

BMW overcomes chip crisis to post record result in 2021

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BMW's 2021 results shined.

German auto manufacturer BMW shook off the supply chain issues that plagued the industry in 2021 to post a record high net profit figure, the group said Thursday.

The Bavarian carmaker posted a [net profit](#) of 12.5 billion euros (\$13.8 billion) in 2021, more than three times the result of 3.9 billion euros it achieved in 2020, when the industry was rocked by the outbreak of the coronavirus pandemic.

The record result was "the result of our consistent strategy — with the right products at the right time," BMW CEO Oliver Zipse said in a statement.

While other manufacturers struggled with spotty supply of semiconductors, a key component in both conventional and [electric vehicles](#), BMW was better able to manage deliveries.

In 2021, BMW saw its deliveries increase worldwide by 8.4 percent, shipping a total of more than 2.5 million vehicles. In the same period the domestic German car market shrank by 10.1 percent.

With cars generally in short supply, the market tilted towards luxury "high-revenue models", BMW said.

As such, the group's operating margin—a measure of its profitability, which is closely watched by analysts—grew to 10.3 percent in 2021, up from 2.7 percent in 2020 and towards the "high end" of the company's own guidance.

The positive trend continued in the last three months of the year, despite an increase in supply bottlenecks.

Net [profit](#) in the [fourth quarter](#) of 2021 increased year-on-year by 34 percent to 2.3 billion euros.

Having ridden out the supply crunch and the worst effects of the pandemic, BMW, like other carmakers, faces new challenges caused by the war in Ukraine.

The conflict has cut supplies from some part-makers in the country, leading to factory stoppages for auto manufacturers, including at BMW.

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