

November 29, 2023

McLaren Automotive Group

Q3 (YTD) 2023

Results



McLaren

McLaren Automotive Group

Q3 (YTD) 2023 Overview

- YTD wholesale volumes up 12%, whilst revenue down 18% due to model mix shift
- As expected, volumes in Q3 2023 were lower than previous quarters as a result of an enhanced focus on quality
- Continuing demand for our vehicles, with an exceptional response to the new 750S
- Q3 (YTD) 2023 EBITDA of £(148)m (Q3 (YTD) 2022 £(54)m) reflecting model mix, current volumes, quality enhancements, brand investment and cost inflation
- Free cash outflow in Q3 (YTD) 2023 in light of EBITDA, working capital outflows and investment in future models
- Our shareholders continue to be highly supportive, with £370m of new equity up to Q3 2023, and a further £80m in November 2023
- Liquidity was £55m at the end of Q3 2023



Operations

Q3 (YTD) 2023 Operational Update

- Enhanced focus on quality to ensure customer experience has resulted in a short-term slowing of deliveries in H2 2023
- The 750S, revealed in April, held its Global Test Drive in November with the media - received an extremely positive response and it is now sold out well into 2024
- Three new dealers opened up to September 2023, with McLaren Dubai opened early Q4, our largest ever standalone showroom
- Order book was 1,511 at the end of September, comprising mainly 750S and Artura



750S Media Global Test Drive

- The global test drive held in Portugal in November was the first opportunity for members of the global media to experience the 750S
- Extremely positive response from the event, supporting the strong demand already seen in our order book.

"Taking the best technical components from the 765LT, McLaren has created a V8-engined supercar that can be considered not only one of the best of its time, but the best of all time.

"Drive it neatly and this car is blindingly fast and predictable but there's the scope to really attack and feel it come to life as it demands more input and fast hands. Either approach is a huge thrill.....

The 750S has so much performance that comparing figures with any other car is a bit of a waste of time. If you need to go quicker than this, you're slightly unwell."

5 stars
EVO (UK)



"A maximum rating of five stars might seem like a generous score for a revised version of an old-school supercar that costs a quarter-of-a-million pounds. But the McLaren 750S gets so many things right on so many levels – and is so much sharper to drive than the car it replaces – we can't help but be blown away by it. In fact, it's just how a loud, proud, mad, slightly scary supercar should be."

Auto Express (UK)

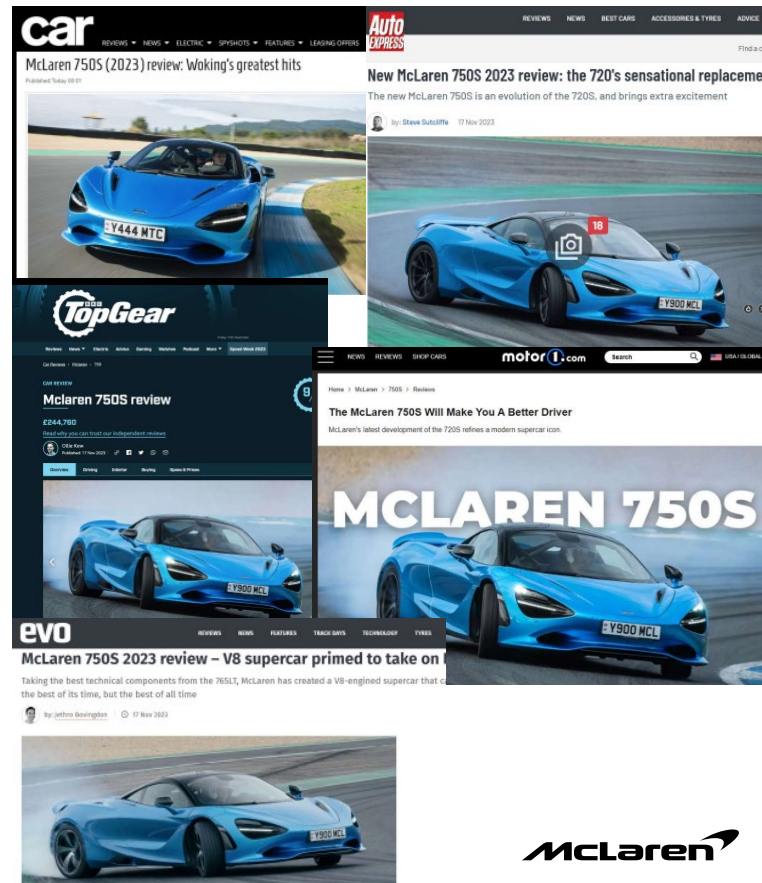


"All in all, the 750S is ferociously fast, adjustable and usable on the road and delivers proper supercar thrills. On track, meanwhile, it'll be flattering and friendly to track day novices and newcomers, while remaining properly exciting and communicative for the supercar-driving cognoscenti. Go for a Spider and you've got one hell of a do-anything supercar."

CAR Magazine (UK)



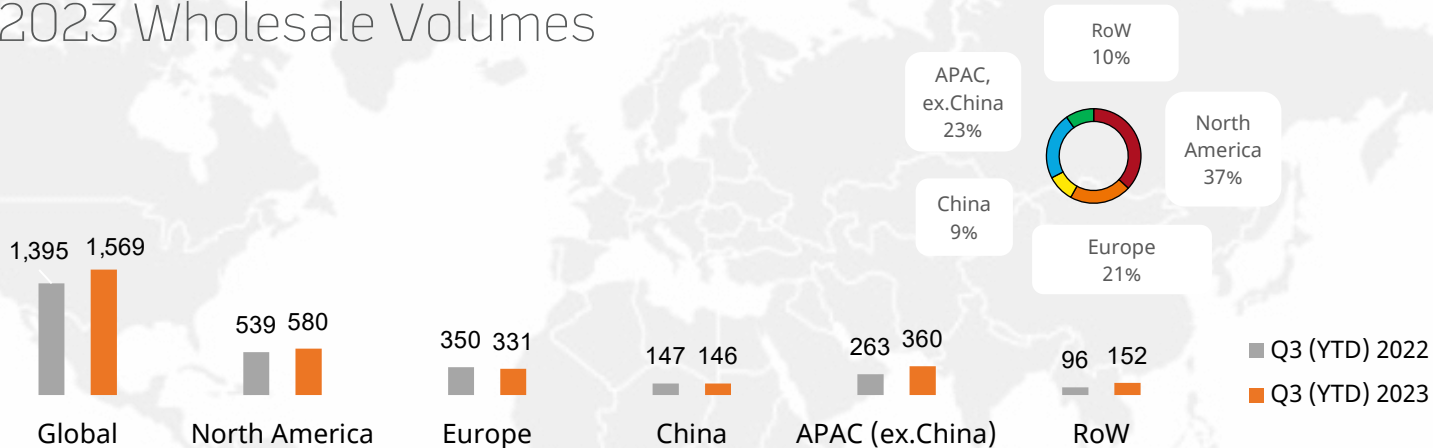
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Wholesales

Q3 (YTD) 2023 Wholesale Volumes

Q3 (YTD) 2023



- YTD positive wholesale growth in Q3 (YTD) 2023 with volumes up 12% to 1,569 units, with APAC and RoW regions driving wholesale growth
- With the new 750S not in market until Q4 2023, year to date model mix consisted primarily of Artura and GT models

Recapitalisation

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 in 2023, during which they have provided a total of £450m of funding (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



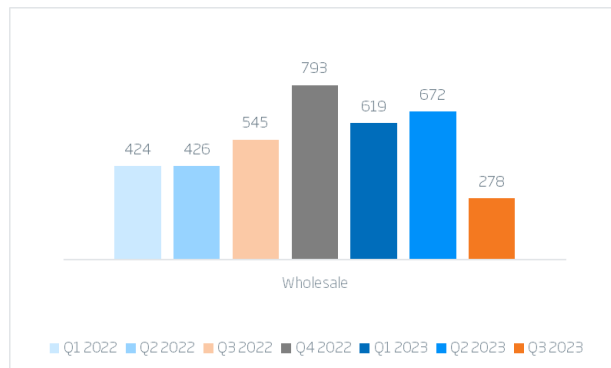
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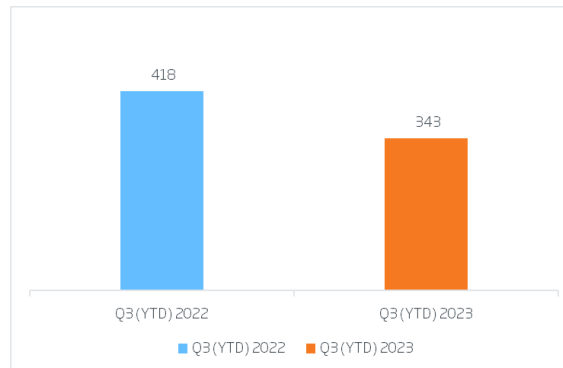
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Q3 (YTD) 2023 Key Metrics



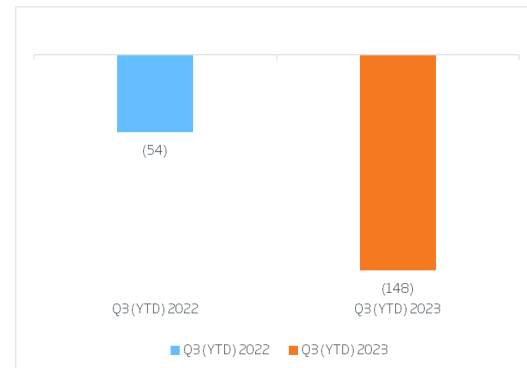
Wholesale volume (units)

Wholesale volumes of 1,569 (+12% on Q3 (YTD) 2022). An enhanced focus on quality resulted in lower wholesale volumes during Q3 2023



Revenue (£m)

Revenue declined by 18% versus Q3 (YTD) 2022 reflecting current model mix in 2023, prior to the start of 750S wholesales

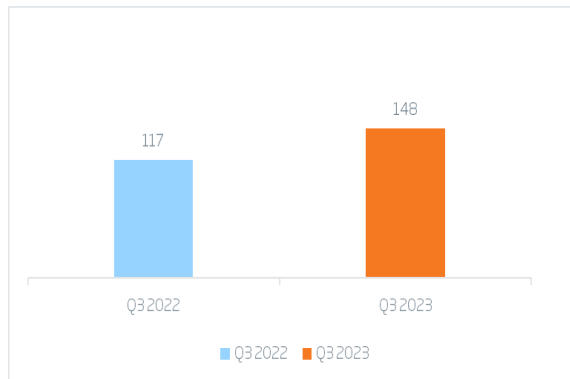


Reported EBITDA (£m)

Q3 (YTD) 2023 EBITDA loss reflecting model mix, volumes, quality enhancements, brand investment and cost inflation

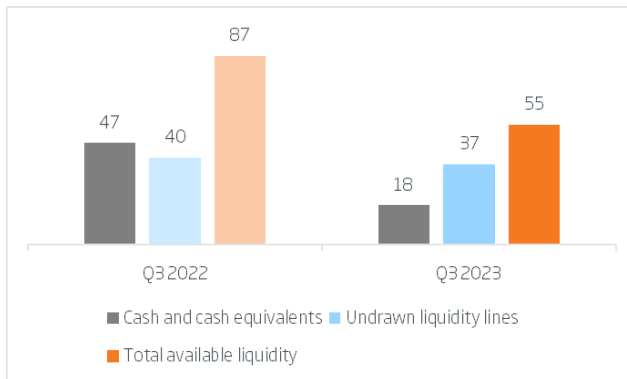
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Q3 (YTD) 2023 Key Metrics



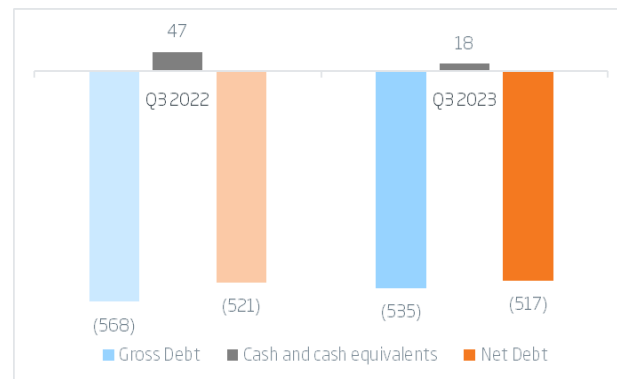
Capex (£m)

Capex growth of 27% (YoY) with ongoing investment in future models



Liquidity (£m)

Liquidity has been supported in 2023 by the issue of new share capital



Net debt (£m)

Gross debt down compared to Q3 2022 due to a weaker USD, whilst net debt flat year-on-year

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Q3 (YTD) 2023 Income Statement

£m	Q3 (YTD) 2023	Q3 (YTD) 2022
Turnover	343	418
Cost of Sales	(329)	(292)
Gross profit	14	126
Administrative expenses ¹	(190)	(205)
Other operating income	27	26
Reported EBITDA	(148)	(54)
Depreciation and amortisation	(99)	(77)
EBIT	(248)	(130)
Net finance costs ²	(29)	(130)
Loss before tax	(276)	(260)
Taxation	(3)	57
Loss for the financial period	(280)	(203)

(1) Includes FX gains and losses (excluding FX on translation of USD bond) Q3 2023 £5.7m loss, Q3 2022 £39.6m loss

(2) Includes FX on translation of USD bond Q3 2023 £4.5m gain, Q3 2022 £97.8m loss

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Cash flow

£m	Q3 (YTD) 2023	Q3 (YTD) 2022
Cash flow from operating activities	(267)	(13)
of which EBITDA excluding unrealised FX plus cash tax paid*	(165)	(42)
of which increase / (decrease) in working capital	(102)	29
Cash flow from investing activities	(148)	(117)
of which addition of intangibles	(144)	(114)
of which addition of tangibles	(4)	(3)
Cash flow from financing activities	332	100
of which proceeds from RCF drawings	3	15
of which interest and finance leases	(41)	(40)
of which issue of ordinary share capital	370	125
Net cash movement	(83)	(30)

* Unrealised FX gain Q3 2023 £14.4m and Tax £2.4m (Q3 2022 FX loss £11.5m and Tax £0.3m) included in EBITDA and disposals £0.3m in Q3 2022

Operating

- EBITDA loss driven by lower gross profit alongside higher operating costs
- The working capital outflow reflects increased inventory and a decrease creditors, reversing inflows in 2022

Investing

- Capex continues to be invested in the development of future models

Financing

- Interest paid broadly flat year on year
- £370m of new ordinary share capital issued up to September 2023, with a further £80m in November

McLaren Automotive Group

Q3 2023 Net Debt and Liquidity

£m	Q3 2023	Q3 2022
Gross debt ¹	535	568
Cash and cash equivalents	(18)	(47)
Underlying net debt	517	521
Committed liquidity and overdraft lines ²	37	40
Total available liquidity	55	87

- Total liquidity of £55m at end of Q3 2023 (Q3 2022: £87m)
- The decrease in gross debt is largely due to the movement in exchange rates versus Q3 2022, with a weakening of the USD
- Committed liquidity of £22m and overdraft lines £15m were undrawn at the end of the quarter

Corporate Credit Ratings

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

¹ Gross debt comprises the USD\$620m Senior Secured Notes, associated accrued interest, capitalised fees, and utilisation of the RCF

² Represents undrawn RCF and overdraft facilities



APPENDIX

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 sustainable 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



Grand Prix
victories



Pole
positions



Drivers'
championships



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



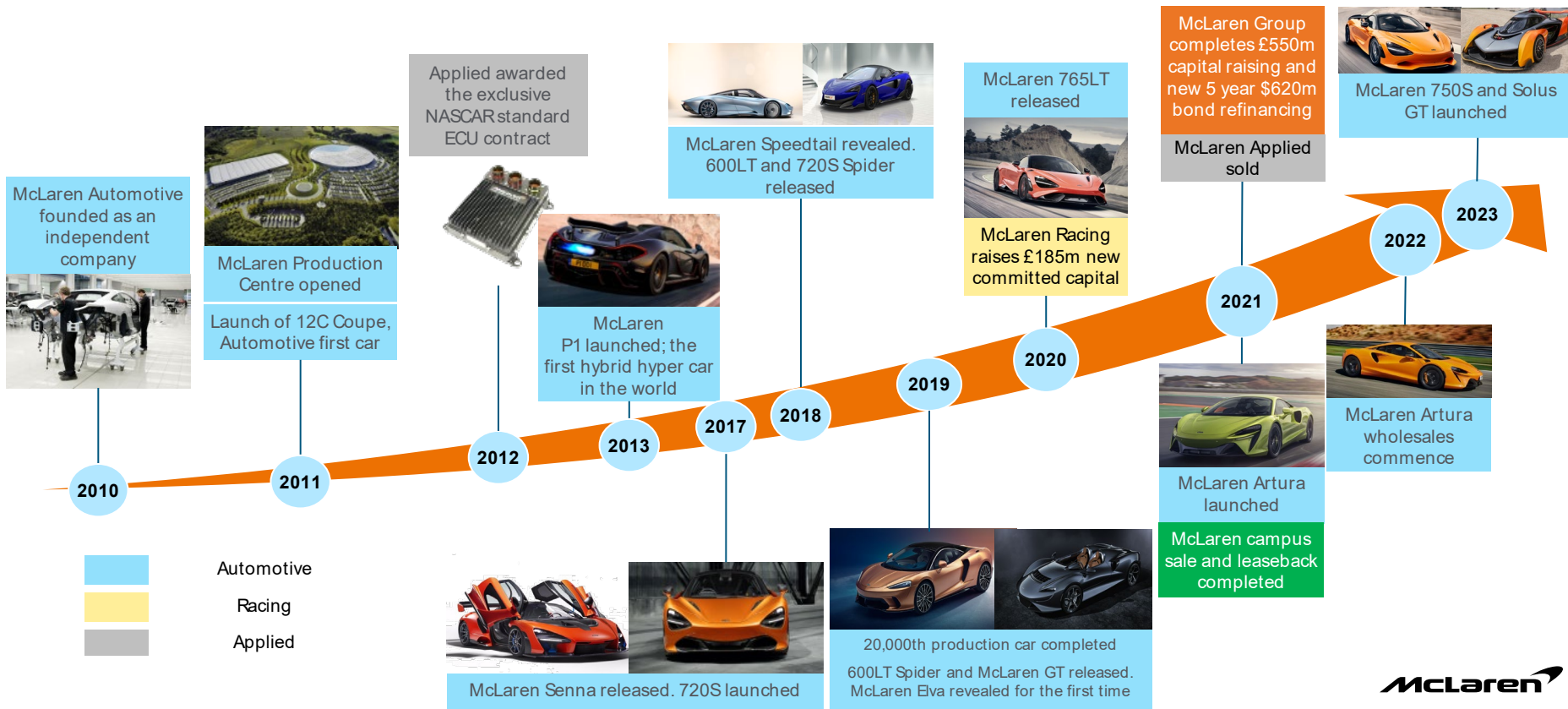
Leading the way in luxury automotive technology

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.



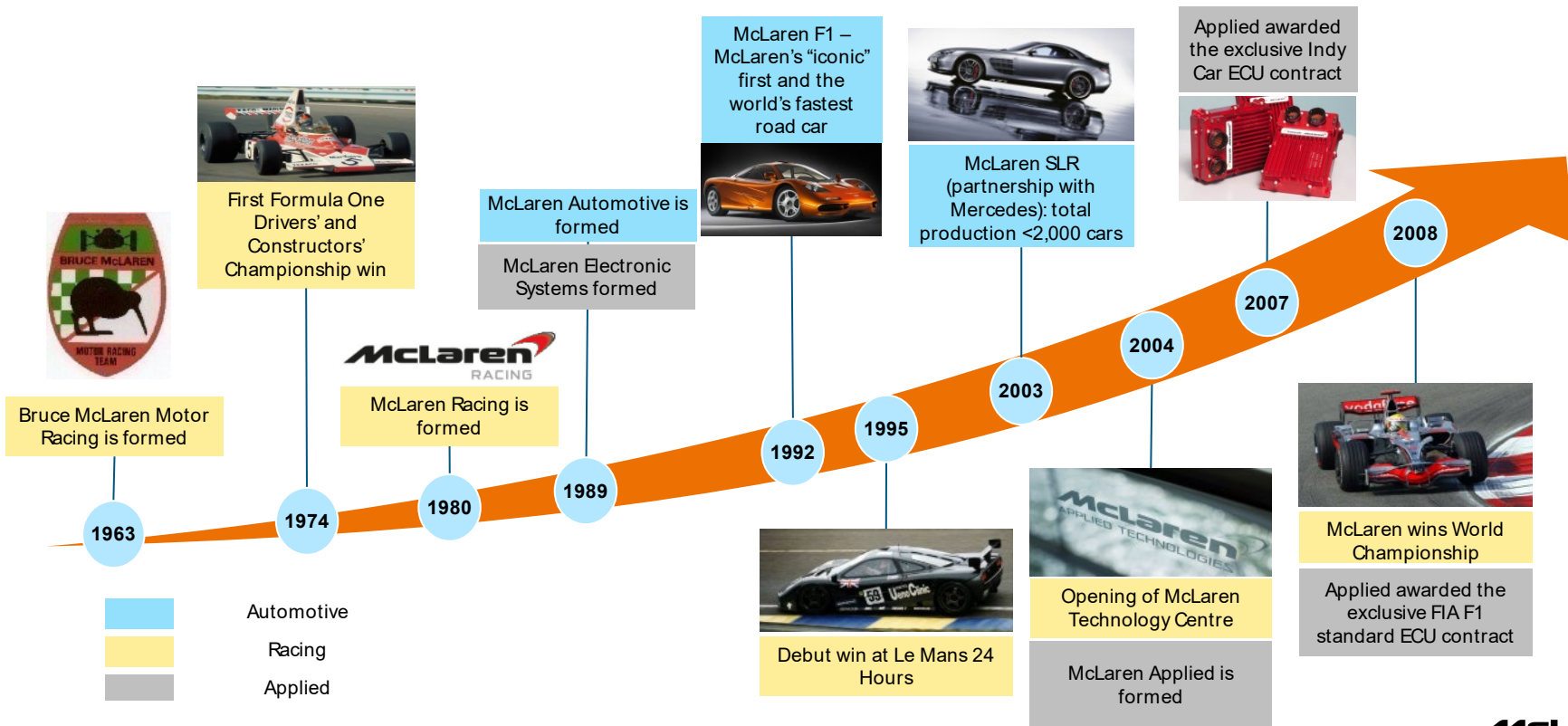
McLaren Automotive delivering iconic supercars

Innovative design and development delivers iconic supercars








McLaren has a long history in Racing and Innovation

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



McLaren Automotive operates in distinct segments

	GT (Grand Tourer)	Supercar (Artura)	Supercar (750S)	Ultimate	Motorsport
Description	<ul style="list-style-type: none"> Positioned alongside our other series, the GT brings luxury and high performance 	<ul style="list-style-type: none"> Positioned in our Supercar range, Artura is the high-performance hybrid supercar for the next decade 	<ul style="list-style-type: none"> Super Series is the core of McLaren's range with the best technology available Includes Coupe, Spider and LT derivatives 	<ul style="list-style-type: none"> High performance cars Built on the same basis as the Super series with additional ground-breaking technology Further track-only products offers 	<ul style="list-style-type: none"> Track cars built for customer racing Based on road car models but without road car regulations and built to a racing specification
Models	<ul style="list-style-type: none"> GT 	<ul style="list-style-type: none"> Artura 	<ul style="list-style-type: none"> 2023: 720S, 765LT, 750S Prev: 12C, 650S, 675LT 	<ul style="list-style-type: none"> Now: Solus GT Prev: P1, Speedtail, Elva 	<ul style="list-style-type: none"> 2023: 720S GT3, Artura GT4 Prev: 650S GT3, 720S GT3
Features	<ul style="list-style-type: none"> Competition levels of performance, continent crossing capability, lighter, faster, more engaging 	<ul style="list-style-type: none"> New lightweight carbon vehicle architecture V6 Hybrid 	<ul style="list-style-type: none"> High performance V8 supercars with track performance MonoCage II carbon body 	<ul style="list-style-type: none"> Limited production, best-in class, sold out in advance Includes the first hybrid hyper car in the world 	<ul style="list-style-type: none"> Limited editions for racing only
Purpose	<ul style="list-style-type: none"> Luxury Grand Touring 	<ul style="list-style-type: none"> Road / Track 	<ul style="list-style-type: none"> Road / Track 	<ul style="list-style-type: none"> Road / Track 	<ul style="list-style-type: none"> Track
Price range	<ul style="list-style-type: none"> £160k+ 	<ul style="list-style-type: none"> £185k+ 	<ul style="list-style-type: none"> £200-£400k 	<ul style="list-style-type: none"> £1m+ 	<ul style="list-style-type: none"> £200-£800k
					
MSO ¹		Experiences		Ownership	
<ul style="list-style-type: none"> ✓ Bespoke customisation options ✓ Heritage and one-off models 		<ul style="list-style-type: none"> ✓ Pure McLaren track experience ✓ McLaren Artura Trophy racing series ✓ Lifestyle events 		<ul style="list-style-type: none"> ✓ Expert advice and support ✓ Unique service cover 	

¹ McLaren Special Operations