

McLaren Automotive Group

FY 2022 & Q1 2023

Results



May 18, 2023



McLaren Automotive Group

FY 2022 and Q1 2023 overview

- Encouraging wholesale volume growth (FY2022: +2%, Q1 2023: +46%) after industry-wide semi-conductor shortages and supply constraints impacted production in 2022. Revenue¹ up 6% in both 2022 and Q1 2023.
- Artura production and deliveries to customers ramping up in Q1 2023 following the implementation of technical upgrades in 2022
- Continued strong demand for our vehicles as reflected in our order book
- Reported EBITDA² in 2022 of £(3)m (2021: £18m), Q1 2023 of £(27)m (Q1 2022: £(6)m) reflecting one-off items, supply constraints, FX movements, Artura delays and model mix.
- Our shareholders continued to be highly supportive of the Group, with £225m of liquidity³ injected into the Group in 2022 and a further £70m in Q1 2023
- The Group's long-term outlook remains positive benefitting from its continued innovation and strong order book



¹ Revenue excluding Applied.

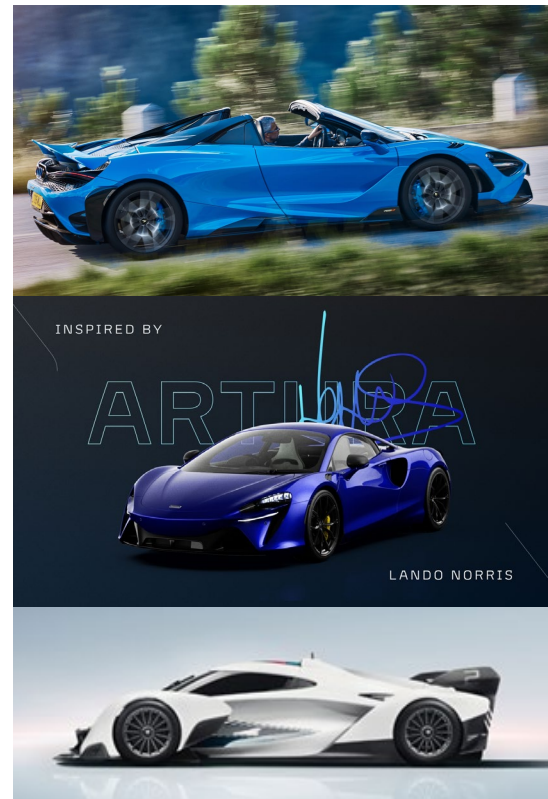
² FY 2022 Reported EBITDA includes a gain on heritage car asset sales £87m, FY 2021 includes Sale and Leaseback gain of £68m and loss on sale of Applied business (£33m)

³ FY 2022 liquidity injections included £125m of new equity and £100m of heritage asset sale proceeds

Operations

FY 2022 Highlights and update

- Launch of Solus GT at Pebble Beach in August 2022, with all 25 cars sold out prior to public reveal
- Unveiling of the new Artura Trophy race car and alongside the Artura GT4 to race in the new one-make Pro-Am McLaren Trophy championship commencing in 2023
- McLaren Elva and 765LT fully sold out, final deliveries in H1 2023
- Order book increased to 1,953 at 31 December 2022 (2021: 1,825) representing strong interest in the Artura, whilst nearing the end of 720S, 765LT and Elva production runs.
- New retailers opened in 2022, including Ho Chi Minh City, Vietnam and Mumbai, India with scope to expand further
- Positive brand collaboration across Automotive and Racing continues (e.g. Miami Grand Prix, Artura Inspired by Lando Norris)
- Michael Leiters joined the Group during 2022 as McLaren Automotive's new Chief Executive Officer bringing decades of industry knowledge and experience in the luxury automotive sector



Operations

Q1 2023 Highlights

60

- This year marks the 60th anniversary of McLaren. Our past fuels our future. An ethos which led to developing the most advanced and exhilarating supercars in the world
- First in person Global Retailer Conference since 2020, which was held at McLaren's headquarters in April with the company welcoming over 250 individuals from the global retail network, where Michael Leiters presented our 'Future of Performance' strategy
- Official launch of the 750S and 750S Spider globally in April 2023 generating a very positive response from the media and customers
- Order book at 1,719 cars at March 2023, a slight fall on December 2022 with end of 720S, 765LT and Elva production runs, and the order book for the new 750S only opening post launch in Q2 2023
- Following the recent announcement of Kate Ferry's departure from McLaren, it is confirmed Kate will be leaving McLaren Group at the end of May. Stuart Alfredson, currently Group Financial Controller, will take on the expanded role of Group Finance Director reporting directly to the Executive Chairman, Paul Walsh



The new McLaren 750S

Peak supercar performance, pure exhilaration

- New 750S is the lightest and most powerful series-production McLaren
- New rear-wheel drive, V8-engined supercar takes outstanding attributes of renowned 720S to new heights
- Around 30% of components new or changed, making 750S more powerful, lighter, quicker and even more thrilling and engaging
- 750S is lighter than 720S by 30kg, and 193 kg less than its closest competitor
- Available in coupe or spider variants with the spider only 49kg heavier than coupe
- Twin-turbocharged 4.0-litre V8 petrol engine, delivering 0-100km/h in 2.8 seconds; 0-200km/h in 7.2 seconds (spider 7.3 seconds)

"It is the most powerful and lightest of the production cars developed so far by the company..."

"The lines are familiar as they take inspiration from the car it replaces, refining many aspects. The result is a light, powerful and engaging product, available in both coupé and spider versions."

HD Motori (Italy)

"McLaren has overhauled the 720S, cutting weight and adding extra grunt to make it the most lightweight and most powerful series-production car the company has produced. Now known as the 750S, the car is 66 pounds lighter and packs an extra 30 horsepower. McLaren claims that around 30 percent of the 750S's components are new, including a new front splitter, air intakes, front and rear bumpers, and a revised active rear wing."

Hagerty (USA)



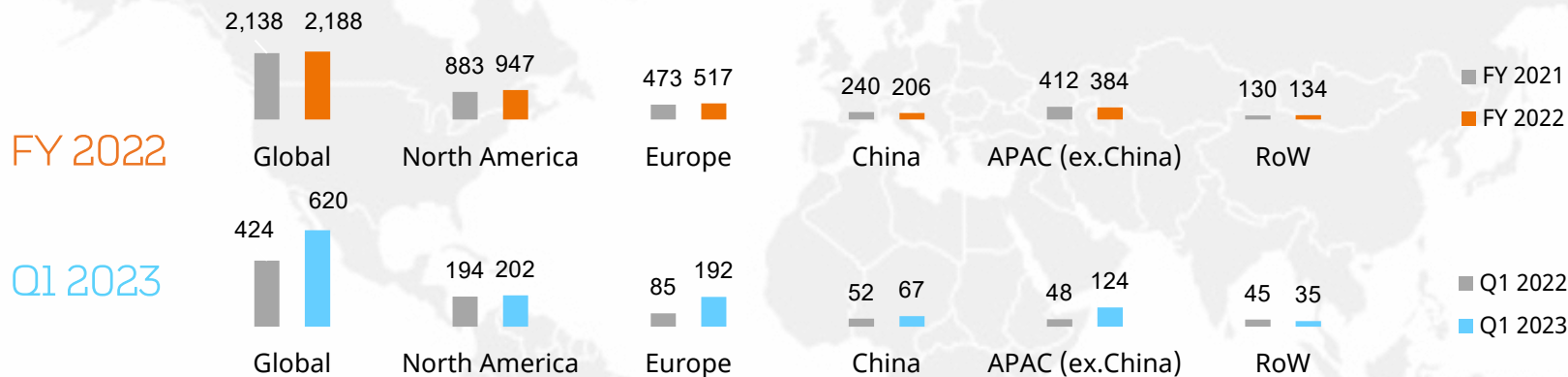
"Subtly restyled but 30% new under the skin, the 750S – once again available in hard-top and Spider guises – has been designed to provide 'a new benchmark' in the supercar segment, boosting not just usability over its predecessor, but also ramping up the fun factor."

Autocar (UK)

McLaren

Wholesales

Global wholesale volumes FY 2022 and Q1 2023



- Wholesale volumes up 2% to 2,188 units reflecting a recovery in the second half of the year after industry-wide semi-conductor shortages and supply constraints impacted production volumes in H1 2022.
- Continued demand for McLaren cars across North America and Europe saw positive wholesale growth in 2022
- Q1 2023 wholesale volumes up 46% versus Q1 2022 as Artura wholesales begin to ramp up

Recapitalisation Update

McLaren Group

- The previously announced recapitalisation is ongoing between McLaren Group and its shareholders. The recapitalisation is to include the provision of new funding to the Group to support the long-term product investment plan
- Our shareholders have continued to demonstrate strong support over the past 6 months where they have provided a total of £170m of funding in December 2022 (proceeds from a sale of heritage car assets) and March 2023 (new equity)
- It is anticipated that a transaction will ensure a simpler capital structure as well as streamlined corporate governance
- The recapitalisation, once completed, will reconfirm the long-term commitment of our shareholders to the McLaren Group
- Lazard & Co. Ltd continues to advise the group on the recapitalisation. Investors who would like further information are encouraged to contact McLaren@Lazard.com

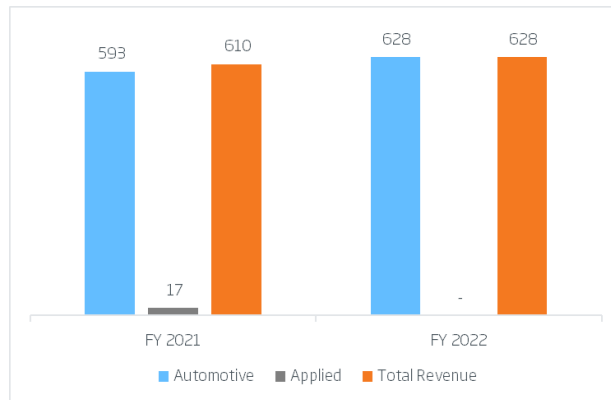


A white McLaren sports car is driving on a dark asphalt road that stretches into the distance. The car is positioned in the center of the frame, moving towards the viewer. The road has white and yellow lane markings. The surrounding landscape is a dry, hilly desert with sparse vegetation. In the background, there are mountains under a bright blue sky with scattered white clouds. The car's shadow is cast onto the road to its right.

FINANCIALS FY 2022

McLaren Automotive Group

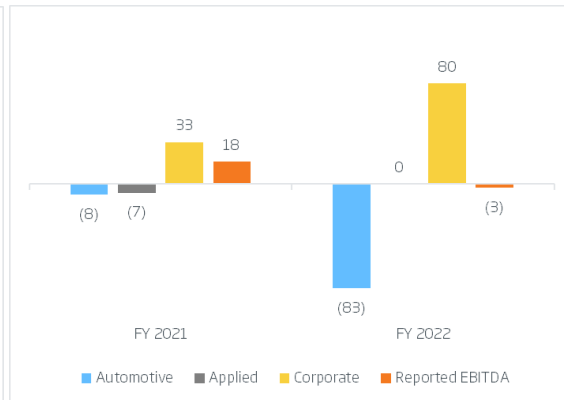
FY 2022 Key Metrics



Revenue (£m)

Automotive revenue up 6% with volumes up 2%

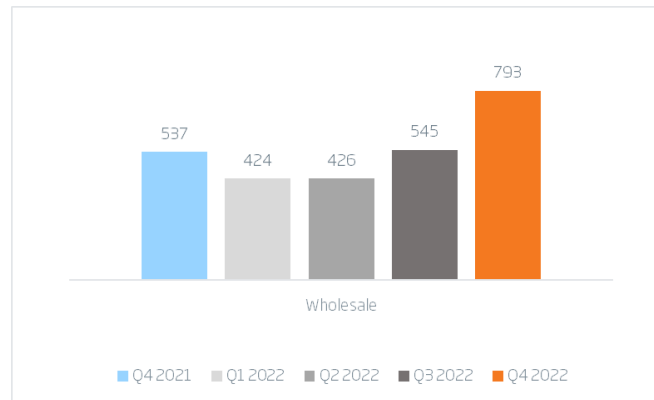
McLaren Applied disposed of in 2021



Reported EBITDA (£m)

Automotive EBITDA impacted by foreign currency losses, delays to the Artura and cost inflation

Corporate includes £87m gain on disposal of heritage cars, whilst 2021 includes Sale and Leaseback gain of £68m and loss on sale of Applied business of £33m

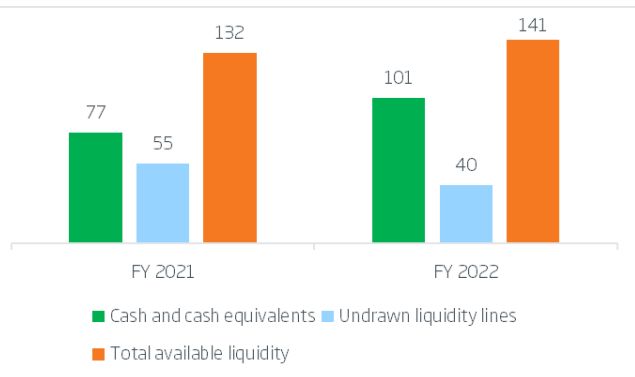


Wholesale volume (units)

2022 wholesales were 2,188 (+2% on FY 2021) - H1 2022 volumes impacted by supply chain constraints with higher volumes delivered in H2

McLaren Automotive Group

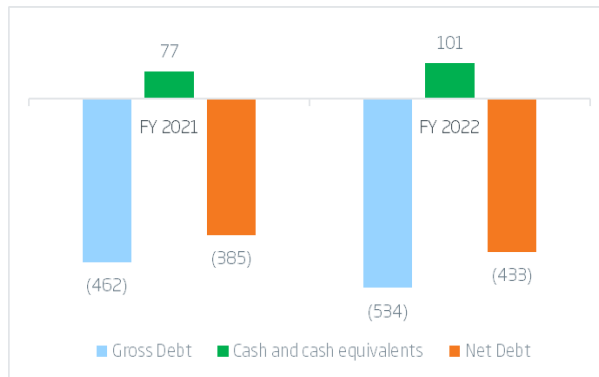
FY 2022 Key Metrics



Liquidity (£m)

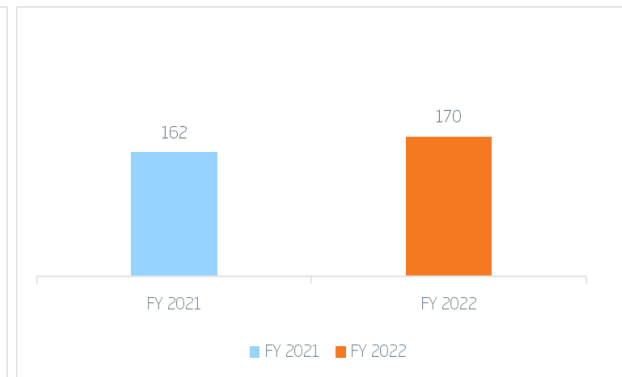
Liquidity supported by £125m of new equity and £100m of heritage asset sale proceeds in 2022

Liquidity facilities include RCF and ancillary overdraft credit lines, which were drawn £15m at December 2022



Net debt (£m)

Increase in net debt largely due to strengthening of the USD during 2022



Capex (£m)

Capex spend stable and focussed on Artura, 750S, Solus GT, as well as the development of future models

McLaren Automotive Group

Cash flow

	FY 2022	FY 2021
Cash flow from operating activities	(6)	(71)
<i>of which EBITDA excluding unrealised FX plus cash tax paid*</i>	8	21
<i>of which gain on sale and leaseback</i>	-	(66)
<i>of which gain on sale of heritage assets</i>	(87)	-
<i>of which disposals of investments</i>	-	33
<i>of which increase / (decrease) in working capital</i>	73	(59)
Cash flow from investing activities	(70)	1
<i>of which addition of intangibles</i>	(165)	(156)
<i>of which addition of tangibles</i>	(5)	(6)
<i>of which disposals</i>	100	163
Cash flow from financing activities	99	80
<i>of which drawdown/(repayment) of RCF</i>	15	(69)
<i>of which interest and finance leases</i>	(41)	(37)
<i>of which issue of ordinary share capital</i>	125	196
<i>of which cashflows relating to movement in reserves</i>	-	175
<i>of which bond redemption</i>	-	(185)
Net cash movement	23	10

* Unrealised FX gain FY 2022 £10.4m and Tax £0.4m (FY 2021 gain £11.6m and Tax £6.9m) included in EBITDA

Operating activities

- 2022 EBITDA includes the gain on disposal of heritage cars, whilst 2021 includes gain on the sale and leaseback and loss on sale of Applied business
- The working capital inflow of £73m reflects lower inventory, higher creditors and an increase in customer deposits. This compared to a working capital outflow of £59m in 2021 which had been driven by the readiness to launch Artura and the resulting increase in inventory.

Investment

- Capex spend is at a similar level to 2021, and relates to already announced vehicles and the development of future models
- Disposals in 2022 are receipts from the sale of Heritage assets whilst 2021 includes the sale and leaseback and cash related to the disposal of Applied

Financing

- RCF was drawn £15m at the end of FY 2022
- Interest paid is up due to the stronger USD
- £125m of new ordinary share capital issued in 2022

McLaren Automotive Group

FY 2022 Net Debt and Liquidity

	FY 2022	FY 2021
Gross debt ¹	534	462
Cash and cash equivalents	(101)	(77)
Underlying net debt	433	385
Committed liquidity and overdraft lines ²	40	55
Total available liquidity	141	132

Corporate Credit Ratings

B- Stable (Fitch)
 Caa1 Negative (Moody's)
 CCC Credit Watch Negative (S&P)

- Total liquidity of £141m at end of FY2022
- At December 2022 the RCF was drawn £15m (2021: £nil)
- Gross debt of £534m up since 2021 largely due to FX revaluation movements following the strengthening of the USD
- Continued support from shareholders with £225m* of liquidity injected into the Group during 2022

¹ Gross debt comprises the USD\$620 Senior Secured Notes, associated accrued interest and any utilization of the RCF.

² Represents undrawn RCF and overdraft facilities

* £125 new equity received in July and September into McLaren Holdings Limited and £100m proceeds from sale of heritage assets in December 2022

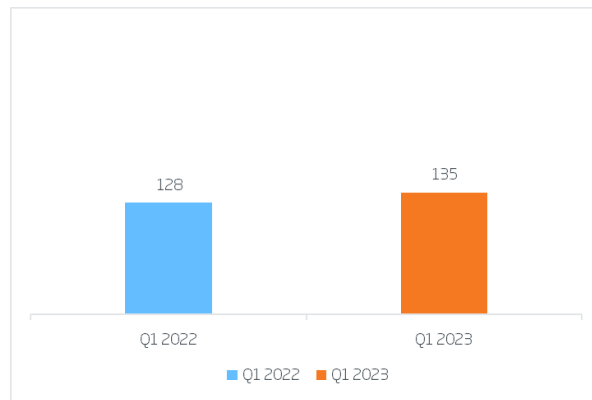
FINANCIALS

Q1 2023



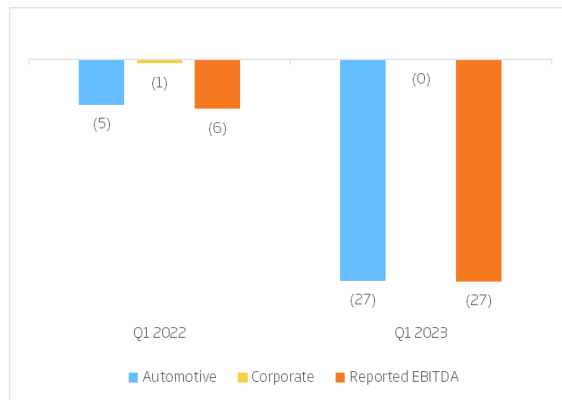
McLaren Automotive Group

Q1 2023 Key Metrics



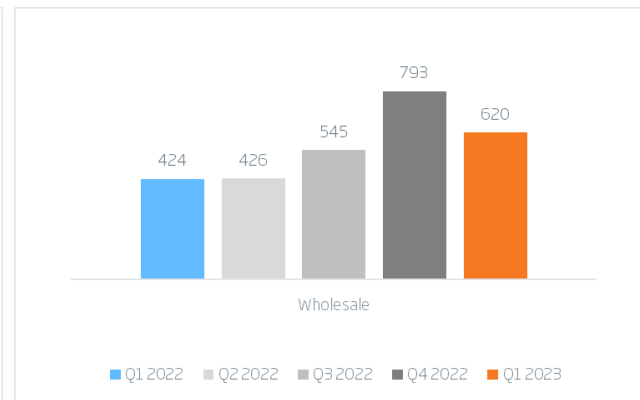
Revenue (£m)

Revenue grew by 6% versus Q1 2022 driven by positive volume growth (+46%) but offset by model mix



Reported EBITDA (£m)

Higher Q1 2023 EBITDA loss compared to Q1 2022 largely due to model mix impact on gross margin

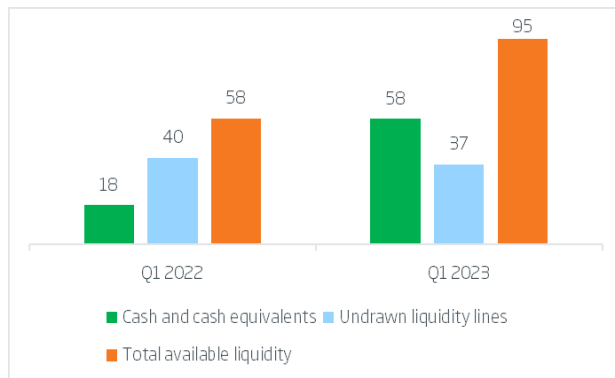


Wholesale volume (units)

Q1 2023 growth of 46% due to Q1 2022 production being constrained by supply chain headwinds

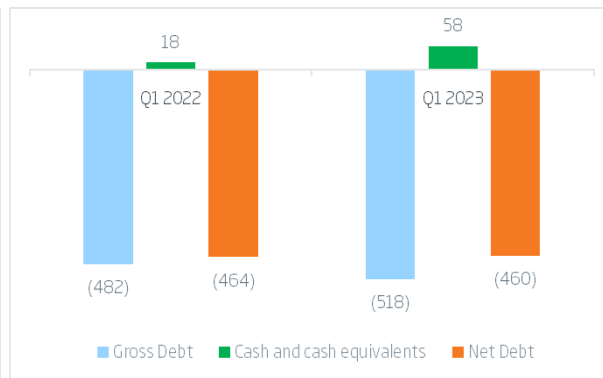
McLaren Automotive Group

Q1 2023 Key Metrics



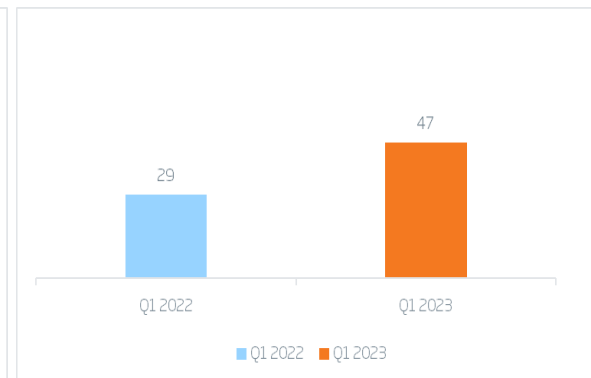
Liquidity (£m)

Liquidity supported by £70m of new ordinary share capital issued in Q1 2023



Net debt (£m)

Increase in net debt largely due to strengthening of the USD during 2022



Capex (£m)

Capex spend is up with Q1 2023 spend across Artura, 750S and other future models whilst Q1 2022 spend was focused primarily on the delivery of the Artura

McLaren Automotive Group

Q1 2023 Cash flow

	Q1 2023	Q1 2022
Cash flow from operating activities	(48)	(27)
<i>of which EBITDA excluding unrealised FX plus cash tax paid*</i>	(25)	(3)
<i>of which increase / (decrease) in working capital</i>	(23)	(24)
Cash flow from investing activities	(47)	(29)
<i>of which addition of intangibles</i>	(46)	(28)
<i>of which addition of tangibles</i>	(1)	(1)
Cash flow from financing activities	53	(3)
<i>of which proceeds from RCF drawings</i>	3	15
<i>of which interest and finance leases</i>	(20)	(18)
<i>of which issue of ordinary share capital</i>	70	-
Net cash movement	(42)	(59)

* Unrealised FX gain Q1 2023 £1.9m and Tax £0.1m (Q1 2022 FX gain £2.1m and Tax (£0.6m)) included in EBITDA

Operating activities and working capital

- EBITDA adverse due to the model mix in Q1 2023
- The working capital outflow in Q1 2023 was largely consistent with the same period in 2022, reflecting higher inventories and lower creditors.

Investment

- Capex focused on Artura, 750S as well as the development of future models, with the increase in Q1 2023 due to the phasing of spend across 2022

Financing

- RCF was drawn £18m at the end of Q1 2023
- £19.5m interest paid and £0.4m finance leases
- £70m of new ordinary share capital issued in Q1 2023

McLaren Automotive Group

Q1 2023 Net Debt and Liquidity

	Q1 2023	Q1 2022
Gross debt ¹	518	482
Cash and cash equivalents	(58)	(18)
Underlying net debt	460	464
Committed liquidity and overdraft lines ²	37	40
Total available liquidity	95	58

- Total liquidity of £95m at end of Q1 2023 (Q1 2022: £58m)
- At Q1 2023 the RCF was drawn £18m (Q1 2022: £15m)
- The increase in gross debt is largely due to FX revaluation with the strengthening of the USD
- £70m of new equity was received in March 2023 as part of the wider recapitalisation process

Corporate Credit Ratings

B- Stable (Fitch)
 Caa1 Negative (Moody's)
 CCC Credit Watch Negative (S&P)

¹ Gross debt comprises the USD\$620 Senior Secured Notes, associated accrued interest and any utilization of the RCF.

² Represents undrawn RCF and overdraft facilities



APPENDIX

McLaren Automotive Group

FY 2022 Summary Income Statement

£m	FY 2022	FY 2021
Turnover	628	610
Cost of Sales	(506)	(443)
Gross profit	122	167
Administrative expenses ¹	(251)	(219)
Other operating income	40	36
Exceptional items	86	34
Reported EBITDA	(3)	18
Depreciation and amortisation	(174)	(157)
EBIT	(177)	(139)
Net finance costs ²	(98)	(58)
Loss before tax	(275)	(197)
Taxation	(60)	61
Loss for the financial period	(335)	(136)

(1) Includes realised FX gains and losses (excluding FX on translation of USD bond) FY 2022 £45.8m loss, FY 2021 £5.1m gain

(2) Includes FX on translation of USD bond FY 2022 £53.1m loss, FY 2021 £7.4m loss

McLaren Automotive Group

Q1 2023 Summary Income Statement

£m	Q1 2023	Q1 2022
Turnover	135	128
Cost of Sales	(114)	(93)
Gross profit	21	35
Administrative expenses ¹	(57)	(50)
Other operating income	9	9
Reported EBITDA	(27)	(6)
Depreciation and amortisation	(31)	(32)
EBIT	(58)	(38)
Net finance costs ²	-	(23)
Loss before tax	(58)	(61)
Taxation	-	20
Loss for the financial period	(58)	(41)

(1) Includes realised FX gains and losses (excluding FX on translation of USD bond) Q1 2023 £1.9m loss, Q1 2022 £1.1m loss

(2) Includes FX on translation of USD bond Q1 2023 £11.2m gain, Q1 2022 £13.2m loss

One outstanding luxury group* in the Automotive and Racing arena



Automotive



- Unparalleled ascent towards top of the industry
- Disrupted the luxury market with technologically differentiated supercars – raising the bar for the industry
- Proven exceptional pricing power with Ultimate Series
- Huge value creation opportunity with focus on brand strength, order books, pricing and margins (not volumes)
- Underpinned by launch of new hybrid platform and new generation of cars leveraging McLaren's unique DNA in hybrid supercars

Racing



- Incredible brand platform as one of the most successful teams in Formula 1 history
- More than 1 billion video views and >240m social media engagements year to date
- Clear path to positive earnings and cashflow underpinned by Formula 1 cost cap, momentum around sponsorships, improved performance on track and increasing Formula 1 viewership

* McLaren Group Limited is the parent company to the McLaren Automotive restricted group and not part of the restricted group



Absolute Luxury Brand Steeped In Rich Racing Legacy and Technological Prowess



Rich Formula 1 racing legacy



183

Grand Prix
victories



156

Pole
positions



12

Drivers'
championships



8

Constructors'
championships

Only company to win each of the 4 classic competitions: Formula 1, Le Mans, Indianapolis & Can-Am

Racing covering multiple competitions: Formula 1, IndyCar, Extreme E, E-Sports and Formula E from 2023



Leading edge technology & performance

Carbon Fibre Chassis

Sole OEM to use carbon fibre monocoque across its entire range



McLaren F1

World's fastest road car at launch



McLaren P1™

1st hybrid hyper car globally



Continued delivery of outstanding performance

McLaren Senna, Speedtail, Elva and 765LT leading the way in performance



Leading the way in luxury technology automotive in 2022

McLaren Artura deploys the all-new McLaren Carbon Lightweight Architecture (MCLA), uniquely optimised for High Performance Hybrid powertrains. It marks the beginning of both a new chapter for the pioneering luxury supercar company and a new era in supercar technology and performance.



2nd most
successful
Formula 1 racing
team of all-time



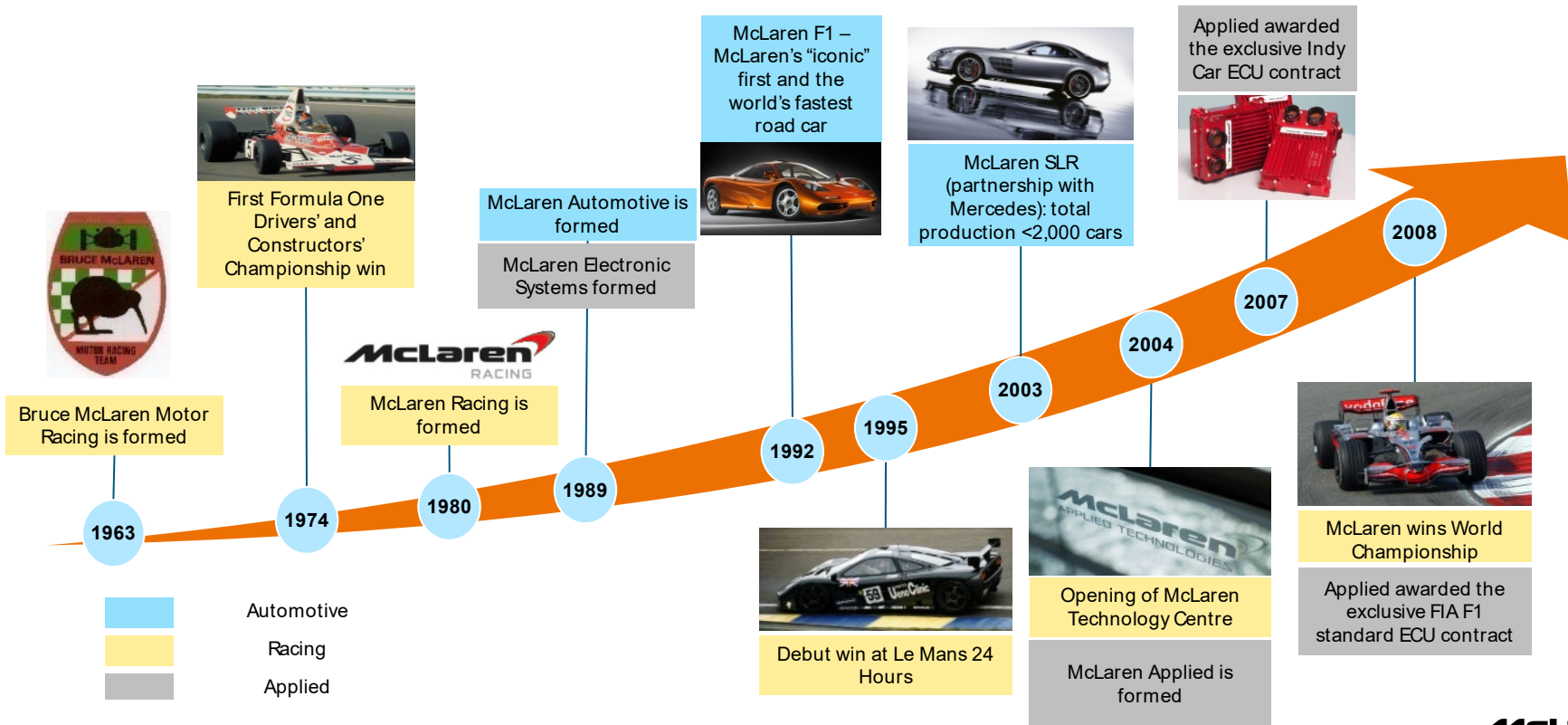
McLaren fans

Others



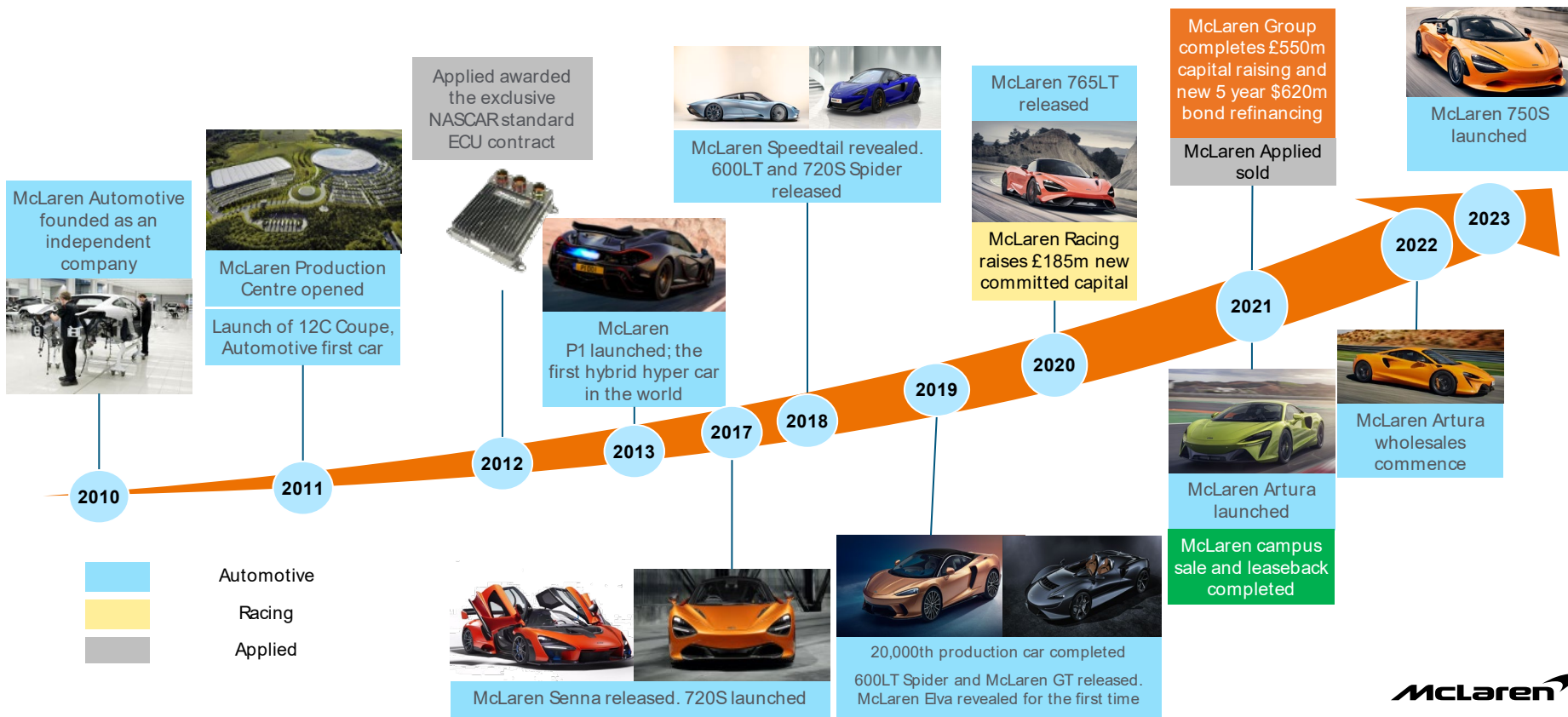
McLaren has a long history in Racing and Innovation

Success in racing created a culture of outstanding performance, excellence and innovation



McLaren Automotive established delivering iconic supercars in first decade

Innovative design and development delivers iconic supercars through McLaren Automotive's first decade



McLaren Automotive operates in distinct segments

	GT (Grand Tourer)	Supercar (Artura)	Supercar (750S)	Ultimate	Motorsport
Description	Positioned alongside our Super, Ultimate and Motorsport Series, the GT brings luxury and high performance to a discerning customer	Positioned in our Supercar range, Artura is the high-performance hybrid supercar for the next decade	- Super Series is the core of McLaren's range with the best technology available - Derivatives include Coupe, Spider and LT limited editions	- High performance cars - Built on the same basis as the Super series with additional ground-breaking technology - Further track-only products offers	- Track cars built for customer racing - Based on road car models but without road car regulations and built to a racing specification
Models	McLaren GT	Artura	12C, 650S, 675LT, 720S, 765LT, 750S	P1™ & GTR, Senna, Senna GTR, Speedtail, Elva, Solus GT	650S GT3, 570S GT4 and 570S Sprint, 620R, 720S GT3
Features	Competition levels of performance, continent crossing capability, lighter, faster, more engaging	- The purest supercar driving sensation - V6 Hybrid	- High performance V8 supercars with track performance - MonoCage II carbon body	- Includes the first hybrid hyper car in the world - Strictly limited production, sold out years in advance	Strictly limited editions for racing only
Purpose	Luxury Grand Touring	Road / Track	Road / Track	Road / Track	Track
Price range	>£160k	>£185k	£200-£300k	>£500k	£200-£800k
					
	MSO ¹	Experiences		Ownership	
	✓ Bespoke customisation options ✓ Heritage and one-off models	✓ Pure McLaren track experience ✓ McLaren Artura Trophy racing series ✓ Lifestyle events		✓ Expert advice and support ✓ Unique service cover	

¹ McLaren Special Operations