



McLaren FY2020 Results

April 28, 2021



Update on Covid-19

Impact from Covid-19 well managed, despite third phase of UK government restrictions; recovery in production and sales have continued unabated since the first lockdown in Q2 2020

Global retailer network continues to trade

- In general, our retailers are continuing to operate within the restrictions in their regions
- UK retailers now open and positive signs of reopening in the USA
- Europe remains challenging with ongoing lockdown closures due to Covid-19
- Retail sales ended 2020 stronger than planned, business performance in Asia led the way

Production facilities continue uninterrupted

- COVID-safe working environments implemented post-Q2 2020
- Both Ultimate and Series lines in the McLaren Production Centre operational
- Return to two shifts (2021) complete in the McLaren Production Centre
- 2020 wholesale volumes of 1,659 in line with 2020 guidance

Retail demand supporting underlying wholesales

- Post-COVID demand demonstrated by retail sales of 2,831 in 2020, exceeding wholesales by more than 1,000

Controlled Investment spending, cost efficiency and business operations

- Elva production commenced in late 2020 and McLaren Artura successfully launched in Q1 2021 with first deliveries late Q2 2021



Automotive > Racing > Applied



FY2020

Group

- Q4 2020 **Revenue of £383.6m up 123%** vs Q3 2020 £172.0m
- Q4 2020 delivered an **EBITDA of £105.9m**, a significant improvement on Q3 2020 loss of £11.6m.
- Quarter-on-quarter improvements driven by returning demand and cost saving initiatives implemented in the first half of 2020 and a strong mix of Ultimate Series cars
- Group FY2020 Revenues of £772.8m were down 48% vs FY2019 as a result of COVID-19
- McLaren Racing investment secures the cash funding requirements until 2023, beyond which it is expected to be cashflow positive. Racing is outside the restricted group, which has no obligation to support Racing
- Sale and Lease Back of the headquarters agreed, with completion no later than early May 2021

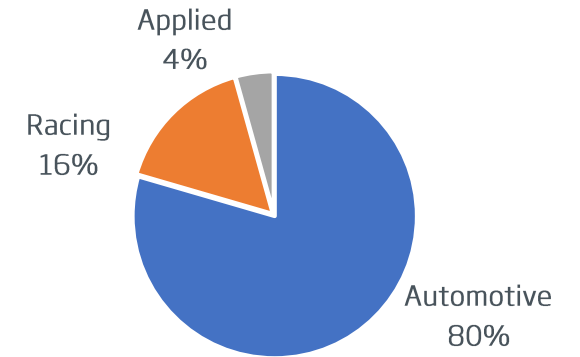
Automotive

- Q4 2020 **wholesales of 762** (vs 313 during Q3 2020) demonstrated a return towards more normalised volumes
- Retail sales of 2,831** exceed full year **wholesales of 1,659** with retailer stock levels ending year below 900 cars globally
- Wholesale order book at December 2020 was 788 vehicles, with growth to 1,117 by the end of Q1 2021

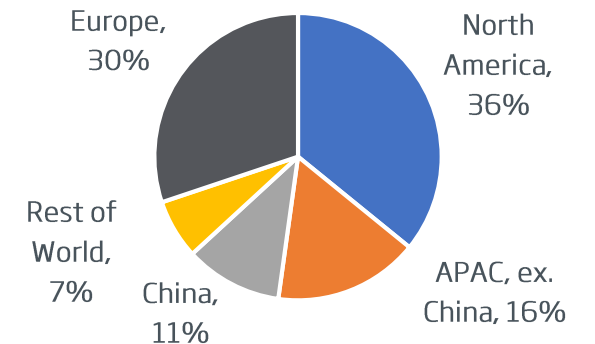
Racing

- McLaren F1 Racing finished **3rd in the Constructors Championship** with 202 points; the best result since 2012
- A consortium led by MSP Sports Capital committed to invest £185m (£100m received in 2020) into McLaren Racing over 3 years, fully funding the expected future cash requirements of Racing
- Racing now fully funded** until 2023 and operating as an unrestricted entity at an arm's length from Automotive

Revenue by division FY2020

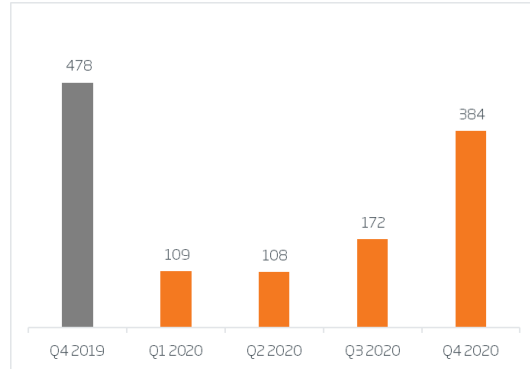


Car volumes by region – FY2020



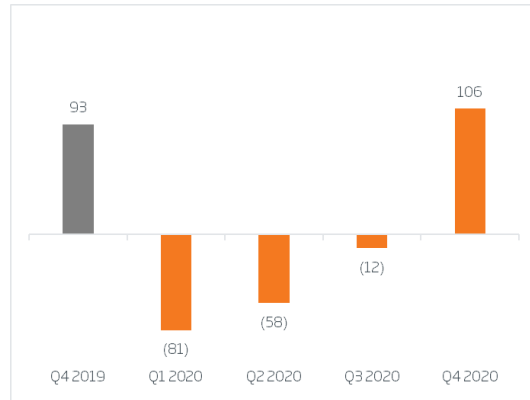
Key metrics – Q4 2020

Revenue* (£m)

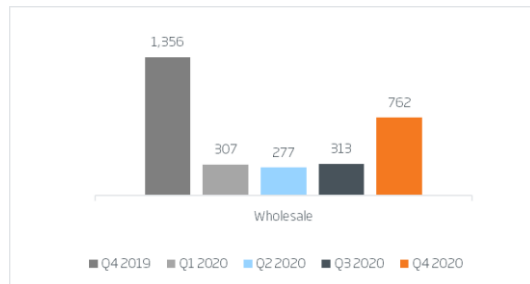


Reported EBITDA (£m)

Q4 2020 includes £21m gain on sale of share in MRL and impairment cost of (£13m)

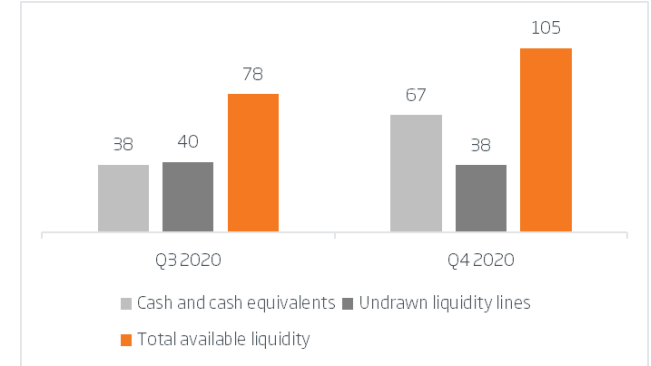


Wholesale volume (Units)



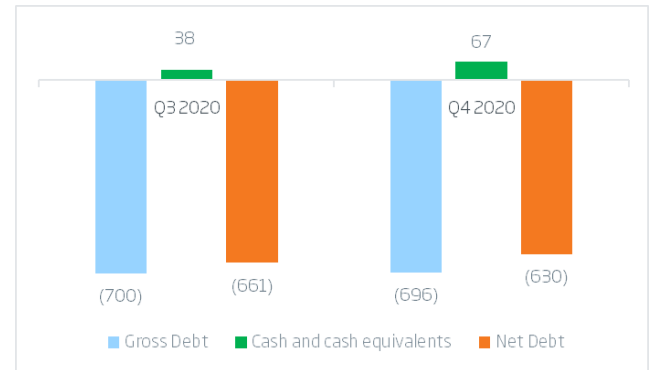
Liquidity (£m)

Liquidity facilities include the RCF and ancillary overdraft credit lines



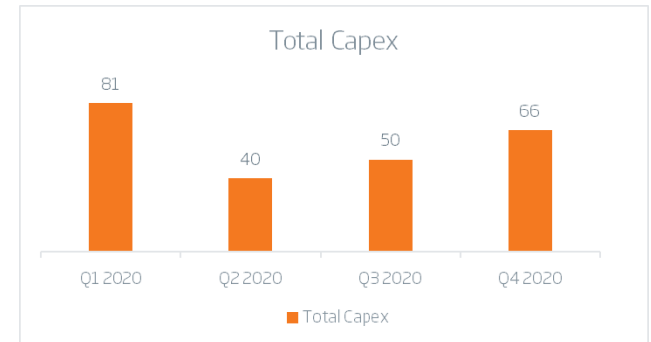
Net debt (£m)

At Q4 2020 the £130m SSRCF was drawn £68.9m (Included in Gross debt)



Capex (£m)

Q4 Capex in line with planned investment as result of Covid-19

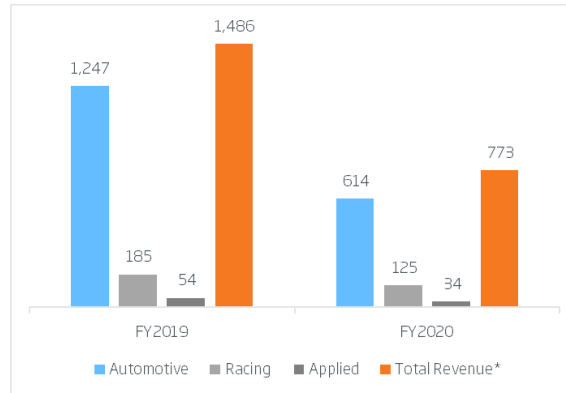


* Total Revenue includes intercompany eliminations

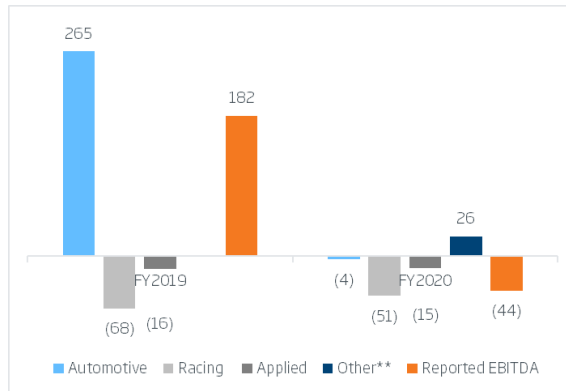


Key metrics – FY2020

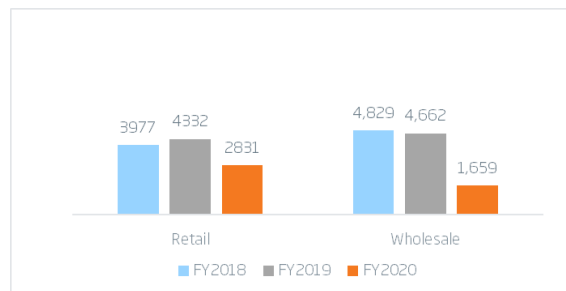
Revenue* (£m)



Reported EBITDA (£m)

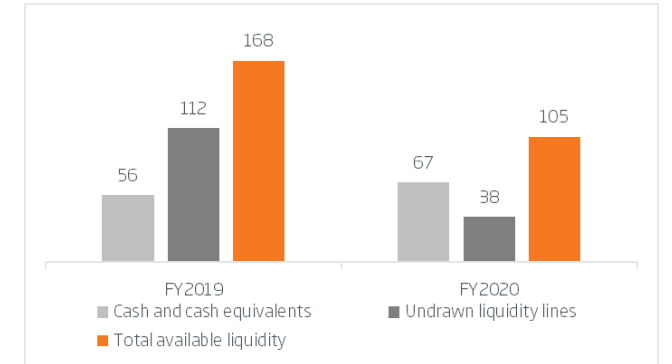


Volumes (Units, YoY)



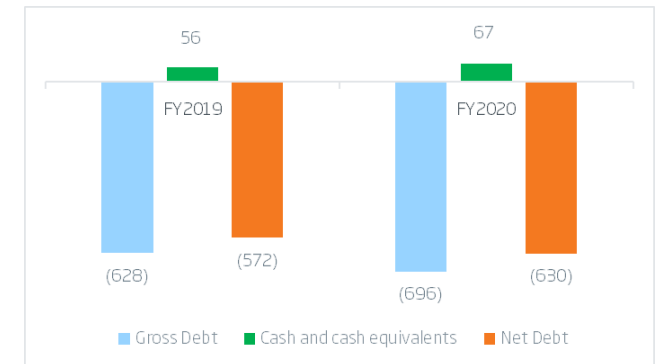
Liquidity (£m)

Liquidity facilities include the RCF and ancillary overdraft credit lines



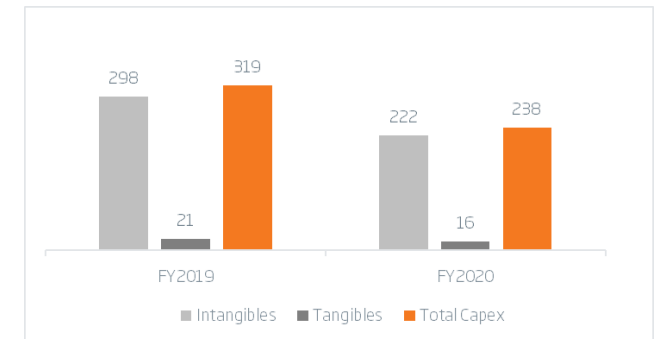
Net debt (£m)

At Q4 2020 the £130m SSRCF was drawn £68.9m (Included in Gross debt)



Capex (£m)

FY2020 Capex down **(26%)** on FY2019 following reduction in planned investment as result of Covid-19



* Total Revenue includes intercompany eliminations

** Reported EBITDA 'Other' includes intercompany eliminations and gain on sale in share in McLaren Racing

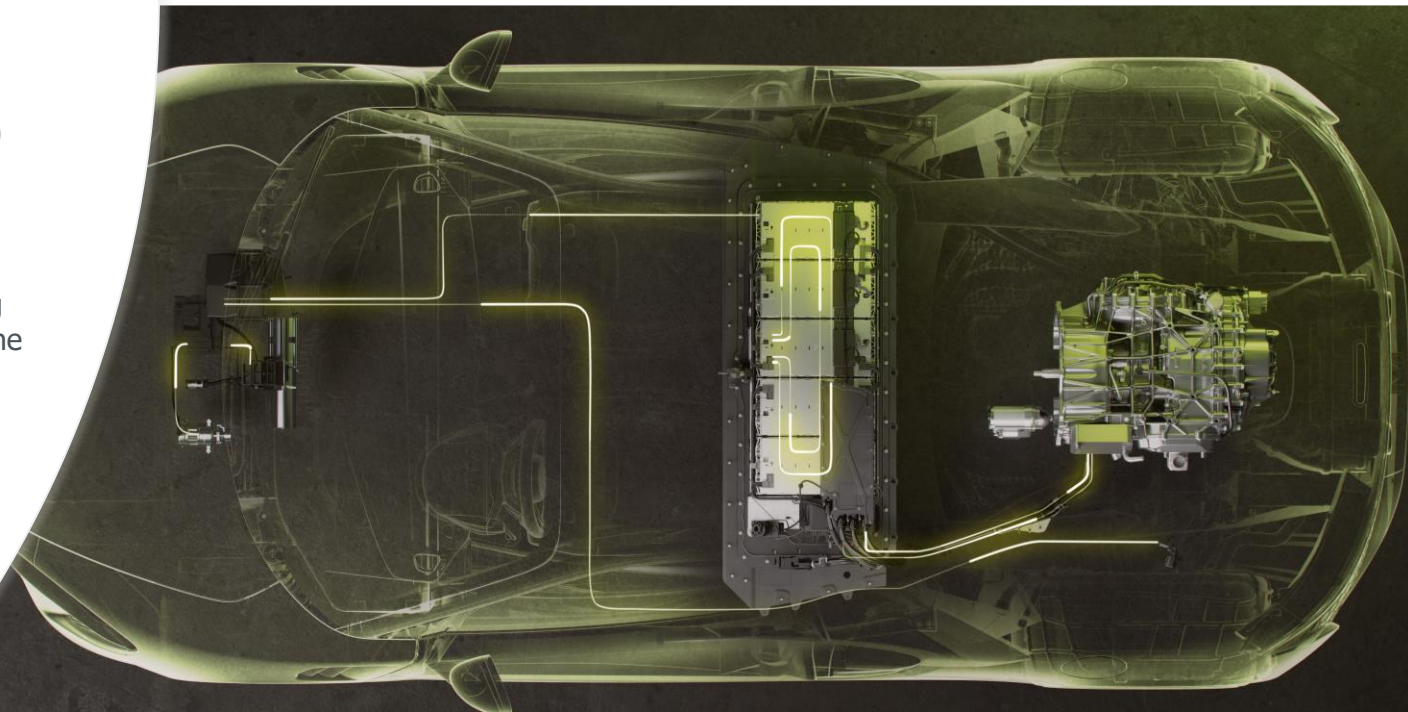


Automotive

Operational Update

Improved performance in Q4 following unprecedented impact of coronavirus pandemic

- Automotive revenues in Q4 2020 were £345.5m (Q3 2020 £126.7m) and continue to improve following the unprecedented impact of Covid-19 in H1 2020
- The McLaren Production Centre ("MPC") is now back to a two-shift operation as it continues to work towards a return to pre-pandemic volumes
- The retail network is mostly open, with Retail sales in 2020 exceeding wholesales by >1,000 vehicles as demand outweighed supply
- Dealership stocks now more than 50% lower than at the beginning of 2020 and now at an appropriate operating level
- Well managed transition with minimal operational impact from Brexit
- Supply chain intact although a limited number of suppliers are experiencing COVID-19 related issues which has delayed the delivery of some parts to the MPC
- Launch of the new high-performance hybrid Artura in February 2021 with first customer deliveries in late Q2, delivers the all-new architecture for the next decade and beyond
- Reuse of this vehicle architecture significantly drives down future CAPEX requirements





McLaren Artura launch exceptionally well received

McLaren Artura our all-new High-Performance Hybrid supercar

- The McLaren Artura, our first all-new series-production High-Performance Hybrid supercar, revealed on the 17th February 2021
- The Artura is the first to be built on the new structure designed, developed and made at the McLaren Composites Technology Centre (MCTC)
- The High-Performance Hybrid powertrain, featuring our new V6, 3.0L twin turbocharged internal combustion engine delivering
 - 680PS, 0-62mph in 3 seconds
 - 205mph (330kph) top speed
 - 129g/km CO₂ emissions
 - 28-30 km of EV range
- Capex Investment reduces to an average £175m annually as a result of the investment made in the new architecture which will underpin the future McLarens for the next decade

"The Artura is something of a study in how to reconcile a heavy hybrid powertrain with McLaren's famously forensic obsession with weight-saving, and will doubtless provide a blueprint for future models."

Sunday Times Driving (UK)

"The Artura not only continues the brand's pedigree with extreme performance, it also provides the automaker with an opportunity to become a leader as exotic and ultraluxury brands embrace electrification."

Automotive News (US)

"The Artura's hybrid predecessors were both million-pound machines built in limited numbers; the Artura is for everyone. Well, everyone with £185,000 to spend."

Goodwood Road & Racing (UK)

"Electrifying – With the Artura, McLaren starts its second decade. From the platform to the interior to the powertrain, everything is new. The supercar has the capability to drive up to 30km in electric mode."

Automobil Revue (Switzerland)





McLaren model line up

McLaren strategy focussed around four core model groups

The company's product portfolio of GT, Supercar, Motorsport and Ultimate models are retailed through almost 100 retailers in 40 markets around the world

GT



Supercars – Artura, 720S



Motorsport – GT3, GT4



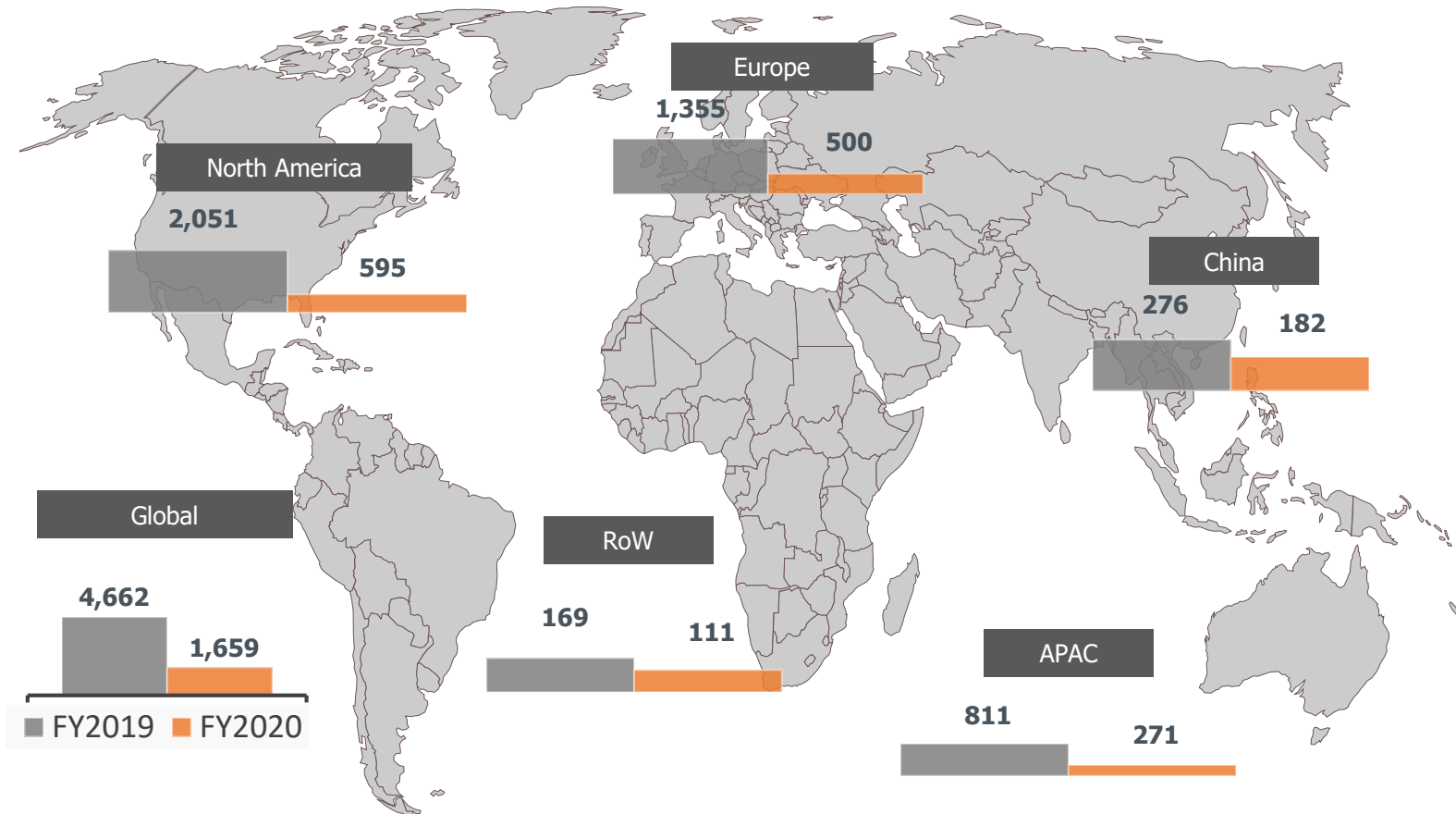
Ultimate – P1™, McLaren Senna, Speedtail, Elva





Sales Update

Global Wholesale Volumes



2020 volumes declined globally driven by impact of Covid-19 and the strategic reduction in volumes

- Closure of the retailer network globally for more than two months
- MPC suspension delayed the delivery of vehicles in H1
- Strategic decision to reduce H1 2020 volumes driven by:
 - Matching production and inventory to market demand
 - Retailer de-stocking
 - Preparing for 2020 new model launches

Markets remain open but some restrictions in European countries continue into 2021

Successful launch and sale of 765LT in year
Retail performance maintains a strong driver supporting the wholesale volume demand with 2,831 retail sales in 2020

Racing





Formula 1 World Championship & IndyCar

Finished 3rd in the Formula 1 Constructors Championship in 2020

2020 Formula 1 & IndyCar

- Finished 3rd in the Formula 1 2020 Season with 202 points - best result since 2012
- 2 Podiums achieved with Carlos Sainz finishing 2nd in Italy and Lando Norris 3rd in Austria
- Pato O'Ward finished 4th in the IndyCar Series Championship in Arrow McLaren SP's first full season

2021 Formula 1 & IndyCar

- Daniel Ricciardo and Lando Norris driving for the 2021 season
- Strong performance in the first two races of 2021, with two double points finishes and a podium
- McLaren is currently 3rd in the 2021 F1 Constructors' World Championship with 41 points
- Sponsor retention high and new partner acquisition strong
- IndyCar – fastest in testing and a pole position at the first race
- Juan Pablo Montoya confirmed for Indy 500 third entry
- Full race seasons planned for both F1 and IndyCar





McLaren Racing – new investment of £185m

McLaren Racing now fully funded until 2023 and outside and above restricted group

Investment brings financial stability to McLaren Racing

- US sports investment group acquires significant minority shareholding in McLaren Racing
- Introduction of partner capital and expertise forms part of McLaren Racing’s ongoing strategy
- Reaffirms team’s position at the heart of McLaren brand
- Racing Investor Consortium led by MSP Sports Capital. Includes MSP Sports Capital, UBS O’Connor, LLC. and The Najafi Companies
- Consortium committed to invest £185m in cash into McLaren Racing scheduled over 3 years
- Initial stake of 15% which may increase up to 33%

Key implications of McLaren’s overall profile

- Fully de-risks and “cash covers” Racing’s business plan until the end of 2023
- Formula 1 cost cap and commercial momentum will create a financially self-sustaining racing business from 2023/24
- McLaren Racing now sits outside the McLaren restricted group as an unrestricted entity
- Relationship with the restricted Group is now governed by commercial arms-length agreements
- Investor presentations for 2021 onwards will exclude McLaren Racing



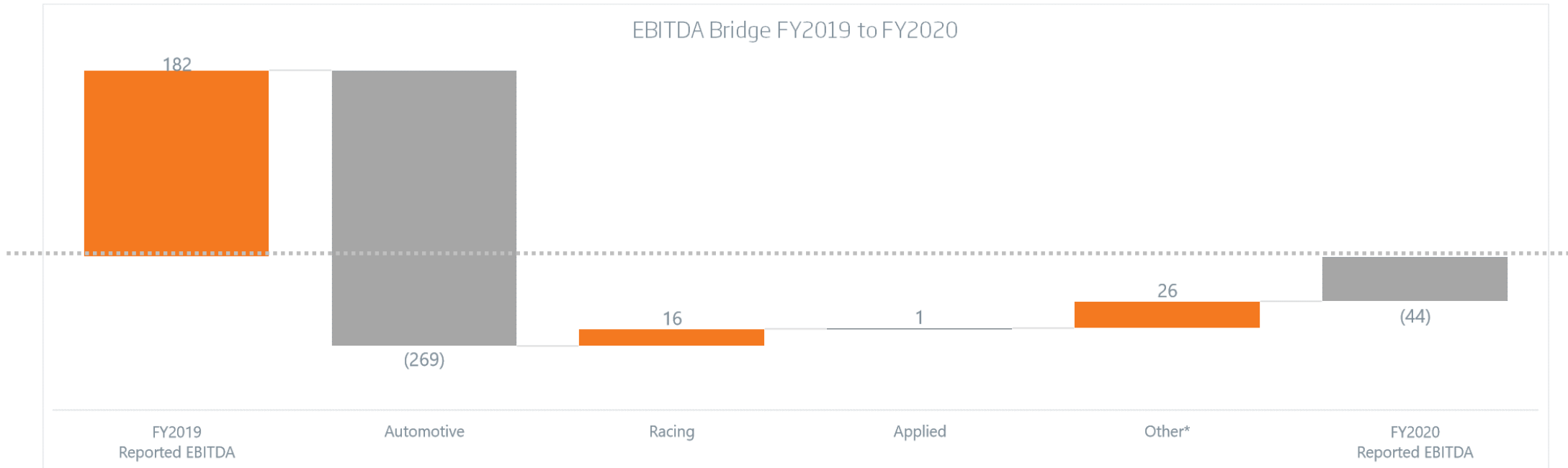


Financials





McLaren Group Reported EBITDA Bridge FY2019 to FY2020

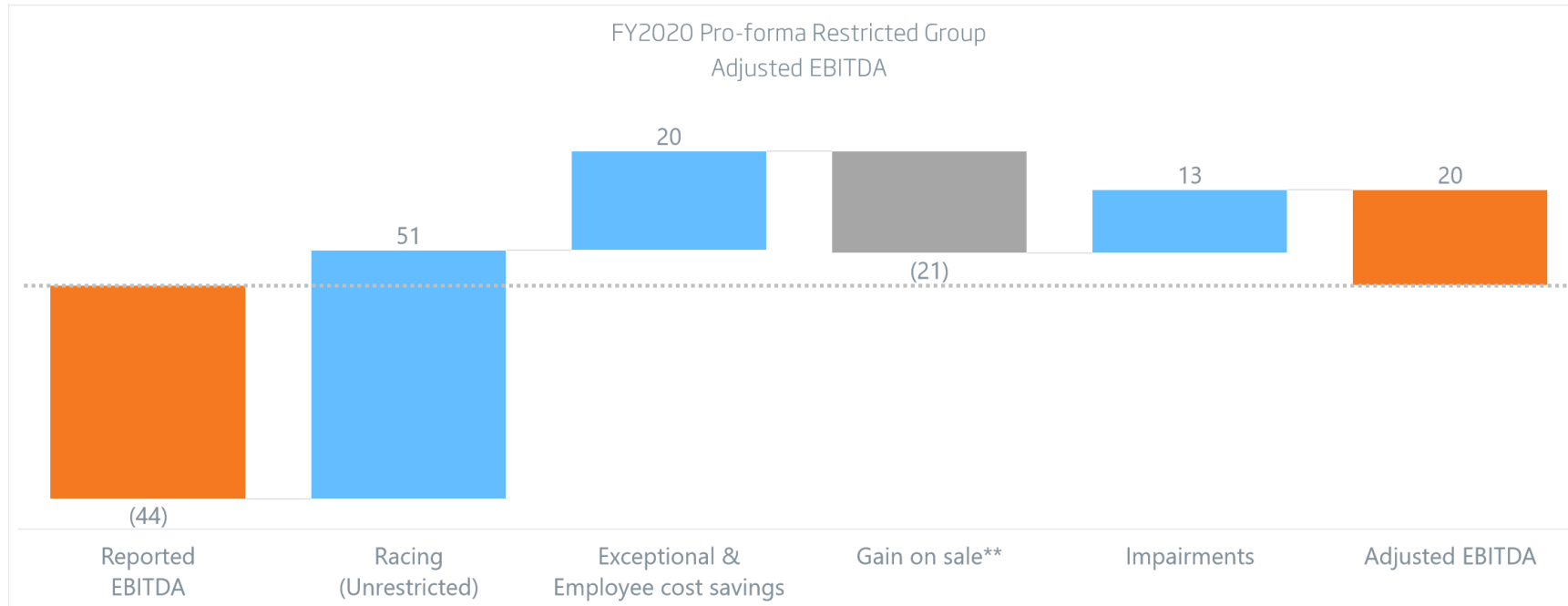


- Automotive adversely impacted by COVID-19 as a result of the reduced global wholesale and production volumes in 2020
- Automotive focussed on the delivery of high margin products during the year including 765LT, Speedtail and Elva to underpin results
- Racing improvement driven by increased sponsorship revenue and costs savings
- Racing includes £8.5m heritage car profit in 2020

* Other includes intercompany eliminations and gain on sale of share of McLaren Racing following the MSP Capital investment in December 2020



FY2020 Pro-forma Restricted Group Adjusted EBITDA (excl. Racing)



** Gain on sale relates to the sale of share in McLaren Racing

- FY2020 Adjusted EBITDA of £19.6m after adjusting for
 - the results of McLaren Racing being excluded from the Restricted Group results following the completion of the new investment in McLaren Racing in December 2020
 - Adjustments for one-off employee cost savings, exceptional costs, 2020 corporate transaction costs and the costs incurred as a result of the restructuring and redundancy programs offset with the furlough grant income completed in 2020 following the Covid-19 impact
 - Impairments relate to Applied intangible investments discontinued and professional fees on land development



Group Cash Flow

	FY2020	FY2019
Cash flow from operating activities	(220)	231
<i>of which EBITDA excluding unrealised FX plus cash tax paid*</i>	(48)	171
<i>of which impairments and profit on sale of subsidiary</i>	(10)	-
<i>of which increase in stock, WIP & finished goods</i>	1	7
<i>of which decrease / (increase) in debtors</i>	125	(99)
<i>of which (decrease) / increase in creditors</i>	(289)	153
Cash flow from investing activities	(236)	(319)
<i>of which addition of intangibles</i>	(222)	(298)
<i>of which addition of tangibles</i>	(16)	(21)
<i>of which disposal of tangibles, investments and share of subsidiary</i>	2	-
Cash flow from financing activities	467	50
<i>of which proceeds from RCF drawings</i>	69	-
<i>of which interest and finance leases</i>	(42)	(35)
<i>of which issue of ordinary share capital</i>	441	53
<i>of which issue of SSN's and repayment of shareholder</i>	-	32
Net cash movement	11	(38)

* Unrealised FX gain FY2020 £2.9m and tax paid £0.8m (FY2019 FX £7.4m, tax paid £5.1m) included in EBITDA

Working Capital

- Working capital outflow a result of:
 - The reduced Automotive wholesale and production volumes for 2020 following Covid-19
 - The reduction in the deposits balance as Ultimate Series delivered
 - Reduced Trade Finance due to lower volumes in 2020

Investment

- Reduced spending focussed on revenue generating vehicles in 2020 and Artura to offset the impact of COVID-19 in 2020

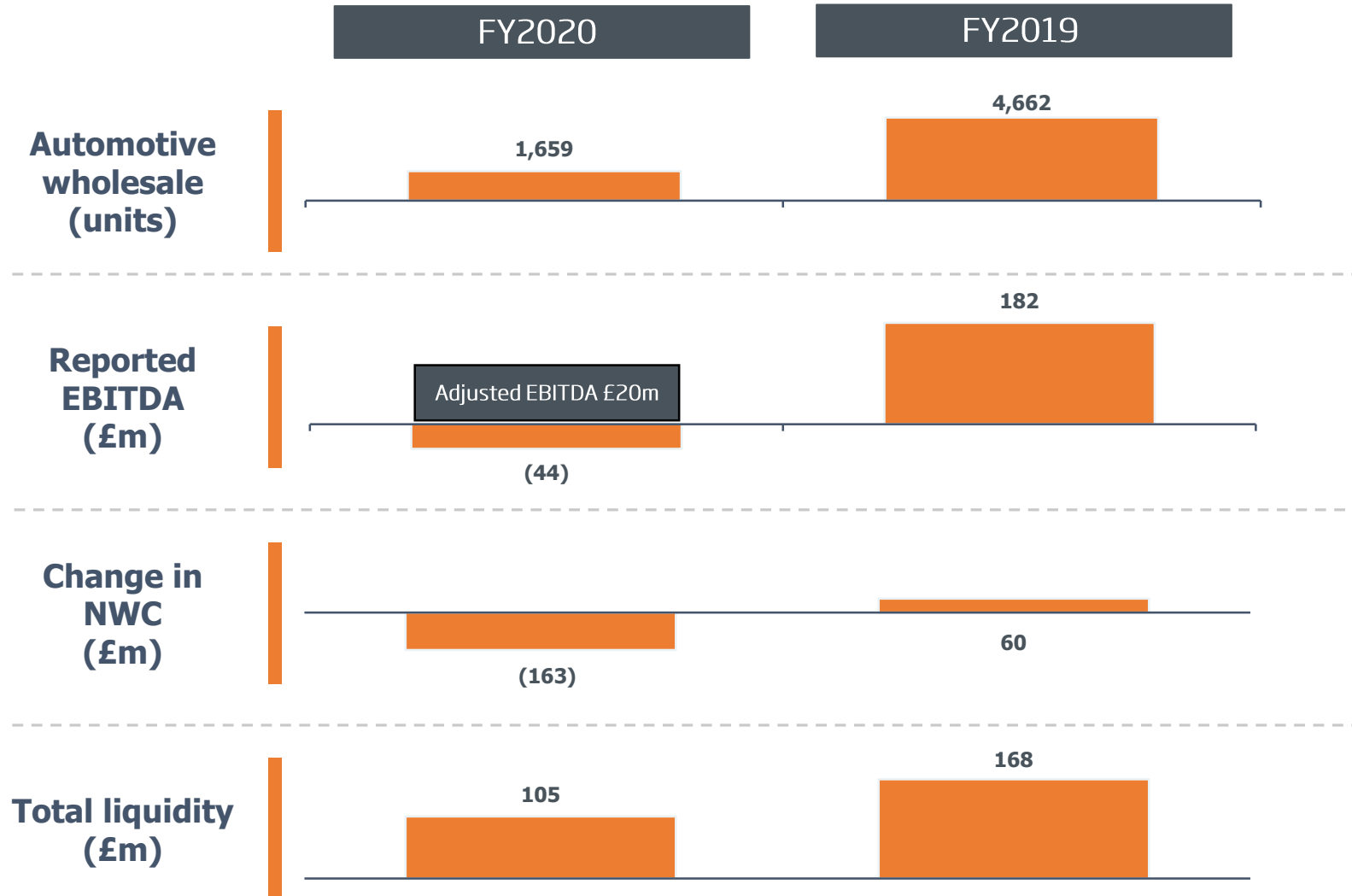
Financing

- £291m equity contribution from shareholders to support the new strategic plan before COVID-19
- £150m¹ loan to McLaren Group Limited

¹ McLaren Group Limited purchased ordinary share capital in McLaren Holdings Limited (Restricted group) using loan proceeds



Summary of Key Metrics



- Initial plan was heavily revised downward post Covid-19, given the shut-down of dealerships and the production centre from March to May
- As a result of the adverse impact on sales, Reported EBITDA of (£44m) is significantly down versus 2019
- Adjusted EBITDA of £19.6m reflects the restricted group after adjusting for Racing (now unrestricted), exceptional items, impairments and cost savings related to the organizational restructuring
- Working capital outflow is a result of significantly reduced volumes for 2020 following Covid-19 and delivery of Ultimate Series reducing the deposit balance
- Liquidity of £105m at end of 2020



Net Debt & Liquidity

	FY2020	FY2019
Gross debt ¹	696	628
Cash and cash equivalents	(67)	(56)
Underlying net debt	630	572
Net Leverage / EBITDA ²	32.1x	3.2x
Committed liquidity and overdraft lines ³	38	112
Total available liquidity	105	168

¹ FY2020 Gross debt is equal to Senior Secured Notes (SSNs) outstanding of £645m plus £13.9m accrued interest. The SSNs includes £12.6m capitalised fees and revaluation FX gain of £18.9m plus drawn RCF of £68.9m. FY2019 was £645m, £14.1m accrued interest, £19.9m capitalised fees, £11.2m FX gain and undrawn RCF

² Net Leverage includes reported gross debt less cash and Adjusted EBITDA of £19.6m for FY2020 / Reported EBITDA £181m for FY2019

³ Represents £38m undrawn Overdraft facilities (FY2020) and undrawn RCF £72m and Overdraft £40m (FY2019).

- Gross debt reflects \$250m and £370m 5-yr Senior Secured Notes issued in July 2017 and \$100m issued July/August 2019
- RCF fully drawn £68.9m with total liquidity of £104.7m at end of Q4 2020
- The new funding received in June 2020 was the first part of a three-phase strategy to
 1. Strengthen the balance sheet in the aftermath of Covid-19
 2. Raise new equity and repay the bridging loan
 3. Refinance the group borrowings (RCF and Notes)
- Following the Racing transaction c.£205m of Heritage Car assets remain in the restricted group
- The group intends to target a significantly lower leverage and a more prudent capital structure going forward
- McLaren Group continues to evaluate various capital structure alternatives with respect to its RCF and Senior Secured Notes, including an equity or holdco debt capital raise and a debt refinancing. Goldman Sachs, HSBC and Global Leisure Partners are advising on this process
- We continue to review all strategic options for McLaren Applied

Appendix





Summary Income Statement

£m	FY2020	FY2019
Turnover	773	1,486
Cost of Sales	(628)	(1,034)
Gross profit	145	452
Administrative expenses ¹	(228)	(299)
Other operating income	52	29
Exceptional costs	(22)	-
Gain on sale of share in subsidiary	21	-
Impairment of assets	(13)	-
Reported EBITDA	(44)	182
Share of loss from Joint venture	(1)	-
Depreciation and amortisation	(232)	(180)
EBIT	(277)	2
Net finance costs ²	(41)	(30)
Profit before tax	(318)	(28)
Taxation	44	(5)
Profit after Tax	(274)	(33)

¹ Includes FX gains and losses (excluding FX on translation of USD bond) FY2020 £7.3m loss, FY2019 £22.6m loss

² Includes FX on translation of USD bond FY2020 £7.9m gain, FY2019 £13.5m gain



Group Cash Flow Statement

£m	FY2020	FY2019
Net cash flows from operating activities	(220)	231
Net cash flows from investing activities	(236)	(319)
Net cash flows from financing activities	467	50
Net decrease in cash and cash equivalents	11	(38)

Reported EBITDA by company

£m	FY2020	FY2019
Automotive	(4)	265
Racing*	(51)	(67)
Applied	(15)	(16)
Other**	26	-
EBITDA	(44)	182

* Racing includes the sale of heritage cars, £8.5m (FY2020) and £6.7m (FY2019)

** Other includes intercompany eliminations and gain on sale of share of McLaren Racing following the MSP Capital investment in December 2020

One outstanding luxury automotive & technology group



Sales 2020A: £773m

Automotive
(£615m | 80% of revenue¹)



- Unparalleled ascent to 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 recovering from COVID with focus on brand strength, orderbooks, 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
(£125m | 16% of revenue¹)



- Incredible brand platform as one of the most successful teams in F1 history and 1.9bn F1 cumulative TV viewers in 2019
- More than 39m social media engagements
- Clear path to positive earnings and cashflow underpinned by F1 cost cap, momentum around sponsorships, improved performance on track and increasing F1 viewership

Applied
(£33m | 4% of revenue¹)



- Further developing and monetising the ground-breaking technologies the Group develops
- New focused business strategy – built around three key product platforms:
 - Virtual product development
 - Telemetry, control and analytics
 - Electrification

¹ Percentage of Group revenue in FY2020

Absolute Luxury Brand Steeped In Rich Racing Legacy And Technological Prowess



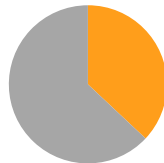
Rich racing legacy



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

...58 years of supreme racing legacy & counting

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



■ McLaren fans
■ Others

Leading edge technology & performance

Carbon Fibre "Tub"
Sole OEM to use carbon fibre monocoque across its entire range



McLaren F1
World's fastest road car at launch



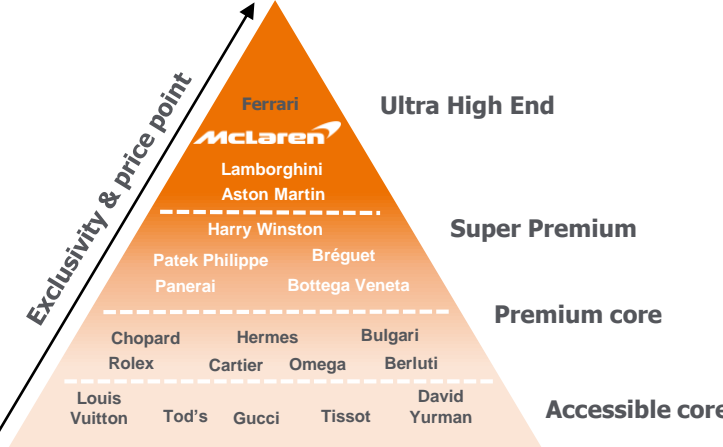
McLaren P1™
1st hybrid hyper car globally



Supplier of key components to motorsports teams
Strongest e-machine to date



HNWI clientele and luxury business model

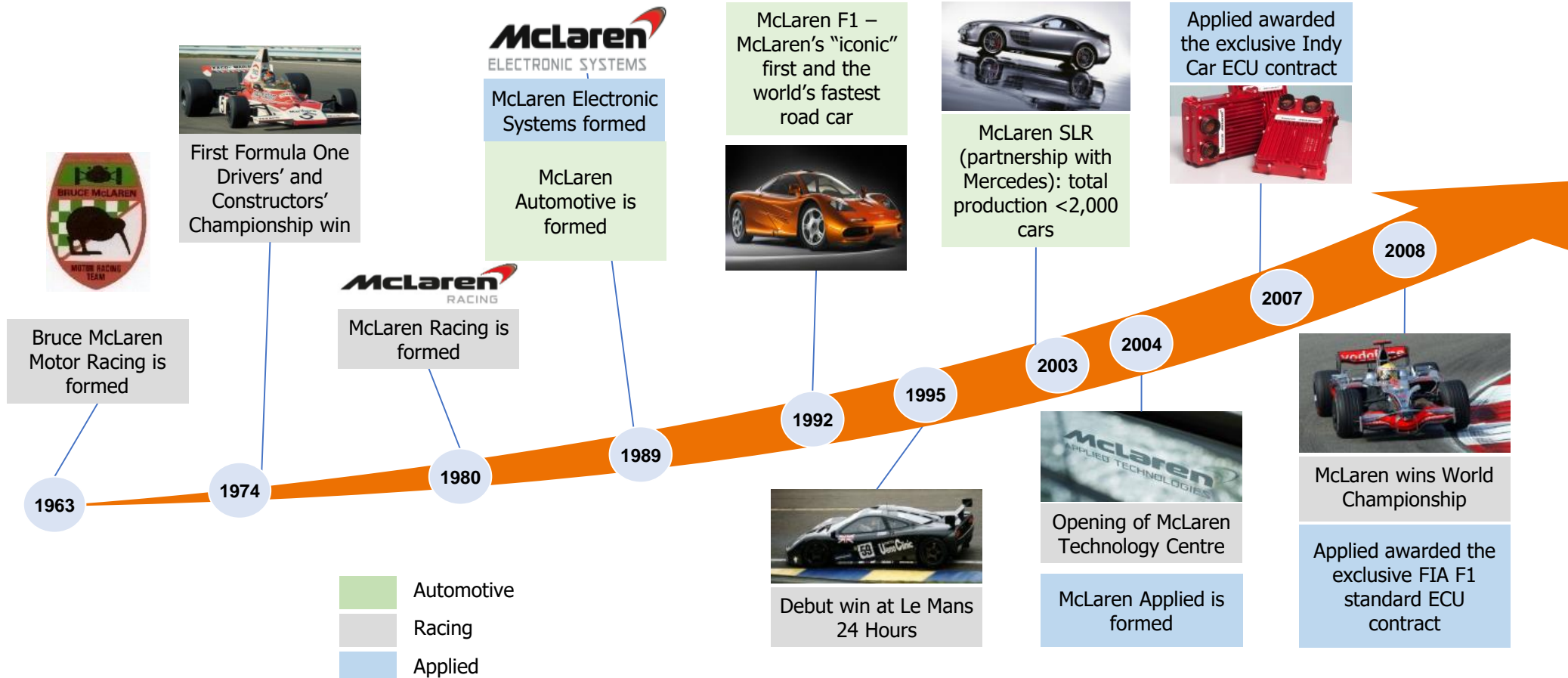


Demand underpinned by:

- Structural global growth in # of HNWI's
- Relatively quick rebound in demand post-COVID for high-end luxury goods (incl. cars) forecast by consultants

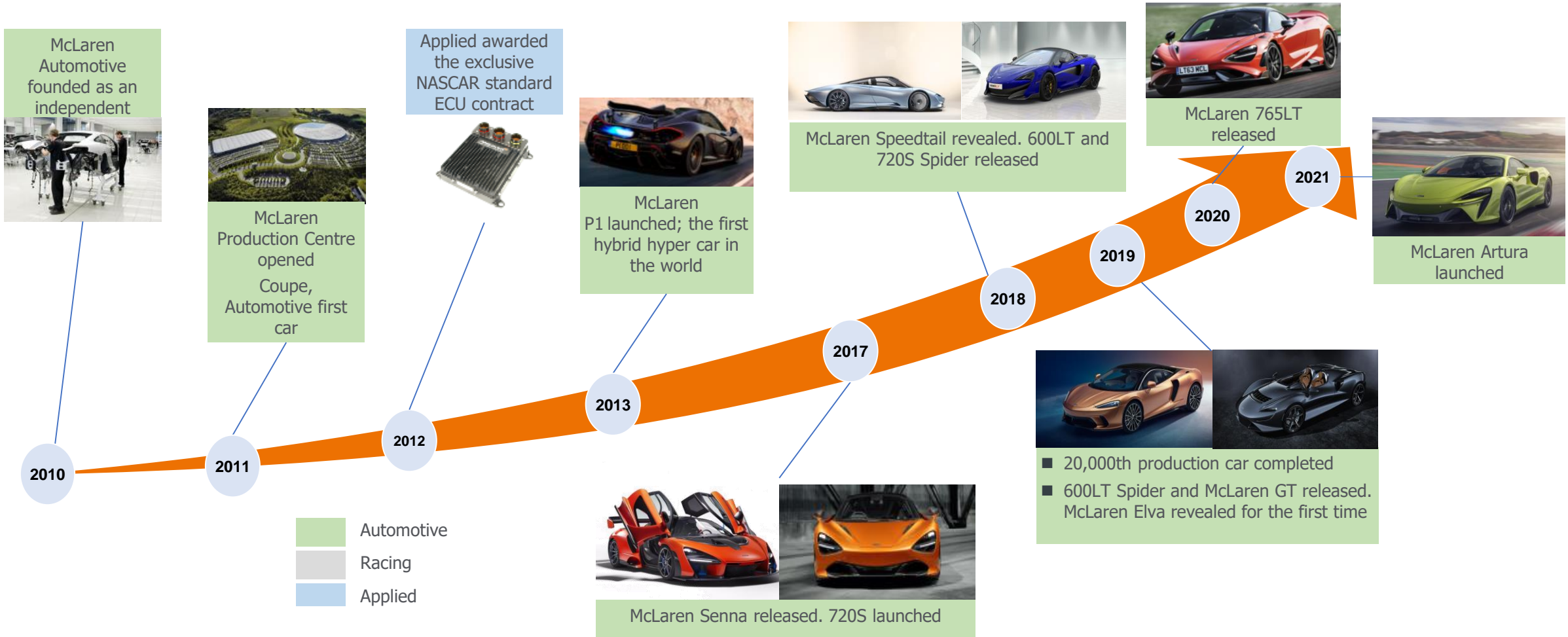
McLaren has a long history in Racing and Innovation

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



McLaren Automotive established delivering iconic supercars in first decade

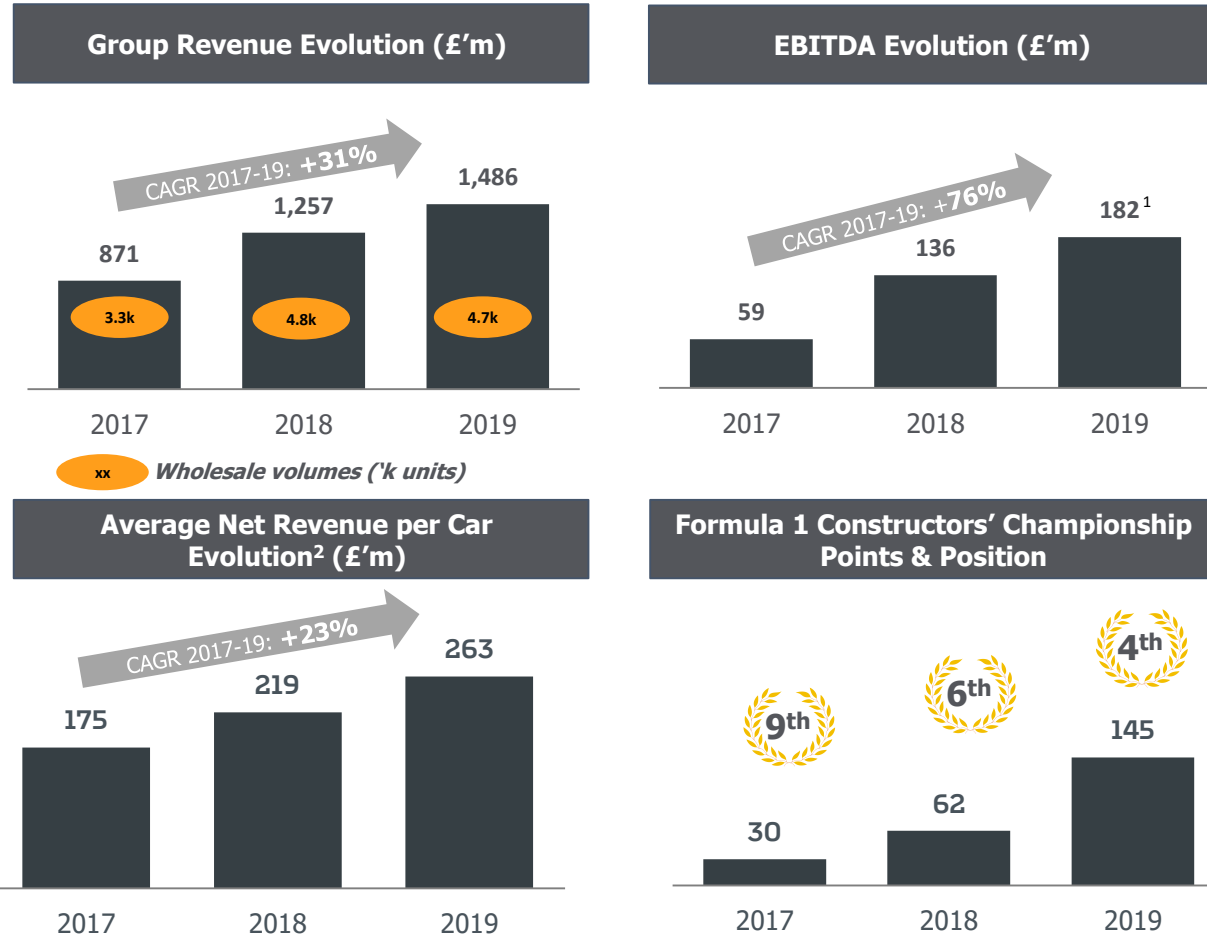
Innovative design and development delivers iconic supercars through McLaren Automotive's first decade



McLaren has a history of strong momentum and performance

Solid track record of delivering results pre-Covid-19

- McLaren Automotive has grown from a standing start in 2010 to generating £1.25b of revenue in 2019 with Racing and Applied making up the balance
- Long term growth accelerated in 2019 with growth in revenue of 18% and a highly impressive 34% increase in EBITDA
- Automotive EBITDA was £265m in 2019 at 21.2% EBITDA margin
- This reflects the successful execution of the strategy to improve pricing and margin with strong orders for high margin limited edition cars
- At the same time the McLaren Racing moved up the grid in the Formula 1 Constructors' Championship to 4th from 6th
- ...and this exciting 2019 Racing momentum has attracted more sponsorship partners than any other team on the grid



¹ Adjusted for £4.8m audit adjustment reclassifying intangible write off to amortization in Applied

² Revenue per Car = Wholesale Revenue / Wholesale Volumes



Automotive operates in distinct segments

	Sports Series	Grand Tourer	Super	Ultimate	Motorsport
Description	<ul style="list-style-type: none"> Sports Series were built between 2011 and 2020 Series now completed Derivatives included Coupe, Spider, LT limited editions 	<ul style="list-style-type: none"> Positioned alongside our Super, Ultimate and Motorsport Series, the GT brings luxury and high performance to a discerning customer 	<ul style="list-style-type: none"> Super Series is the core of McLaren's range with the best technology available Derivatives include Coupe, Spider and LT limited editions 	<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 racing Based on road car models but without road car regulations and built to a racing specification
Models	<ul style="list-style-type: none"> 540C, 570S, 570S Spider, 570GT, 600LT, 600LT Spider, 620R 	<ul style="list-style-type: none"> new GT 	<ul style="list-style-type: none"> 12C, 650S, 675LT, 720S, 720S Spider, 765LT, Artura 	<ul style="list-style-type: none"> P1™ & GTR, McLaren Senna, Senna GTR, Speedtail, Elva 	<ul style="list-style-type: none"> 650S GT3, 570S GT4 and 570S Sprint, 720S GT3
Features	<ul style="list-style-type: none"> Best power-to-weight ratio of sports car range in class Lightweight construction with carbon chassis (75kg) 	<ul style="list-style-type: none"> Brings competition levels of performance and continent crossing capability, lighter, faster, more engaging 	<ul style="list-style-type: none"> High performance super cars with track performance MonoCage II carbon body 	<ul style="list-style-type: none"> Includes the first hybrid hyper car in the world Strictly limited production, sold out years in advance 	<ul style="list-style-type: none"> Strictly limited editions for racing only
Purpose	<ul style="list-style-type: none"> Road 	<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"> Track
Price range	<ul style="list-style-type: none"> Production complete 	<ul style="list-style-type: none"> >£160k 	<ul style="list-style-type: none"> £185-300k 	<ul style="list-style-type: none"> >£500k 	<ul style="list-style-type: none"> £200-400k



MSO¹

- ✓ Bespoke customisation options
- ✓ Limited editions and one-off models

Experiences

- ✓ Pure McLaren track experience
- ✓ Pure GT racing series
- ✓ Lifestyle and heritage

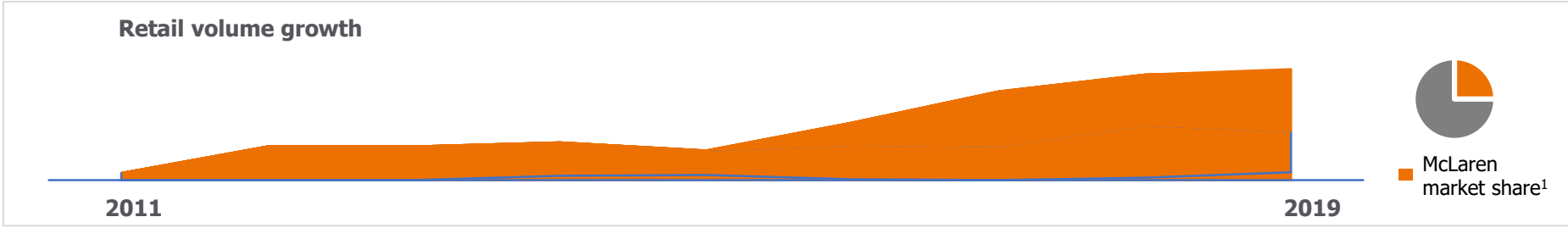
Ownership

- ✓ Expert advice and support
- ✓ Unique service cover

¹ McLaren Special Operations

Globally recognised brand built on a foundation of innovation success

McLaren has developed a leading supercar business - all within a decade



Every model won multiple prestigious awards for unique technology and design

12C	P1	650S	675LT	570S	720S	600LT	GT
Launched year: 2011	Launched year: 2013	Launched year: 2014	Launched year: 2015	Launched year: 2015	Launched year: 2017	Launched year: 2018	Launched year: 2019
2012 Ranked #1 in car reviews of 2012 Jalopnik & Evo2012 James May's Car of the Year BBC Top Gear Magazine 2012 Best Sports Car Over £120,000 What Car? 2012 Car of the Year Middle East Motor Awards	2013 Dewar Trophy for Outstanding British Technical Achievement Royal Automobile Club 2013 Jeremy Clarkson's Car of the Year BBC Top Gear Magazine 2013 Hypercar of the Year BBC Top Gear Magazine 2013 Hypercar of the Year GQ	2015 China Performance Car of the Year 2014 Supercar of the Year AUTOCAR ASEAN 2014 Performance Car of the Year Auto Express 2014 Middle East Car of the Year Best Supercar	2016 EVO Middle East Car of the Year: Supercar of the Year 675LT Coupé 2016 Car of the Year CAR Magazine (675LT Spider) 2016 Hardcore Car of the Year: Top Gear (675LT Spider)	2016 Best Performance Car Auto Express New Cars Awards 2015 Best Car on Sale – Best Every Day Supercar BBC Top Gear 2016 Best Car on Sale AUTOCAR 2016 Best of the Best Red Dot Design Award	2017 Five Star Award AUTOCAR & EVO 2017 Performance Car of the Year BBC Top Gear & Road and Track 2017 Super Car of the Year Octane & EVO 2017 Sport Car of the Year CAR Magazine	2018 EVO "Supercar of the Year" 2018 Autocar Britain's Best Drivers' Car 2019 CAR Magazine "Best Supercars of 2019" 2019 Automobile All-Star	2019 Motor Awards 2019 "Best Designed Car of the Year" 2019 DuPont Registry "Best Luxury Performance Car" 2019 Top Gear Hong Kong "Best GT of the Year"

Source: Company information, IHS data
 1. Market share of Core supercar segment including McLaren, Ferrari, Porsche & Lamborghini

McLaren 