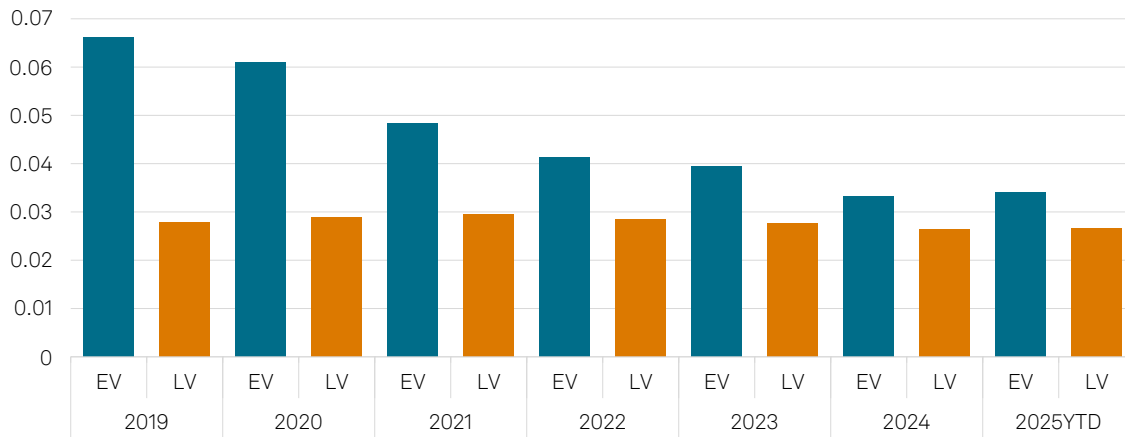
Copyright © 2025 by Standard & Poor's Financial Services LLC. All rights reserved.

**Successful electric vehicle (EV) transition and flexible battery sourcing strategy.** Among legacy manufacturers, BMW stands out for its notable growth in its EV share (as a percentage of global sales) which rose to approximately 24.2% in 2024, with BEVs posting a 13.5% growth year on year, despite relatively uncertain market conditions for EVs outside China. The group remains moderately positive on its capacity to further increase the EV mix in 2025, taking advantage of

the extensive choice of models including the newly launched electric and electrified Mini models (Cooper Aceman and Countryman). From a supply chain perspective, BMW sources battery cells for its EVs from two main suppliers, Korea-based Samsung SDI Co. Ltd. and China-based Contemporary Amperex Technology Co. Ltd.. However, BMW procures cobalt and lithium directly from the mines and makes it available to battery cell suppliers. Following the default of Northvolt AB, ambitions to diversify the provision of battery cells beyond China-based and South Korea-based producers will be more challenging. China-based cell manufacturer EVE Power is building a 28-gigawatt hours (GWh) battery plant in Debrecen (Hungary) to supply cylindrical cells for the sixth-generation batteries for BMW’s Neue Klasse. In the U.S., Envision AESC will supply battery cells for its plant in Spartanburg and in Mexico through its 30 GWh dedicated facility. In an uncertain path to electrification adoption, BMW’s cell procurement strategy remains flexible and technologically agnostic.

**BMW's EV market share is higher than its LV market share**

Global market shares



Year to date--January to April 2025. EV--Electric vehicle (includes battery electric vehicle and plug-in hybrid electric vehicle). LV--Light vehicle. Source: EV Volumes, S&P Global Mobility, S&P Global Ratings. Source: S&P Global Ratings.

Copyright © 2025 by Standard & Poor's Financial Services LLC. All rights reserved.

**Outlook**

The stable outlook reflects our view that BMW will expand its competitive BEV line to build its BEV market share under its main brand, such that it converges with its current passenger car market share across its key regional markets. We forecast that the group will be able to maintain adjusted EBITDA margins well above 11% and sustain adjusted FOCF to sales of at least 3%, supported by measures to optimize pricing and mix, and increase cost efficiency.

**Downside scenario**

We could lower the rating if intense competition in one of BMW’s key regional markets in Europe, China, or the U.S. weakened its market share in key segments, including for BEVs, or resulted in pressure to materially increase investments to keep pace with competing products. We could also lower the rating if a combination of weaker economic conditions, geopolitical risks, and softening demand, compounded by fierce BEV competition, causes BMW’s adjusted EBITDA margin to decrease below 11% and FOCF to sales to fall below 3% on a prolonged basis.

## Upside scenario

We could raise the rating if BMW significantly strengthens its competitive position by further enhancing its BEV line and supply chain, as well as making significant further progress in cutting-edge digital vehicle technology. We would expect this to translate into a materially higher and durable BEV market share than the current passenger car market share, particularly under its core brand in Europe, China, and the U.S. At the same time, an upgrade would depend on BMW maintaining high profitability, with an adjusted EBITDA margin of at least 13% and stronger-than-expected cash conversion on a sustainable basis.

## Our Base-Case Scenario

### Assumptions

- Eurozone real GDP growth of 0.8% in 2025, recovering to 1.1% in 2026, and 1.4% in 2027. Real GDP growth in China of 4.3% in 2025, 4.0% growth in 2026, and 4.3% in 2027. Real GDP growth in the eurozone of 1.7% in 2025, 1.6% growth in 2026, and recovering to 2.0% in 2027.
- Global light vehicle (LV) sales to decline by up to 2% in 2025 and 2026, thereafter increasing by up to 2% in 2027, after a growth of about 2.1% in 2024 (see [“Global Auto Outlook: From Drive To Dive,”](#) May 6, 2025).
- Our forecast for 1.4% revenue decline in BMW's automotive segment in 2025 is based on about 0.4% volume decline, headwinds from net pricing and FX, only partly by positive mix effects. For 2026, we expect automotive revenues to increase by about 3.5% thanks to continued benefits from positive mix and pricing, partly offset by lower overall volumes.
- In our view, the estimated impact of tariffs on the cost of sales will be €1.5 billion for 2025, €1.8 billion in 2026, and €1 billion in 2027, when we expect the bulk of the mitigating actions by BMW to kick in. This assumption is equivalent to the capacity to mitigate approximately 40% of the tariff impact, as estimated by our EBITDA at risk model (founded on a 25% permanent tariff assumption). Cost of sales will benefit from a decline in R&D intensity to 5.8% of group revenues in 2025 to 5% in 2027, down from 6.4% in 2024.
- Cash outflows for working capital between €6.5 billion-€7.5 billion annually.
- A gradual decline of capex down from a peak of 6.4% of group revenues in 2024, which is consistent with the postlaunch phase of the new architecture. In our model, capex gradually declines to 5% toward 2027 in line with the company guidance.
- Our forecast for common and preferred dividend payments reflects BMW's targeted pay-out ratio of 30%-40% of net profit attributable to BMW AG shareholders.
- BMW will continue to buy back own shares worth up to €1.0 billion in 2025, 2026, and 2027 under its new mandate to buy back shares following the latest annual general meeting (AGM).
- We reflected the recall linked to faulty braking system supplied by Continental through a €1 billion provision in 2024 and higher inventories. We do not expect the case to effect 2025 credit metrics.

## Key metrics

### BMW AG--Forecast summary

Period ending	Dec-31-2021	Dec-31-2022	Dec-31-2023	Dec-31-2024	Dec-31-2025	Dec-31-2026	Dec-31-2027
---------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------

**BMW AG--Forecast summary**

(Mil. EUR)	2021a	2022a	2023a	2024a	2025e	2026f	2027f
Revenue	79,935	109,029	135,491	128,137	126,145	130,570	135,903
Gross profit	1,541	3,912	23,807	22,855	21,359	21,347	24,201
EBITDA (reported)	19,895	22,565	27,456	20,159	19,300	19,053	21,778
Plus/(less): Other	(6,736)	(5,979)	(7,842)	(6,815)	(6,336)	(6,272)	(6,108)
EBITDA	13,159	16,586	19,614	13,344	12,963	12,780	15,670
Less: Cash interest paid	(190)	(213)	(1,031)	(1,207)	(1,265)	(1,224)	(1,201)
Less: Cash taxes paid	(1,794)	(4,025)	(3,472)	(2,043)	(1,233)	(1,165)	(1,924)
Funds from operations (FFO)	11,175	12,348	15,111	10,094	10,465	10,391	12,545
EBIT	10,873	10,760	13,534	7,301	5,980	5,778	8,448
Interest expense	236	219	180	241	263	222	199
Cash flow from operations (CFO)	9,628	11,788	14,040	12,041	12,667	12,593	13,740
Capital expenditure (capex)	4,101	6,219	8,084	8,289	7,803	7,766	7,308
Free operating cash flow (FOCF)	5,527	5,569	5,956	3,752	4,863	4,827	6,432
Dividends	1,277	5,282	6,915	4,794	2,687	2,437	2,381
Share repurchases (reported)	--	1,278	1,242	1,024	1,000	1,000	1,000
Discretionary cash flow (DCF)	4,250	(991)	(2,201)	(2,066)	1,176	1,390	3,051
Debt (reported)	101,043	91,432	92,471	108,708	114,183	119,399	122,615
Plus: Lease liabilities debt	2,420	2,764	2,539	2,553	2,567	2,581	2,595
Less: Accessible cash and liquid investments	(13,785)	(12,628)	(12,252)	(13,692)	(13,720)	(13,710)	(13,407)
Plus/(less): Other	(101,627)	(91,371)	(92,211)	(107,277)	(112,752)	(117,968)	(121,184)
Debt	--	--	--	--	--	--	--
Equity	50,296	67,234	76,350	78,049	81,323	84,691	89,883
Interest expense (reported)	214	219	180	232	254	213	190
Capex (reported)	6,619	9,050	10,881	12,205	10,933	10,832	10,210
Cash and short-term investments (reported)	20,252	20,308	19,497	20,757	20,790	20,778	20,426
<b>Adjusted ratios</b>							
Annual revenue growth (%)	13.5	36.4	24.3	(5.4)	(1.6)	3.5	4.1
Gross margin (%)	1.9	3.6	17.6	17.8	16.9	16.3	17.8
EBITDA margin (%)	16.5	15.2	14.5	10.4	10.3	9.8	11.5
Return on capital (%)	23.8	18.3	18.9	9.5	7.5	7.0	9.7

**BMW AG--Forecast summary**

Return on total assets (%)	11.6	10.0	11.3	5.9	4.6	4.2	5.8
----------------------------	------	------	------	-----	-----	-----	-----

## Company Description

Germany-based BMW is a leading global automotive manufacturer focused on the premium segment. The group's automotive operations comprise three brands: BMW (89.8% of car deliveries in 2024); Mini (10%); and Rolls-Royce (0.2%).

The group also manufactures motorcycles and operates a captive finance business to support sales operations. In 2024, BMW reported consolidated revenue of €142.4 billion (of which €124.9 billion was from the automotive segment, €3.2 billion from the motorcycle segment, €38.6 billion from financial services, minus €24.3 billion of eliminations). The Quandt family (48.5%) owns BMW, and about 51.4% of its shares are free float.

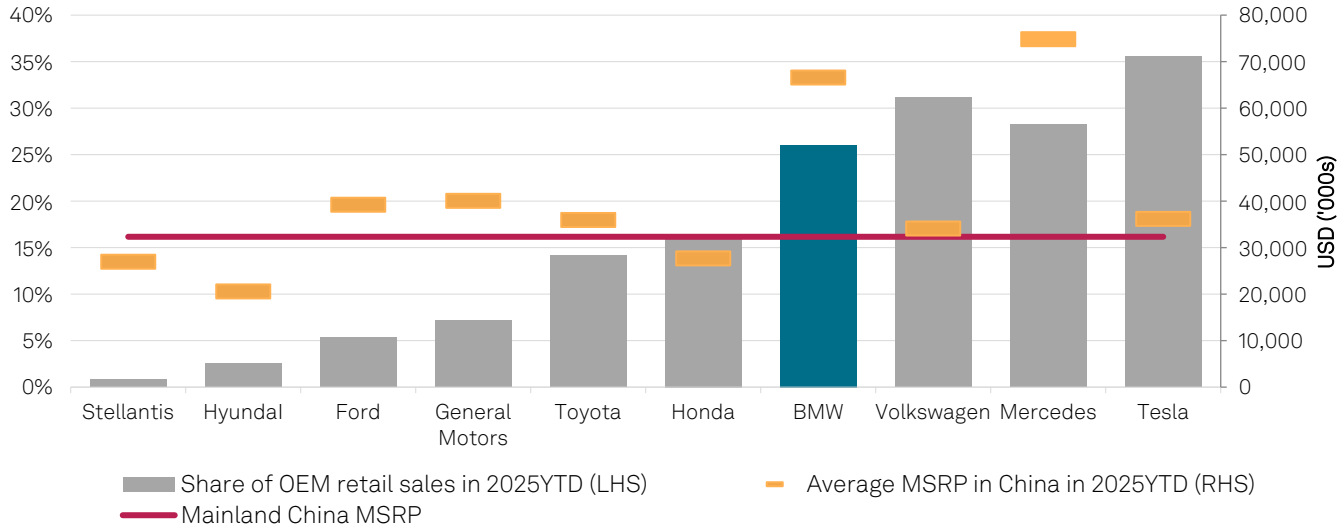
## Peer Comparison

Mercedes-Benz Group AG is BMW's closest peer, given the companies' similar scale and market positioning in the global premium and luxury segments. BMW's EV sales share has expanded significantly faster than Mercedes', with the share of EV sales at about 24.2% for BMW at year-end 2024, compared to 18.5% for Mercedes, and the share of BEV sales at 17.4% for BMW compared with 9.3% for Mercedes. BMW also leads over Volkswagen AG (VW) with 14% EV share in 2024 and 10% for all electric and consistently leads over Toyota Motor Corp. and Honda Motor Co. Ltd. with EV representing a mere 4% and 3% of sales respectively in 2024 out of which 2% were all electric vehicles for both Japan-based OEMs.

After increasing its shareholding to 75% in February 2022, BMW consolidates its joint venture operations in China. We have a positive view of the control of China-based operations, although it does not appear to shield the Germany-based group from the erosion of its market share in China due to strong competition by domestic OEMs, similar to Mercedes.

**China share in total deliveries and average MSRP**

2025 year to date



Year to date--January to May 2025. OEM--Original equipment manufacturer. MSRP--Manufacturer's suggested retail price. Source: S&P Global Ratings. Copyright © 2025 by Standard & Poor's Financial Services LLC. All rights reserved.

Both Mercedes and BMW are exposed to geopolitical tensions and tariff risks due to economies of scale leading to produce certain vehicles in specific location. Before considering any mitigation measures their exposure to the new import tariffs to the U.S. are comparable. Compared to, Mercedes, BMW is exposed to tariffs risk on BEVs imported into Europe from China (i.e. all electric Minis and BMW iX3). It is less exposed to vehicles produced in the U.S. for the Chinese market compared to its German direct peer.

BMW trails Toyota and VW in scale, which has not restricted the group investments and achievements in electrification, connectivity, and in autonomous driving platforms to date. Unlike its larger peers, BMW is less focused on developing proprietary battery production capacity, although it is heavily invested in battery technology. In the below peer group BMW is only second to its direct peer Mercedes in cash conversion (measured as adjusted FOCF to EBITDA).

**BMW AG--Peer Comparisons**

	BMW AG	Mercedes-Benz Group AG	Volkswagen AG	Toyota Motor Corp.	Honda Motor Co. Ltd.
Foreign currency issuer credit rating	A/Stable/A-1	A/Stable/A-1	BBB+/Stable/A-2	A+/Stable/A-1+	A-/Negative/A-2
Local currency issuer credit rating	A/Stable/A-1	A/Stable/A-1	BBB+/Stable/A-2	A+/Stable/A-1+	A-/Negative/A-2
Period	Annual	Annual	Annual	Annual	Annual
Period ending	2024-12-31	2024-12-31	2024-12-31	2024-03-31	2025-03-31
Mil.	EUR	EUR	EUR	EUR	EUR
Revenue	128,137	113,885	269,659	254,993	112,313
EBITDA	13,344	14,396	28,581	40,116	8,341
Funds from operations (FFO)	10,094	10,458	22,297	33,277	4,769
Interest	241	149	3,692	398	339
Cash interest paid	1,207	44	1,325	506	339

**BMW AG--Peer Comparisons**

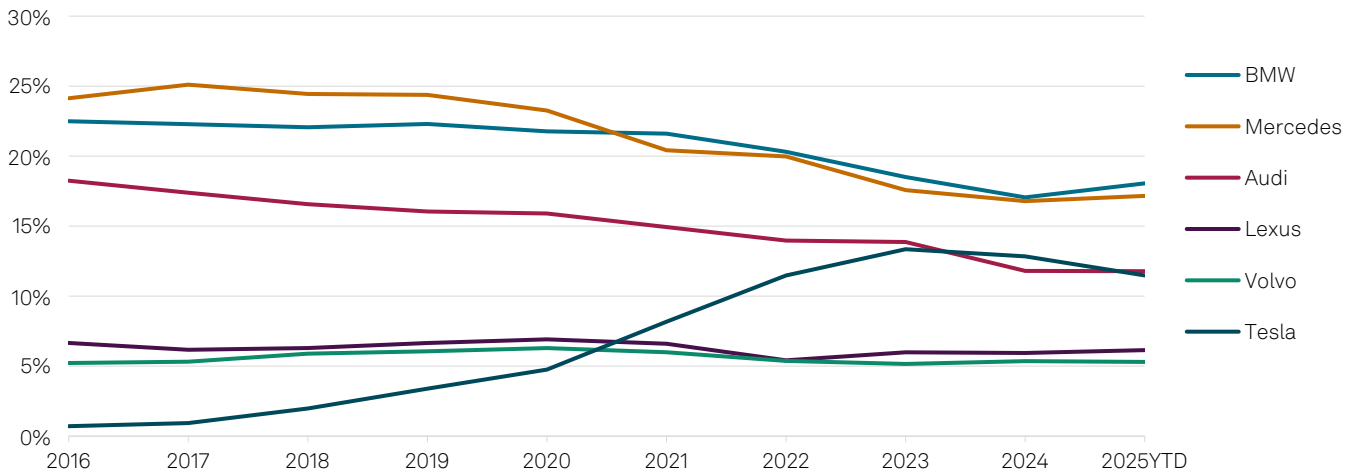
Operating cash flow (OCF)	12,041	10,993	21,871	42,827	7,970
Capital expenditure	8,289	4,558	16,406	14,112	3,469
Free operating cash flow (FOCF)	3,752	6,435	5,465	28,715	4,501
Discretionary cash flow (DCF)	(2,066)	(4,211)	(1,133)	21,352	(2,525)
Cash and short-term investments	20,757	21,597	67,622	57,677	27,983
Gross available cash	15,875	18,394	47,199	82,560	27,983
Debt	0	0	8,063	0	0
Equity	78,049	80,268	144,742	182,992	59,627
EBITDA margin (%)	10.4	12.6	10.6	15.7	7.4
Return on capital (%)	9.5	12.4	11.0	23.0	10.2
EBITDA interest coverage (x)	55.4	96.6	7.7	100.7	24.6
FFO cash interest coverage (x)	9.4	238.7	17.8	66.7	15.1
Debt/EBITDA (x)	0.0	0.0	0.3	0.0	0.0
FFO/debt (%)	NM	NM	276.5	NM	NM
OCF/debt (%)	NM	NM	271.2	NM	NM
FOCF/debt (%)	NM	NM	67.8	NM	NM
DCF/debt (%)	NM	NM	(14.1)	NM	NM

## Business Risk

**BMW enjoys a strong market position as a premium carmaker.** Our view of BMW's business is supported by its position as one of the leading global premium car OEMs, with total passenger car volumes of about 2.4 million in 2024--on par with Mercedes-Benz (2.4 million) and Audi (1.8 million). Based on data from S&P Global Mobility, in early 2025, BMW (including the BMW, Mini, and Rolls-Royce brands), commands over premium car segment market share of about 18% slightly up compared with end-2024 (source SPGM). This compares well with Mercedes-Benz (17.3%) with its Mercedes, EQ, AMG, and Maybach brands; and 16.1% for VW, whose main premium brands are Audi and Porsche, plus small volumes of premium car sales under the VW, Bentley, and Lamborghini brands. We view BMW's exposure to the premium segment as favorable, thanks to modestly better long-term growth prospects and lower price elasticity. At the same time, however, we think that this advantage is less evident for the lower end of its portfolio in China, where the group faces competition from local OEMs. The premium segment contributed approximately 16% of total global passenger car sales in 2024 according to S&P Global Mobility. As the Chinese market is quickly transitioning to fully electric vehicles, there is a question as to whether BMW's BEV premium pricing and its premium legacy peers can be sustained in the long term, face to the pricing war spurred by local competitors in the region.

**BMW's premium market position has slightly deteriorated since 2016**

Global premium passenger car market share by brand\*



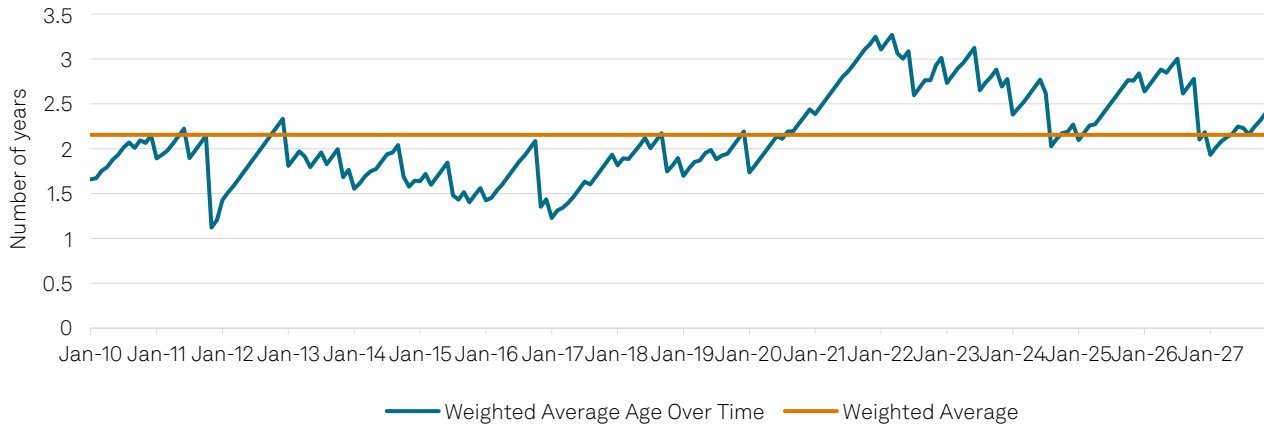
Source: S&P Global Ratings

Copyright © 2025 by Standard & Poor's Financial Services LLC. All rights reserved.

**The launch of new electric Mini Models equips BMW with a fully-fledged range of BEVs across all premium market segments.**

We view newly launched electric models under the Mini brand as a key addition to the group's portfolio which lays the foundation for further growth of the OEM in 2025. One of the key developments for BMW is linked to the transition to the new architecture Neue Klasse between 2025 and 2026. This transition targets a groundbreaking improvement in the performance of BEVs, in terms of range and charging speed, and in the technology proposition, thereby creating a scalable basis for software defined vehicles. The first model built on the new architecture will be the iX3 produced in BMW's Debrecen plant followed by the iX3L in Shenyang and the i3 in Munich in 2026. Neue Klasse continues in the wake of BMW's flexible approach, as it is adaptable to all drivetrains.

### BMW's fleet weighted average age



Source: S&P Global Ratings.

Copyright © 2025 by Standard & Poor's Financial Services LLC. All rights reserved.

**BMW's battery sourcing strategy remains flexible.** Unlike peers characterized by higher scale, BMW does not directly invest into mining or the mass production of battery cells. Instead, it heavily invests into research on battery technology and mass production, which they share with their partners, mostly long-standing battery producers. With the Gen6 eDrive technology built in their Neue Klasse models, BMW features cylindrical cells that offer significant improvements in energy density, charging speed, and range.

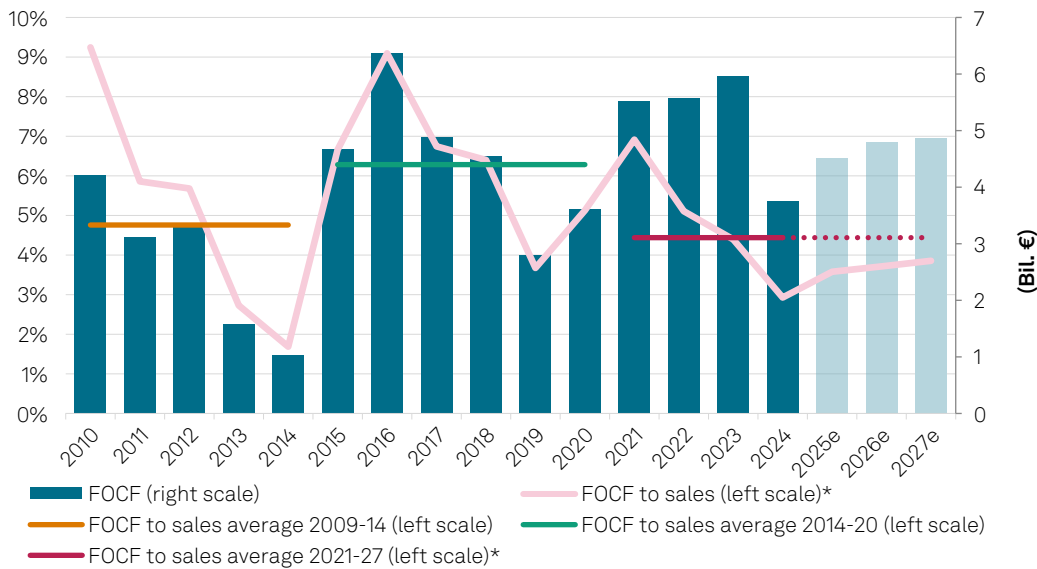
**BMW's local-for-local approach finds in the concentration of auto industry supply chain a natural limit.** BMW's supply chain management allows for local sourcing up to 60% compared with 40% global sourcing. As a result, BMW is exposed to trade tariffs due to a mismatch of production localization and sales. We anticipate a 25% tariff on U.S. LV imports from the EU and Mexico, and 10% from the U.K. (see "[Auto Industry Buckles Up For Trump's Proposed Tariffs On Car Imports](#)," Nov. 29, 2024). We estimate that BMW's EBITDA that is at risk would be in the high-single-digit percentage of our forecast S&P Global Ratings-adjusted EBITDA for 2025, which we would expect the company to mitigate by optimizing its product relocation and acting on transfer price. In addition, BMW pays tariffs on imports from China for a limited number of models (Mini Aceman and Mini Cooper) with an impact which the company estimates in the low-three-digit number.

## Financial Risk

**BMW's balance sheet remains strong and provides flexibility to increase investments or to withstand tougher industry conditions.** The group has posted an adjusted net cash position since 2010, a trend we expect to continue in the next few years with above €9.0 billion net cash in 2024. We view the group's financial policy as sustainable with moderate dividends tied to the performance of the industrial business (a targeted payout ratio of 30%-40% of net income attributable to group shareholders), and limited bolt-on acquisitions. At the beginning of April 2025, BMW completed the second round of share buybacks initiated following with the authorisation by the AGM in 2022, for the acquisition of treasury shares up to a maximum of 10%. So far BMW repurchased common stock and preferred shares for €4 billion. The group

recently obtained an additional authorisation for buying back another €2 billion common stock and preferred shares during the recent AGM in May 2025. These shareholder returns are funded with the group’s positive industrial FOCF and remain, in our view, still in line with our assessment of a relatively conservative financial policy especially now that the investment intensity as a percentage of the group’s revenues starts to decline from the peaks in 2024 (12.8% of revenues for R&D and capex).

**BMW's S&P Global Ratings-adjusted FOCF includes some downside cushion**



e--Estimate. FOCF--Free operating cash flow. Source: S&P Global Ratings. Copyright © 2025 by Standard & Poor’s Financial Services LLC. All rights reserved.

**BMW's captive finance operations remain well capitalized, providing headroom under our new criteria.** Leverage in BMW’s captive finance operations, as measured by our criteria, has steadily decreased in the past few years, with our measure of debt to equity moving to about 5.13x in 2024 from 7.2x in 2019. This has been helped by the company’s financial services entities’ sound earnings performance. Moreover, we consider the credit quality of BMW’s loan and lease portfolios as strong, based on our average estimated net loss ratio in the past three years of below 0.3%. As a result, we assess BMW’s asset and leverage risk as low.

Leverage is well below the 10.0x upper limit for the asset and leverage risk category, providing good headroom to absorb periods of weaker earnings or incremental business growth. Consolidated leverage has also improved in recent years, supported by an increasingly strong balance sheet in the automotive business, sound financial services earnings, and a moderate decrease of the share of captive net earning assets in overall group assets (60% in 2015, 58% in 2021, 52% in 2022, 52% in 2023)--largely because of the consolidation of BBA in 2022. These factors have contributed to a reduced adjusted debt to capital (consolidated) to a low of about 48% in 2022 and in 2023. We expect this ratio to remain at 44%-48% in the next three years.

**BMW has a track record of successfully managing residual value (RV) risk in its leasing business, leading us to view RV risk as neutral for its credit profile.** The share of operating lease assets in net earning assets of BMW’s captive finance operations has been relatively stable in recent years, at 33%-34% over 2020-2024. Although this creates a meaningful

exposure to RV risk, we think it is mitigated by the company’s comprehensive risk management processes and systems.

In our view, the company relies on a sophisticated RV modeling and forecasting process that combines quantitative modeling with other inputs. BMW updates its RV estimates quarterly for most markets and can draw on data from many used car transactions to fine-tune its forecast. We think this has contributed to a strong RV performance historically.

For vehicles remarketed over 2018–2020, BMW realized a small loss over the entire contract lifetime on average (consisting of adjustments to vehicle values during the life of the contract and end-of-contract results), which turned into a small gain over 2021-2023 as used car prices soared. We consider this well in line with industry benchmarks. We expect that RVs for both BEVs and ICE cars could be subject to higher volatility, as the shift to alternative powertrains progresses in many markets and BEVs undergo rapid technological evolution, which increases obsolescence risks for earlier-generation BEVs and ICE cars.

That said, the shift in the powertrain mix of lease returns will occur only very gradually with a three-to-four-year time lag to new vehicle sales, and in a staggered fashion that is linked to BMW’s product launch schedule. This will enable BMW to adjust its RV risk management as the transition unfolds. Moreover, we think that the balance sheet of BMW’s captive finance operations has some cushion to absorb losses from unexpected declines in RVs on either powertrain type. Therefore, we assess RV risk as neutral to the rating, despite BMW’s leasing exposure exceeding 25%.

## Debt maturities

As of March 31, 2025, for the BMW group:

- Short-term debt: €38.8 billion (including leases and derivatives); and
- Long-term debt: €69.7 billion (including leases and derivatives).

### BMW AG--Financial Summary

Period ending	Dec-31-2019	Dec-31-2020	Dec-31-2021	Dec-31-2022	Dec-31-2023	Dec-31-2024
Reporting period	2019a	2020a	2021a	2022a	2023a	2024a
Display currency (mil.)	EUR	EUR	EUR	EUR	EUR	EUR
Revenues	76,000	70,400	79,935	109,029	135,491	128,137
EBITDA	9,628	7,955	13,159	16,586	19,614	13,344
Funds from operations (FFO)	6,385	7,606	11,175	12,348	15,111	10,094
Interest expense	273	259	236	219	180	241
Cash interest paid	199	257	190	213	1,031	1,207
Operating cash flow (OCF)	7,542	7,445	9,628	11,788	14,040	12,041
Capital expenditure	4,749	3,836	4,101	6,219	8,084	8,289
Free operating cash flow (FOCF)	2,793	3,609	5,527	5,569	5,956	3,752
Discretionary cash flow (DCF)	427	1,938	4,250	(991)	(2,201)	(2,066)
Cash and short-term investments	17,427	17,763	20,252	20,308	19,497	20,757
Gross available cash	13,558	13,286	15,785	16,161	15,408	15,875
Debt	0	0	0	0	0	0
Common equity	40,174	41,117	50,296	67,234	76,350	78,049

**BMW AG--Financial Summary**

**Adjusted ratios**

EBITDA margin (%)	12.7	11.3	16.5	15.2	14.5	10.4
Return on capital (%)	12.7	8.9	23.8	18.3	18.9	9.5
EBITDA interest coverage (x)	35.3	30.7	55.8	75.7	109.0	55.4
FFO cash interest coverage (x)	33.1	30.6	59.8	59.0	15.7	9.4
Debt/EBITDA (x)	0.0	0.0	0.0	0.0	0.0	0.0
FFO/debt (%)	NM	NM	NM	NM	NM	NM
OCF/debt (%)	NM	NM	NM	NM	NM	NM
FOCF/debt (%)	NM	NM	NM	NM	NM	NM
DCF/debt (%)	NM	NM	NM	NM	NM	NM

**Reconciliation Of BMW AG Reported Amounts With S&P Global Adjusted Amounts (Mil. EUR)**

Financial year	Debt	Shareholder Equity	Revenue	EBITDA	Operating income	Interest expense	S&PGR adjusted EBITDA	Operating cash flow	Dividends	Capital expenditure
Dec-31-2024										
Company reported amounts	108,708	92,315	142,380	20,159	11,509	232	13,344	7,566	4,794	12,205
Cash taxes paid	-	-	-	-	-	-	(3,794)	-	-	-
Cash interest paid	-	-	-	-	-	-	(196)	-	-	-
Lease liabilities	2,553	-	-	-	-	-	-	-	-	-
Postretirement benefit obligations/deferred compensation	-	-	-	41	41	9	-	-	-	-
Accessible cash and liquid investments	(13,692)	-	-	-	-	-	-	-	-	-
Capitalized development costs	-	-	-	(3,525)	(1,436)	-	-	(3,525)	-	(3,525)
Captive finance operations	(105,103)	(16,954)	(35,595)	(2,539)	(2,511)	-	1,077	8,387	-	(16)
Deconsolid./consolid.	-	-	21,352	(907)	(907)	-	(337)	(191)	-	(183)
Noncontrolling/minority interest	-	2,688	-	-	-	-	-	-	-	-
Debt: Guarantees	36	-	-	-	-	-	-	-	-	-
Debt: Derivatives	(2,210)	-	-	-	-	-	-	-	-	-
Total adjustments	(118,416)	(14,266)	(14,243)	(6,815)	(4,208)	9	(3,250)	4,475	-	(3,916)

Reconciliation Of BMW AG Reported Amounts With S&P Global Adjusted Amounts (Mil. EUR)

	Debt	Shareholder Equity	Revenue	EBITDA	Operating income	Interest expense	S&PGR adjusted EBITDA	Operating cash flow	Dividends	Capital expenditure
S&P Global Ratings adjusted	Debt	Equity	Revenue	EBITDA	EBIT	Interest expense	Funds from Operations	Operating cash flow	Dividends	Capital expenditure
	-	78,049	128,137	13,344	7,301	241	10,094	12,041	4,794	8,289

## Liquidity

Our short-term rating on BMW is 'A-1'. We assess the group's liquidity as strong because we expect liquidity sources to cover uses by more than 2.0x in the next 24 months. We do not assess liquidity as exceptional because we think the company may not be interested in systematically maintaining its liquidity buffers such that sources of liquidity exceed uses by more than 2.0x in weaker market conditions. Following the implementation of the criteria, we perform our liquidity analysis for BMW on a joint basis, which looks at industrial and captive operations in combination.

Our estimated net cash inflows and outflows from BMW's portfolio run-off, portfolio reinvestment, and debt maturities can be broken down as follows:

- Gross portfolio run-off: Inflows from contractual repayments of loans and finance principal, as well as expected proceeds from the remarketing of leased assets, totaling about €54 billion and €24 billion in the first and subsequent 12 months, respectively;
- Net portfolio run-off: We net these amounts with our assumption of €8 billion of portfolio investments in the first 12 months and €4 billion in the subsequent 12 months, which we assume BMW would undertake from own funds during periods of constrained capital market access. These estimates are based on an imputed debt-to-equity ratio that we apply to the gross portfolio run-off plus cash receipts from operating leases (as shown in liquidity sources); and
- The group's debt maturities of about €32 billion in the first 12 months and €22 billion in the subsequent 12 months, which we calculate by subtracting our estimate of stable retail deposits from total maturities of €37 billion in the first 12 months and €23 billion in the subsequent 12 months. The amount of stable retail deposits is after deducting our estimate of monthly deposit attrition.

Our strong liquidity assessment for BMW is supported by the following considerations:

- Our view that BMW enjoys well-established bank relationships, reflected in the availability of a committed revolving credit facility (RCF) of €8 billion with a broad consortium of more than 40 domestic and international banks;
- Our liquidity coverage metric for the group of about 0.7x for the 12 months from April 1, 2025, well above the 0.5x threshold below which we typically consider liquidity coverage to be weaker;
- Our estimate of a coverage ratio of scheduled asset maturities to contractual debt repayments of more than 1.2x in the next 24 months; and

- Good diversification of funding sources across markets and instruments, including bonds, bank debt, asset-backed securities (ABS), deposits, and commercial paper (CP), as well as a track record of tapping these sources in a variety of market conditions.

### Principal liquidity sources

As of March. 31, 2025, for the next 24 months include:

- Cash and liquid investments of about €18 billion for the group (industrial and captive finance operations);
- An undrawn €8.0 billion committed RCF due 2029;
- Cash funds from operations from BMW's industrial business of €15 billion-€16 billion annually;
- Minimum net cash receipts from operating lease installments of the existing leasing portfolio (excluding investments in new leased assets) of €6 billion in the first 12 months and €3.5 billion in the second 12 months; and
- Cash inflow of about €8.8 billion in the first 12 months that reflects the net amount of cash receipts from the maturities of the existing captive asset portfolio, a reduced level of portfolio reinvestment from BMW's own funds, and the debt maturities of the group.

### Principal liquidity uses

For the same period include:

- Capex (including capitalized R&D) of about €11 billion annually in each period;
- Peak intra-year working capital swings of up to €3 billion;
- Dividend payouts of €2.5 billion-€3.5 billion annually, including dividends to minority shareholders in BBA; and
- Cash outflow of about €5.4 billion from the net portfolio run-off in the second year (12-24 months from end of March 2025).

## Covenant Analysis

### Requirements

There are no financial covenants, rating triggers, or material adverse change clauses in the documentation for BMW's €8.0 billion undrawn RCF due 2029, nor in BMW's other debt documentation, including for its unsecured bonds, ABS, CP, and bank debt.

## Environmental, Social, And Governance

Environmental factors are a moderately negative consideration in our credit rating analysis of BMW, mainly reflecting the regulatory push toward zero-emission vehicles. The BMW group intends to achieve net zero by 2050, which means reducing carbon dioxide equivalent emissions across all scopes within the value chain by at least 90% compared to the base year. In 2024, BMW further lowered Scope 1+2 emissions per vehicle produced to 0.27 tonnes (down from 0.35 in 2020) and produced 13.55 tonnes carbon dioxide per vehicle produced in its supply chain (Scope 3 from 13.13 tonnes in 2019):

- The EU to 99.5 grams of carbon dioxide per kilometer (g carbon dioxide/km) compared with 102.1 g carbon dioxide/km in 2023, and well below the allocated limit of 130.1 g carbon dioxide/km;
- The U.S., 114.6 g carbon dioxide/km, a decline from 126.5 g carbon dioxide/km in 2023; and

- China, 141.9 g carbon dioxide/km, a decline from 146.4 g carbon dioxide/km in 2023.

We expect regulation, intense EV competition, and BMW's ambition to become carbon neutral by 2050 will require continued high investments in EV models, alternative drivetrains, own plants, and the supply chain. With 17.4% share of BEV in the global mix in 2024 (compared with 14.7% the year before), BMW is adapting its journey to net zero to a more hesitant market and thinks that it can slightly increase its all-electric share of sales in 2025 (not the 25% as part of the group's previous targets). With the adoption of the new Neue Klasse architecture, the group should be able to reduce the dilutive impact of an increasingly higher share of all electric vehicles in the sales mix.

## Issue Ratings--Subordination Risk Analysis

### Capital structure

BMW had about €108 billion of debt (excluding derivatives) as of December 2024, of which €3 billion relates to the automotive business. BMW typically funds about 50% of its total debt with public unsecured notes, mostly at its finance companies, in particular BMW Finance N.V. and BMW U.S. Capital LLC.

### Analytical conclusions

We rate BMW's senior unsecured debt 'A', in line with the issuer credit rating, because we assess there are no significant elements of subordination risk present in the capital structure.

#### Rating Component Scores

<b>Foreign currency issuer credit rating</b>	<b>A/Stable/A-1</b>
<b>Local currency issuer credit rating</b>	<b>A/Stable/A-1</b>
<b>Business risk</b>	<b>Satisfactory</b>
Country risk	Low
Industry risk	Moderately High
Competitive position	Strong
<b>Financial risk</b>	<b>Minimal</b>
Cash flow/leverage	Minimal
<b>Anchor</b>	<b>a</b>
Diversification/portfolio effect	Neutral (no impact)
Capital structure	Neutral (no impact)
Financial policy	Neutral (no impact)
Liquidity	Strong (no impact)
Management and governance	Neutral (no impact)
Comparable rating analysis	Neutral (no impact)
<b>Stand-alone credit profile</b>	<b>a</b>

## Related Criteria

- [Criteria | Corporates | General: Corporate Methodology: Ratios And Adjustments](#), April 1, 2019

## Related Research

- [Global Auto Outlook: From Drive To Dive](#), May 6, 2025
- [Industry Credit Outlook 2025: Autos](#), Jan. 14, 2025
- [Auto Industry Buckles Up For Trump's Proposed Tariff On Car Imports](#), Nov. 29, 2024

**Ratings Detail (as of July 11, 2025)\***

**BMW AG**

Issuer Credit Rating	A/Stable/A-1
----------------------	--------------

**Issuer Credit Ratings History**

05-Aug-2021	A/Stable/A-1
26-Mar-2020	A/Negative/A-1
13-Nov-2019	A+/Negative/A-1

**Related Entities**

**BMW Finance N.V.**

Senior Unsecured	A
------------------	---

**BMW International Investment B.V.**

Senior Unsecured	A
------------------	---

\*Unless otherwise noted, all ratings in this report are global scale ratings. S&P Global Ratings' credit ratings on the global scale are comparable across countries. S&P Global Ratings' credit ratings on a national scale are relative to obligors or obligations within that specific country. Issue and debt ratings could include debt guaranteed by another entity, and rated debt that an entity guarantees.

Copyright © 2026 by Standard & Poor's Financial Services LLC. All rights reserved.

No content (including ratings, credit-related analyses and data, valuations, model, software or other application or output therefrom) or any part thereof (Content) may be modified, reverse engineered, reproduced or distributed in any form by any means, or stored in a database or retrieval system, without the prior written permission of Standard & Poor's Financial Services LLC or its affiliates (collectively, S&P). The Content shall not be used for any unlawful or unauthorized purposes. S&P and any third-party providers, as well as their directors, officers, shareholders, employees or agents (collectively S&P Parties) do not guarantee the accuracy, completeness, timeliness or availability of the Content. S&P Parties are not responsible for any errors or omissions (negligent or otherwise), regardless of the cause, for the results obtained from the use of the Content, or for the security or maintenance of any data input by the user. The Content is provided on an "as is" basis. S&P PARTIES DISCLAIM ANY AND ALL EXPRESS OR IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE, FREEDOM FROM BUGS, SOFTWARE ERRORS OR DEFECTS, THAT THE CONTENT'S FUNCTIONING WILL BE UNINTERRUPTED OR THAT THE CONTENT WILL OPERATE WITH ANY SOFTWARE OR HARDWARE CONFIGURATION. In no event shall S&P Parties be liable to any party for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees, or losses (including, without limitation, lost income or lost profits and opportunity costs or losses caused by negligence) in connection with any use of the Content even if advised of the possibility of such damages.

Some of the Content may have been created with the assistance of an artificial intelligence (AI) tool. Published Content created or processed using AI is composed, reviewed, edited, and approved by S&P personnel.

Credit-related and other analyses, including ratings, and statements in the Content are statements of opinion as of the date they are expressed and not statements of fact. S&P's opinions, analyses and rating acknowledgment decisions (described below) are not recommendations to purchase, hold, or sell any securities or to make any investment decisions, and do not address the suitability of any security. S&P assumes no obligation to update the Content following publication in any form or format. The Content should not be relied on and is not a substitute for the skill, judgment and experience of the user, its management, employees, advisors and/or clients when making investment and other business decisions. S&P does not act as a fiduciary or an investment advisor except where registered as such. While S&P has obtained information from sources it believes to be reliable, S&P does not perform an audit and undertakes no duty of due diligence or independent verification of any information it receives. Rating-related publications may be published for a variety of reasons that are not necessarily dependent on action by rating committees, including, but not limited to, the publication of a periodic update on a credit rating and related analyses.

To the extent that regulatory authorities allow a rating agency to acknowledge in one jurisdiction a rating issued in another jurisdiction for certain regulatory purposes, S&P reserves the right to assign, withdraw or suspend such acknowledgment at any time and in its sole discretion. S&P Parties disclaim any duty whatsoever arising out of the assignment, withdrawal or suspension of an acknowledgment as well as any liability for any damage alleged to have been suffered on account thereof.

S&P keeps certain activities of its business units separate from each other in order to preserve the independence and objectivity of their respective activities. As a result, certain business units of S&P may have information that is not available to other S&P business units. S&P has established policies and procedures to maintain the confidentiality of certain non-public information received in connection with each analytical process.

S&P may receive compensation for its ratings and certain analyses, normally from issuers or underwriters of securities or from obligors. S&P reserves the right to disseminate its opinions and analyses. S&P's public ratings and analyses are made available on its Web sites, [www.spglobal.com/ratings](http://www.spglobal.com/ratings) (free of charge), and [www.ratingsdirect.com](http://www.ratingsdirect.com) (subscription), and may be distributed through other means, including via S&P publications and third-party redistributors. Additional information about our ratings fees is available at [www.spglobal.com/usratingsfees](http://www.spglobal.com/usratingsfees).

STANDARD & POOR'S, S&P and RATINGSDIRECT are registered trademarks of Standard & Poor's Financial Services LLC.

## Appendix

### Appendix 1:

#### Rated Entity's Key Financial Data and Indicators (in € million)

	2023	2024	2025
Revenue	155,498	142,380	133,453
Cost of sales	125,809	119,485	112,858
Selling and administrative expenses	11,025	11,296	10,606
Other operating income	1,045	1,411	1,556
Other operating expenses	1,227	1,501	1,359
Interest and similar expenses	656	573	562
Net profit/loss	12,165	7,678	7,451
Cash and cash equivalents	17,327	19,287	18,854
Inventories	23,719	24,387	21,281
Intangible assets	20,022	20,220	19,915
Property, plant and equipment	35,266	39,581	39,903
Leased products	43,118	48,838	53,024
Total assets	250,890	267,732	265,967
Financial liabilities (Current)	42,130	44,491	42,310
Financial liabilities (Non-current)	52,880	66,770	68,159
Equity	92,923	95,003	97,906
Cash inflow/outflow from operating activities	17,542	7,566	8,228
Cash inflow/outflow from investing activities	-9,548	-11,369	-9,952
Cash inflow/outflow from financing activities	-6,859	5,766	1,373

#### Adjusted Financial Data and Indicators (in € million)

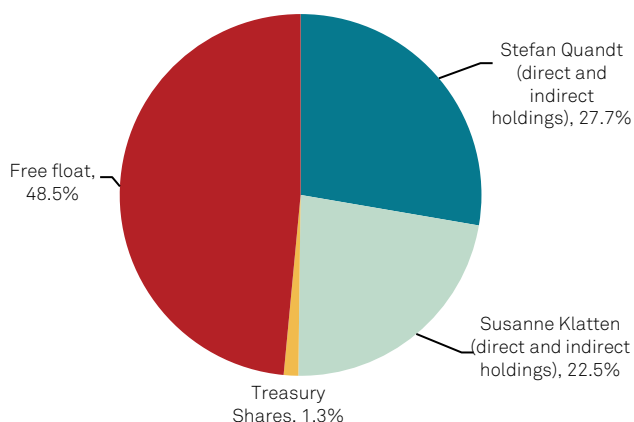
	2023	2024	2025
Revenue	135,491	128,137	120,700
EBITDA	19,614	13,344	11,763
FFO	15,111	10,094	9,197
Capital Expenditures	8,084	8,289	7,256
Free Operating Cash Flow	5,956	3,752	2,000
Debt	0	0	0
Debt/EBITDA (x)	0.0	0.0	0.0
EBITDA Interest Coverage (x)	109.0	55.4	43.7
FFO Cash Interest Coverage (x)	15.7	9.4	9.3
EBITDA Margin (%)	14.5	10.4	9.8

Note: The financial data in the above table is based on annual reports of BMW AG. Adjusted financial data and indicators are those adjusted by S&P Global Ratings.

Source: Annual reports of BMW AG, CIQ, S&P Global (China) Ratings.

## Appendix 2: Ownership Structure of the Rated Entity as of End of December 2025

Shareholder structure (only Ordinary shares).



Source: Data provided by the company, S&P Global china ratings.

## Appendix 3: Organization Structure of the Rated Entity as of End of December 2025



Source: Data provided by the company.

## Appendix 4: Ratings Definitions

Category	Definition
AAA level	The repayment ability is extremely strong, generally not impacted by any adverse economic environment, and the default risk is extremely low.
AA level	The repayment ability is very strong, not considerably impacted by any adverse economic environment, and the default risk is very low.
A level	The repayment ability is comparatively strong, comparatively vulnerable to the impact of adverse economic environment, and the default risk is comparatively low.
BBB level	The repayment ability is average, comparatively impacted by adverse economic environment, and the default risk is average.
BB level	The repayment ability is comparatively weak, materially impacted by adverse economic environment, and the default risk is comparatively high.
B level	The repayment ability relies comparatively on fair economic environment and the default risk is very high.
CCC level	The repayment ability relies extremely on fair economic environment and the default risk is extremely high.
CC level	Lower protection in situation of bankruptcy or reorganization and the repayment of debt may not be generally guaranteed.
C level	Unable to repay the debt.

Note: Ratings from AA to CCC may be added a "+" or "-" sign for minor adjustment to indicate a slightly higher or lower rating. The ratings are identified with the suffix "spc", for example, "AAspc+", where "spc" stands for S&P Global (China) Ratings. We may also assign an "outlook" or place the rating on "watch" to indicate our expectations regarding the rating.

Copyright © 2026 by S&P Ratings (China) Co., Ltd. All rights reserved. S&P Ratings (China) Co., Ltd. ("S&P Ratings") owns the copyright and/or other related intellectual property rights of the abovementioned content (including ratings, credit-related analyses and data, valuations, model, software or other application or output therefrom) or any part thereof (Content). No Content may be modified, reverse engineered, reproduced or distributed in any form by any means, or stored in a database or retrieval system, without the prior written permission of S&P Ratings. Some of the Content may have been created with the assistance of an artificial intelligence (AI) tool. Published Content created or processed using AI is composed, reviewed, edited, and approved by S&P personnel. The Content shall not be used for any unlawful or unauthorized purposes. S&P Ratings and any third-party providers, as well as their directors, officers, shareholders, employees or agents (collectively "S&P Parties") do not guarantee the accuracy, completeness, timeliness or availability of the Content. S&P Parties are not responsible for any errors or omissions (negligent or otherwise), regardless of the cause, for the results obtained from the use of the Content, or for the security or maintenance of any data input by the user. The Content is provided on an "as is" basis. S&P PARTIES DISCLAIM ANY AND ALL EXPRESS OR IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE, FREEDOM FROM BUGS, SOFTWARE ERRORS OR DEFECTS, THAT THE CONTENT'S FUNCTIONING WILL BE UNINTERRUPTED OR THAT THE CONTENT WILL OPERATE WITH ANY SOFTWARE OR HARDWARE CONFIGURATION. In no event shall S&P Parties be liable to any party for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees, or losses (including, without limitation, lost income or lost profits and opportunity costs or losses caused by negligence) in connection with any use of the Content even if advised of the possibility of such damages. Credit-related and other analyses, including ratings, and statements in the Content are statements of opinion as of the date they are expressed and not statements of fact. S&P Ratings' opinions, analyses, forecasts and rating acknowledgment decisions (described below) are not and should not be viewed as recommendations to purchase, hold, or sell any securities or to make any investment decisions, and do not address the suitability of any security. S&P Ratings assumes no obligation to update the Content following publication in any form or format. The Content should not be relied on and is not a substitute for the skill, judgment and experience of the user, its management, employees, advisors and / or clients when making investment and other business decisions. S&P Ratings does not act as a fiduciary or an investment advisor except where registered as such. While S&P Ratings has obtained information from sources it believes to be reliable, S&P Ratings does not perform an audit and undertakes no duty of due diligence or independent verification of any information it receives. Rating-related publications may be published for a variety of reasons that are not necessarily dependent on action by rating committees, including, but not limited to, the publication of a periodic update on a credit rating and related analyses. S&P RATINGS IS NOT PART OF THE NRSRO. A RATING ISSUED BY S&P RATINGS IS ASSIGNED ON A RATING SCALE SPECIFICALLY FOR USE IN CHINA, AND IS S&P RATINGS' OPINION OF AN OBLIGOR'S OVERALL CREDITWORTHINESS OR CAPACITY TO MEET SPECIFIC FINANCIAL OBLIGATIONS, RELATIVE TO THAT OF OTHER ISSUERS AND ISSUES WITHIN CHINA ONLY AND PROVIDES A RANK ORDERING OF CREDIT RISK WITHIN CHINA. AN S&P RATINGS' RATING IS NOT A GLOBAL SCALE RATING, AND IS NOT AND SHOULD NOT BE VIEWED, RELIED UPON, OR REPRESENTED AS SUCH. S&P PARTIES ARE NOT RESPONSIBLE FOR ANY LOSSES CAUSED BY USES OF S&P RATINGS' RATINGS IN MANNERS CONTRARY TO THIS PARAGRAPH. To the extent that regulatory authorities allow a rating agency to acknowledge a rating issued in another jurisdiction for certain regulatory purposes, S&P Ratings reserves the right to assign, withdraw or suspend such acknowledgement at any time and in its sole discretion. S&P Ratings disclaims any duty whatsoever arising out of the assignment, withdrawal or suspension of an acknowledgment as well as any liability for any damage alleged to have been suffered on account thereof. S&P Ratings keeps certain activities of its business units separate from each other in order to preserve the independence and objectivity of their respective activities. As a result, certain business units of S&P Ratings may have information that is not available to other S&P Ratings business units. S&P Ratings has established policies and procedures to maintain the confidentiality of certain non-public information received in connection with each analytical process. S&P Ratings may receive compensation for its ratings and certain analyses, normally from issuers or underwriters of securities or from obligors. S&P Ratings reserves the right to disseminate its opinions and analyses. S&P Ratings' public ratings and analyses are made available on its Web site [www.spgratings.cn](http://www.spgratings.cn), and may be distributed through other means, including via S&P Ratings' publications and third-party redistributors.