Introduction

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Chief Financial Officer, MAG

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INVESTING

Investment in enhancing our capabilities is paying off and underpinning our £1.5bn transformation programmes

TRANSFORMING

Continuous improvement and investment in our people, processes and systems across all our operations, becoming more digital

CONNECTING

Serving our customer catchments with global connections, leisure and business, that attract people to our airports
PART I – ANNUAL RESULTS
FY20 HIGHLIGHTS
**FY20 Highlights**

MAG has delivered a solid financial performance for the year ended 31 March 2020, despite the unprecedented impact of COVID-19 during March 2020 combined with the collapse of Thomas Cook and Flybe during the year, whilst continuing investment across the Group to support long-term growth and passenger experience.

| ✔️ | Annual passenger numbers of 59.6 million (-3.6%). At the end of February rolling 12 month passengers were 0.5% higher than FY19’s record breaking year. |
| ✔️ | Despite the overall reduction in passengers across the year, MAG delivered an increase in revenue to £893 million (+3.7%) through enhanced non-aero yields and increased cargo operations and strong growth in our US business. |
| ✔️ | EBITDA of £382m and 7% up on prior year reported (1% down like-for-like). COVID-19 had an estimated 3% drag and Thomas Cook and Flybe estimated at 4%. Strong conversion to cash at 105%. |
| ✔️ | Routes network from our airports continue to expand serving over 280 destinations around the world. Growth supported by new long-haul routes to North America, China, India and Middle East and Jet2 and EasyJet continuing to increase capacity. |
| ✔️ | Capex of £543m including delivery of Pier 1 and T2 multi-storey car park and the opening of a new PremiAir terminal at MAN, new check in desks and multi-storey car park at STN. |
| ✔️ | Strong long-term funding platform - £350m listed bond issued in May’19. Leverage remained in the target range at 4.5x. |
| ✔️ | MAG-O - our technology and e-commerce business continued to develop and drive improvements in airport experience and MAGs digital footprint. |
| ✔️ | Well positioned for strong rebound during the recovery phase – aviation pipeline, spare runway capacity, well invested infrastructure. |
| ✔️ | Our airports contributed £8.2bn to the UK economy (+6%) and directly supported the education of 31,000 young people. |
PASSENGER GROWTH & COMMERCIAL DEVELOPMENT
Commercial Strategy Provides Strong Base For Recovery

Up until the end of February MAG’s airports had delivered 1% growth despite Brexit uncertainty and the failure of Thomas Cook and Flybe. In line with all UK and European airports, March saw passenger numbers drop to near-zero levels following Government restrictions on travel. The outturn passenger reduction of 3.6% is in line with the contraction seen in the UK market. MAG’s underlying fundamentals and solid commercial growth strategy positions MAG well heading into the recovery phase.

- Pax decline is in line with UK market contraction following COVID-19.
- Investment in facilities matched by equal focus on passenger experience.
- Commercial strategy incentivises growth and protects against downsides.

Group

- 2 Best UK Airport awards; Gold in the Chinese Tourist Welcome Awards.
- Phase 1 of £1bn MANTP complete. Phase 2 near completion.
- PremiAir terminal wins best lounge award.

MAN

- Winner of Green Apple’s top environmental award for second year running.
- Emirates commence double daily service to Dubai.

STN

- Top 10 European airports by ATMs in March underlying the importance of an ever expanding cargo network in the UK logistics network.
- Development of the immigration hall to double its size.

EMA

Source: MAHL FY20 Annual Report & Accounts

Note: For a reconciliation between MAHL and MAGIL FY20 Annual Results see Appendix on Page 33.
Robust trading performance across the Group with all divisions exceeding prior year performance on a reported basis. Despite a 4% reduction in pax, EBITDA decreased by only £3.5m (-1%), excluding the +£28m impact of the adoption of IFRS 16 which resulted in reported EBITDA growth of £24.4m (+7%). COVID-19 had a 3% drag on EBITDA with a further 3% from the failure of Thomas Cook and Flybe.
FY20 Trading Performance

Group EBITDA up by £24 million (6.8% reported and -1% underlying) from £358 million to £382 million driven by solid yield growth and tight control of costs

### Group Income Statement

<table>
<thead>
<tr>
<th>£m</th>
<th>Group FY20</th>
<th>Group FY19</th>
<th>Variance (£)</th>
<th>Variance (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aeronautical</td>
<td>361.2</td>
<td>354.5</td>
<td>+6.7</td>
<td>+1.9%</td>
</tr>
<tr>
<td>Retail</td>
<td>200.0</td>
<td>198.1</td>
<td>+1.9</td>
<td>+1.0%</td>
</tr>
<tr>
<td>Car Parking</td>
<td>234.8</td>
<td>221.4</td>
<td>+13.4</td>
<td>+6.1%</td>
</tr>
<tr>
<td>Property</td>
<td>18.7</td>
<td>18.5</td>
<td>+0.2</td>
<td>+1.1%</td>
</tr>
<tr>
<td>Other</td>
<td>78.7</td>
<td>69.2</td>
<td>+9.5</td>
<td>+13.7%</td>
</tr>
<tr>
<td>Revenue</td>
<td>893.4</td>
<td>861.7</td>
<td>+31.7</td>
<td>+3.7%</td>
</tr>
<tr>
<td>Employee costs</td>
<td>(265.4)</td>
<td>(248.8)</td>
<td>(16.6)</td>
<td>(6.7%)</td>
</tr>
<tr>
<td>Non-employee costs</td>
<td>(245.9)</td>
<td>(257.0)</td>
<td>+11.1</td>
<td>+4.3%</td>
</tr>
<tr>
<td>Operating Costs</td>
<td>(511.3)</td>
<td>(505.8)</td>
<td>(5.5)</td>
<td>(1.1%)</td>
</tr>
<tr>
<td>Disposal of fixed assets</td>
<td>-</td>
<td>+1.8</td>
<td>(1.8)</td>
<td>(100.0%)</td>
</tr>
<tr>
<td>EBITDA - Continuing</td>
<td>382.1</td>
<td>357.7</td>
<td>+24.4</td>
<td>+6.8%</td>
</tr>
<tr>
<td>EBITDA - Discontinuing</td>
<td>25.4</td>
<td>22.1</td>
<td>+3.3</td>
<td>+14.8%</td>
</tr>
</tbody>
</table>

Source: MAHL FY20 Annual Report & Accounts

Note: For a reconciliation between MAHL and MAGIL FY20 Annual Results see Appendix on Page 33

### Aeronautical revenue
- Aeronautical yields increased 6% and uplift in cargo income.

### Retail
- 400,000+ sqft retail space with over 50 operators.
- Retail revenues ↑ 1% but pax impacted. Strong retail performance at STN and US lounges.
- Retail yield increase of 5%.

### Car Parking
- Market-leading analytics, e-commerce, marketing and trading expertise to deliver a tried and tested formula - continues to achieve results with all tastes and budgets catered for.
- Growth of 6% and yield increase of 10% supported by the acquisition of L4P and SPS.

### Operating Costs
- Strong focus on passenger experience. Cost growth to support volumes and invest in customer service, parking and retail growth.
- Operating costs increase of 1.1%. This includes £27.9m of operating lease charges re-categorisation following the adoption of IFRS 16 (+7% underlying cost increase).
- Decisive cost cutting action following COVID-19 will see significant savings delivered to opex in FY21.
CAPITAL INVESTMENT
FY20 Capital Investment

Significant investment has been completed in the last three years and MAG’s modern infrastructure will be an important component of a strong recovery. Following the outbreak of COVID-19, MAG has reduced and refocussed expenditure on its capital projects given the reduction in passenger demand expected in the near term. MANTP Phase 2, being the main change. The main structure, including the terminal extension, will be completed this year (c.£70m). Phase 3 will be revisited post recovery.

- Well invested existing assets with a discretionary growth plan triggered by demand
- MAN has 2 full length runways (LHR is the only other UK airport with more than 1 such runway). STN has spare runway capacity for c.15m pax growth, and is well positioned to support the London system.
- MAN TP construction work progressing under revised plans. As of the end of March 2020, £804m (93%) of revised plan has been successfully invested. Pier 1 and T2 MSCP opened in April 2019, with the main terminal extension opening in FY21. Subsequent phases will be deferred until the economic environment normalises.
- STN transformation programme Phase 1 completed including opening of new check in desks and multi-storey carpark.
- Significant ongoing investment in hold baggage screening, IT infrastructure, back-office systems and software to support additional growth and manage assets more efficiently.
- To meet demand MAG has completed construction of 7,500 additional car parking spaces. These will open in Summer 2020 to match returning demand.

Capital Investment (£m)

<table>
<thead>
<tr>
<th></th>
<th>FY19</th>
<th>FY20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maintenance</td>
<td>7.3</td>
<td>5.4</td>
</tr>
<tr>
<td>Growth</td>
<td>490.4</td>
<td>437.5</td>
</tr>
<tr>
<td>Property</td>
<td>93.2</td>
<td>99.7</td>
</tr>
</tbody>
</table>

Note: Growth capex includes capitalised borrowing costs of MANTP and STP.

Source: MAHL FY20 Annual Report & Accounts
MAN TRANSFORMATION PROGRAMME
The most significant elements of MANTP will be completed during FY20/21, including the main terminal extension together with a wide range of supporting infrastructure across every area of the airport. Manchester’s modern facilities will continue to be the international gateway for the North, provide passenger and airline facilities for the future, and support commercial yields and operating efficiencies.
MAN TP will increase MAN’s overall capacity to 55m passengers which will align the terminal capacity to match the capacity of MAN’s two runways. As at March 2020, contracts have been awarded for 100% of the revised programme budget and £803million (93% of programme) has been successfully completed. Pier 1 and the MSCP are operational, and the T2 extension, together with supporting infrastructure is being finished in FY21.
CSR

CSR at MAG has a dedicated Board Committee and its recent comprehensive CSR report is available on our website. Our airports provide people with opportunities to travel, support thousands of jobs and make an important contribution to both our regional and national economies, contributed £8.2 billion (GVA) to the UK economy last year.

**ZERO CARBON AIRPORTS**

- **100%** Renewable electricity at our airports
- **91%** Of waste diverted from landfill
- **30k+** Young peoples education directly supported
- **£11m** STN airport college

**OPPORTUNITY FOR ALL**

- **16,000** New jobs over next 20 years
- **83** Community outreach events
- **17,000** Staff volunteer hours supporting local communities
- **£802k** Community and charitable support

**LOCAL VOICES**

- **£17m** Community and charitable support
FINANCING
Flexible long-term funding platform

The £500m RCF and £90m LF supports the continued growth of the business. Financing strategy to access the capital markets for medium and long-term lending to support growth and investment. £350m bond issued in May 2019. Post year end Shareholders injected a further £300m in to maintain liquidity following the impact of COVID-19.

- Bank facilities comprise a £500 million revolving credit facility and £90 million in standby liquidity facilities.
  - five year term maturing in June 2023.
  - LF providing committed 12 months of interest cover supporting MAG’s listed bonds and other credit facilities. Increased from £60m to £90m in April 2019.
- £484m drawn on RCF at March 2020. Drawdown in full in response to COVID-19 to provide liquidity protection. £271m of cash on deposit at 31 March 2020 gives adequate liquidity in advance of new capital from shareholders.
- Post year end funding injection of £300m from shareholders will provide strong support to enable MAG to successfully maintain adequate funding headroom throughout the current economic downturn and to position itself to benefit from a return to normalised demand and restart growth activities.
- £350m 2.875% 25 year bond issued in May 2019, in line with the financing strategy, extends the Group’s maturity profile to 2044.
- As part of its long-term growth strategy, MAG is actively exploring options to realise the value in its non-core property assets.

Increased facilities for growth

Flexible, long-term financial structure with headroom

Source: Management Information

MAGIL covenant calculations per Common Terms Agreement dated 14 Feb 2014
**Strong Cash Generation**

Strong trading performance combined with an excellent 105% cash conversion ratio underpins prudent financial leverage and supports the liquidity of the Group during the recovery phase.

### Group Cash Flow Statement

<table>
<thead>
<tr>
<th>£m</th>
<th>FY20</th>
<th>FY19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash generated from operations (before significant items)</td>
<td>402.5</td>
<td>388.9</td>
</tr>
<tr>
<td>Interest paid</td>
<td>(111.1)</td>
<td>(98.1)</td>
</tr>
<tr>
<td>Tax paid</td>
<td>(58.8)</td>
<td>(41.4)</td>
</tr>
<tr>
<td>Purchase of property, plant and equipment</td>
<td>(510.6)</td>
<td>(566.5)</td>
</tr>
<tr>
<td>Discontinued operations</td>
<td>19.2</td>
<td>20.6</td>
</tr>
<tr>
<td>Net change in borrowings</td>
<td>690.9</td>
<td>135.1</td>
</tr>
<tr>
<td>Funds received from shareholders</td>
<td>18.7</td>
<td>350.0</td>
</tr>
<tr>
<td>Dividends paid to shareholders</td>
<td>(199.3)</td>
<td>(174.4)</td>
</tr>
<tr>
<td>Adjustment for significant items</td>
<td>(8.1)</td>
<td>(8.1)</td>
</tr>
<tr>
<td>Investment in associate</td>
<td>(1.2)</td>
<td>(4.5)</td>
</tr>
<tr>
<td>Other</td>
<td>(3.4)</td>
<td>10.9</td>
</tr>
<tr>
<td><strong>Net movement in cash</strong></td>
<td>238.8</td>
<td>12.5</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>£m</th>
<th>FY20</th>
<th>FY19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents at 1 April</td>
<td>32.5</td>
<td>20.0</td>
</tr>
<tr>
<td>Cash and cash equivalents at 31 March</td>
<td>271.3</td>
<td>32.5</td>
</tr>
</tbody>
</table>

### Strong cash generation

- Strong cash flow allows the Group to continue to invest in the asset base and fund growth.
- Cash generated from operations up by £13.6m from £388.9m to £402.5m.
- £17.5m increase in tax paid is a one-off adjustment following HMRC’s new rules for classification large companies resulting in acceleration of a tax instalment.
- Capital spending £56.0m lower than previous year reflects the planned rate of investment in MANTP and phasing of STP.
- The increase in borrowings of £556m is driven by the issuance of a £350m bond and the drawdown of the RCF with the surplus shown in the closing cash position.
- Commitment to sustaining strong investment grade credit ratings drives the dividend policy.
- FY19 final dividend of £128.0m (July’19) and FY20 interim dividend of £70.3m (December ’19) paid. No final dividend will be paid for FY20.
- Significant items of £8.1m include costs of restructuring programmes, M&A activity, one-off pension costs and additional operating costs incurred as a result of ongoing MANTP works.

Source: MAHL FY20 Annual Report & Accounts

Note: For a reconciliation between MAHL and MAGIL FY20 Annual Results see Appendix on Page 33

20
Underlying leverage and Interest Cover remain consistent with Pre-COVID plans

Cash mitigation measures and shareholder support maintains underlying levels on financial leverage and interest cover through COVID-19. MAG’s long-term financing strategy continues to incorporate Baa1/BBB+ ratings and conservative finance structure incorporating a large proportion of medium and long-term fixed interest bond finance with shorter term flexibility provided by a £500m Revolving Credit Facility. MAG’s BBB+ rating confirmed by Moody’s at the end of June.

- Strategic financing response to COVID-19 successfully implemented in June 2020. Taken to maintain underlying covenants and rating metrics aligned with current Baa1/BBB+ ratings. Actions included comprehensive cash mitigation measures of c.£90m opex savings in FY21, c.£370m of capex for FY21 and FY22 and injection of £300m of new capital by shareholders post year end.
- MAG’ long-term financing strategy continues to incorporate maintaining strong investment grade ratings and conservative leverage is core to that objective:
  - Baa1 rating reaffirmed by Moody’s in June 2020
  - Retained headroom in financial covenants:
    - Leverage at 4.5x vs. lock-up at 6.0x; and
    - Interest cover at 5.6x vs. lock-up at 2.0x.
  - In the year ending 31 March 2020 MAG will adopt IFRS 16 (leases). Compliance Certificates will continue to be prepared on the existing basis in accordance with the ‘Change of Basis Election’.
  - Credit metrics had strengthened steadily since 2013 due to strong earnings growth and cash generation but impacted at year end due to lower EBITDA as a result of COVID-19.

Source: Management Information

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**Prudent financing and dividend policy...**

**Leverage: Net Debt / EBITDA**

- FY19: 3.2x
- FY20: 4.5x

**Interest Cover: EBITDA less Tax / Finance Charges**

- FY19: 7.0x
- FY20: 5.6x

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MAGIL covenant calculations per Common Terms Agreement dated 14 Feb 2014
PART II – COVID-19
COVID Impact on MAG to June 2020

In line with all UK and European airports, since mid-March MAG has seen PAX drop to near-zero levels following lockdown. International travel is however now restarting and the recovery phase has begun, in line with MAG’s forecasts.

- **Manchester Airport (MAN)**
- **Stansted Airport (STN)**
- **East Midlands Airport (EMA)**

Impact:

- In common with all other airports around the world, traffic has reduced to near-zero due to the outbreak of COVID in March 2020, as travel restrictions and a dramatic reduction in demand for flights impacted MAG’s passenger numbers, impacting aviation, car parking and retail revenues across the Group.

- MAG continues to receive some limited revenue relating to its cargo operations and property portfolio of c£71m (c8% of FY19 revenue).

- As at 30 June 2020 passenger numbers through MAG airports were 176,000, representing a 99.0% decrease on prior year.

Source: MAGIL Annual Report and Accounts / MAG Management Forecasts
**MAG Response**

Cost mitigation actions already taken, combined with committed new equity and additional credit lines, provide strong liquidity position and supports target BBB+ / Baa1 ratings. The short term impact of COVID on MAG’s EBITDA means MAG will temporarily breach its covenants and has agreed amendment to its financial covenants including waivers for the next two periods, to March 2021 and an amendment to the third period calculation to September 2021. MAG’s shareholders have injected £300m of new capital to support liquidity and target ratings.

### Maintain Liquidity
- 10% staff pay reduction
- Furloughing of staff
- Freeze on all recruitment and 12 month waiver of annual pay awards
- Termination of contractors
- Challenge of contractual costs under force majeure clauses
- Review and negotiation with all key suppliers to align services with demand
- Consolidation of infrastructure including moving from 3 terminals to single terminal operation at MAN, reduction in airfield operations, reduction in operating hours and closure of carparks
- Immediate stop on non-essential discretionary expenditure

### Support underlying leverage and ratings position
- The main Manchester terminal extension building is close to completion, and will provide standalone benefits when flying restarts, so will be finished. Other modules have been paused
- Immediate postponement of STN Transformation Programme which will be rephased to match terminal capacity to the runway capacity when it is required
- Freeze on all other growth and non-essential maintenance capex for a minimum 12 months
- MAG has no capex obligations from economic regulation

### Covenant Compliance
- Shareholders injected £300m of new capital in July 2020 following the successful consent solicitation process
- Interest Cover Ratio and the Leverage Ratio waived for September 2020 and 31 March 2021 testing dates
- For 30 September 2021 testing date the calculation shall be amended to measure the period from 1 April 2021 to 30 September 2021 only, with relevant seasonality adjustment (1.5x)
- The lock-up and default levels for the September 2021 testing date onwards remain unchanged

### Capex Savings
- FY21/22 £190m/£180m

### Opex Savings
- FY21 £94m

### New equity
- £300m

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Following the consent process Moody’s has confirmed MAG’s Baa1 rating.
On 26 May Manchester Airport Group Funding PLC launched a consent solicitation process to obtain temporary amendments to its financing documents.

The STID proposal included waivers to Financial Covenants for the next two calculation periods (to 31 March 2021) and an amendment to the third period (30 September 2021).

The successful outcome was announced on 26 June.

MAG’s strategic financial response to COVID-19 was strongly endorsed by its banks and bondholders with 98.5% voting, and 100% of those voting in favour of the proposed amendments.

This support is a key package that includes shareholder equity and significant cash mitigation measures taken by the business, which together has put MAG in a strong position as the aviation industry restarts and recovers.
The Group continues to maintain adequate liquidity to cover the operating costs of the business, required capex and finance charges. Actual cash balances to June 2020 are inline with projections shared with banks and bondholders as part of the consent solicitation process.

Note: Shareholder £300m injection received on 2 July. For the purpose of the chart above it is shown in June to aid comparability to Project Mere forecasts.
Airline Partners

Key airline partners were planning and started to resume flights in June, with capacity stepping up over the summer season. The timing and nature of air travel recovery will depend on agreed UK, EU and to some extent global travel protocols.

- One of the strongest balance sheets in the industry, with year-end (31 March 2020) cash equivalents of €3.8bn and 327 (77%) of the Group’s owned fleet unencumbered and debt free
- Implemented cost cutting measures to improve liquidity and cash flows
- Recommenced operations ahead of plan on 21 June. Planned to return to 40% of normal flights from 1 July.

**Ryanair (BBB/NR/BBB)**

- On 16 April, announced undertaking of several funding initiatives to generate additional liquidity leading to a notional cash balance of £3.3bn. Additional equity of £419m was announced on 25 June. Sufficient cash reserves to remain liquid even in the event of a 9-month grounding
- Bookings open from late May onwards, with operations in a position to restart with two weeks’ notice.
- Services restarted on 15 June
- In July easyJet announced based aircraft would be pulled out of STN. It will continue to fly from STN albeit with away based. Minimal impact expected with lower capacity from all airlines, including easyJet, already factored into FY21/FY22 forecasts.

**EasyJet (BBB/Baa3/NR)**

- £1.5bn cash balance and long-term structured debt in relation to aircraft financing, as at 18 March
- Announced a 15 July re-launch. Strong number of customers choosing to rebook for late summer or winter rather than cancel

**Jet 2**

- Liquidity of c.€3.1bn, following €1.8bn bridging loan received from the German Government on 8th April
- Expecting a 11 July relaunch with 35% of summer volumes sold and winter 2020 UK bookings 8% ahead of prior year

**Tui**

- Resilient point-to-point traffic, with O&D forming 99% of MAG’s traffic
- O&D passengers generally less dependent on airline decisions regarding airport choice with less volatility than transfer traffic
- Long-term commercial agreements have been signed with all key customers
- Demonstrable resilience in responding to airline failure, successfully backfilling all the lost traffic by 31 March 2018 following Monarch collapse in October 2017

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### Diversified airline mix protects against a failure of an individual airline with a broad range of airlines available to assume lost routes as the industry recovers

<table>
<thead>
<tr>
<th>Airline</th>
<th>MAG</th>
<th>MAN</th>
<th>STN</th>
<th>EMA</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Ryanair</strong></td>
<td>46%</td>
<td>18%</td>
<td>74%</td>
<td>49%</td>
</tr>
<tr>
<td><strong>Jet 2</strong></td>
<td>11%</td>
<td>12%</td>
<td>8%</td>
<td>26%</td>
</tr>
<tr>
<td><strong>easyJet</strong></td>
<td>12%</td>
<td>15%</td>
<td>10%</td>
<td>-</td>
</tr>
<tr>
<td><strong>Tui</strong></td>
<td>6%</td>
<td>9%</td>
<td>1%</td>
<td>11%</td>
</tr>
<tr>
<td><strong>61+ Other Airlines</strong></td>
<td>25%</td>
<td>46%</td>
<td>7%</td>
<td>14%</td>
</tr>
</tbody>
</table>

### Customer Portfolio FY20

- Charter 10%
- Full Service 15%
- LCC 75%

Source: MAG BI
Traffic Assumptions

The mid-July restart case is based on the key driver of the shape of the rebound and recovery particularly arrival quarantine periods being the timing of implementation on safe operating protocols by UK and European governments. It is clear that passengers, airlines and governments have a strong underlying desire to resume significant international travel and tourism. European protocols for safe travel have been issued and are being implemented, taking a risk-based approach with social distancing only where possible. The UK Government is in the middle of relaxing quarantine to allow international travel. The rate of implementation is in line with MAG’s traffic forecast outlined in its consent presentation.

- The Mid-July Restart Case takes into account the latest views of airlines, airport and airline operating bodies, government departments, and ratings agencies
- Guidance implementation and safe operating protocols and lifting of restrictions supports a restart of air travel in July
- Under the Mid-July Restart Case, MAG is forecasting PAX traffic, at low levels of 15% in July, rising to 40% overall for July to September
- The initial months of recovery are based on a gradual increase in European traffic, underpinned by the assumption that short-haul operations will recover before inter-continental operations
- MAG is estimating an overall reduction in PAX of 53% (33m) in FY21. This is in line with the current range of industry forecasts
- PAX are assumed to return to pre-COVID levels by Year 4

Source: MAG Management Forecasts
Q&A

www.magairports.com/investor-relations/
APPENDIX
In May 2019 MAG issued a £350m listed bond, executing the second phase of the Group’s financing strategy, providing low cost long term funding to support the capital investment.

**MAG 2.875% 2044 Senior Secured Notes**

- **On 9 May 2019 MAG successfully issued a £350m 25 year bond with a coupon of 2.875%.**
- **Strong profile of investors** - spread across c.40 investors, including large pension funds, global banks and other asset management funds.
- **Maturity of 2044 complements existing long term maturities (2024 / 2034 / 2039) and mitigates refinancing risk.**
- **Proceeds used to repay Revolving Credit Facility providing further liquidity and flexibility to fund Group investment.**
- **Moody’s and Fitch assigned Group ratings to the bonds following presentations of the groups investment plans and financing strategy.**

**Allocation by Type**

- 40% Fund managers
- 59% Insurance / Pension Funds
- 1% Banks/Private Banks

**Allocation by Geography**

- 98% UK & Ireland
- 2% International

Source: Bookrunner trading platform and fund allocations
Appendix - IFRS 16 Impact on Financial Statements

<table>
<thead>
<tr>
<th>£m</th>
<th>Group FY19</th>
<th>Group FY20 (IFRS 16)</th>
<th>Variance (£)</th>
<th>Variance (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Income Statement</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenues</td>
<td>861.7</td>
<td>893.4</td>
<td>+31.7</td>
<td>+3.7%</td>
</tr>
<tr>
<td>Operating costs</td>
<td>(505.8)</td>
<td>(511.3)</td>
<td>(5.5)</td>
<td>+1.1%</td>
</tr>
<tr>
<td>Disposal of Fixed Assets</td>
<td>+1.8</td>
<td>-</td>
<td>(1.8)</td>
<td>N/A</td>
</tr>
<tr>
<td>Adjusted EBITDA</td>
<td>357.7</td>
<td>382.1</td>
<td>+24.4</td>
<td>+6.8%</td>
</tr>
<tr>
<td>Depreciation</td>
<td>(153.8)</td>
<td>(180.8)</td>
<td>(27.0)</td>
<td>+17.6%</td>
</tr>
<tr>
<td>Result from operations before significant items</td>
<td>203.9</td>
<td>201.3</td>
<td>(2.6)</td>
<td>(1.3%)</td>
</tr>
<tr>
<td>Exceptional Items</td>
<td>(9.4)</td>
<td>(18.6)</td>
<td>(9.2)</td>
<td>+97.9%</td>
</tr>
<tr>
<td><strong>Result from operations</strong></td>
<td>194.5</td>
<td>182.7</td>
<td>(11.8)</td>
<td>(6.1%)</td>
</tr>
<tr>
<td>Share of result of associate</td>
<td>+3.5</td>
<td>-</td>
<td>(3.5)</td>
<td>(100.0%)</td>
</tr>
<tr>
<td>Gains and losses on sales and valuation of investment properties</td>
<td>+16.9</td>
<td>2.2</td>
<td>(14.7)</td>
<td>(87.0%)</td>
</tr>
<tr>
<td>Finance costs</td>
<td>(59.9)</td>
<td>(109.5)</td>
<td>(49.6)</td>
<td>+82.8%</td>
</tr>
<tr>
<td><strong>Result before taxation</strong></td>
<td>155.0</td>
<td>75.4</td>
<td>(79.6)</td>
<td>(51.4%)</td>
</tr>
<tr>
<td><strong>Cashflow</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash generated from continuing operations (before significant items)</td>
<td>388.9</td>
<td>402.5</td>
<td>+13.6</td>
<td>+3.5%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>£m</th>
<th>IFRS 16 Element</th>
<th>Group FY20 (IAS 17)</th>
<th>Variance (£)</th>
<th>Variance (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Excluding IFRS 16</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Adjusted EBITDA is earnings before interest, tax, depreciation, amortisation, share of result of associate, gains and losses on sales and valuations of investment properties, and before significant items.

**Adjusted operating profit is operating profit before significant items.

Appendix – Reconciliation of Security Group Consolidation (MAGIL) to Group Results (MAHL)

<table>
<thead>
<tr>
<th>£m</th>
<th>MAGIL</th>
<th>Intra-group interest</th>
<th>I/C balances &amp; Shareholder Loans</th>
<th>A2/A3 car park</th>
<th>MAGIL only</th>
<th>IFRS 16</th>
<th>IAS 23 interest capitalisation</th>
<th>Airport services</th>
<th>Airport city</th>
<th>MAG US</th>
<th>Looking 4 Parking acquisition</th>
<th>Tax/other</th>
<th>MAHL</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Income Statement (continuing operations)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenue</td>
<td>901.0</td>
<td>(3.4)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>0.3</td>
<td>15.4</td>
<td>9.0</td>
<td>922.3</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adjusted EBITDA*</td>
<td>404.8</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>0.8</td>
<td>-</td>
<td>(0.8)</td>
<td>0.3</td>
<td>2.7</td>
<td>(0.3)</td>
<td>407.5</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adjusted operating profit**</td>
<td>227.8</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(0.0)</td>
<td>(0.0)</td>
<td>(0.3)</td>
<td>(0.8)</td>
<td>(1.8)</td>
<td>1.7</td>
<td>-</td>
<td>226.5</td>
<td></td>
</tr>
<tr>
<td>Significant items</td>
<td>(23.6)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(0.0)</td>
<td>-</td>
<td>-</td>
<td>(0.4)</td>
<td>(0.9)</td>
<td>0.1</td>
<td>-</td>
<td>(24.8)</td>
<td></td>
</tr>
<tr>
<td>Result from operations</td>
<td>204.2</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(0.0)</td>
<td>(0.3)</td>
<td>(0.8)</td>
<td>(2.2)</td>
<td>0.8</td>
<td>0.1</td>
<td>-</td>
<td>201.7</td>
<td></td>
</tr>
<tr>
<td>Share of result of associate</td>
<td>(0.0)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(0.0)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(0.1)</td>
<td></td>
</tr>
<tr>
<td>Gains and losses on sales and valuation of investment properties</td>
<td>11.4</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>11.4</td>
<td></td>
</tr>
<tr>
<td>Finance costs</td>
<td>(50.2)</td>
<td>(65.3)</td>
<td>-</td>
<td>-</td>
<td>(18.8)</td>
<td>(0.4)</td>
<td>10.5</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(124.2)</td>
<td></td>
</tr>
<tr>
<td>Taxation</td>
<td>(67.7)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>5.8</td>
<td>-</td>
<td>(61.9)</td>
<td></td>
</tr>
<tr>
<td>Result for the year</td>
<td>97.7</td>
<td>(65.3)</td>
<td>-</td>
<td>-</td>
<td>(18.8)</td>
<td>(0.4)</td>
<td>10.2</td>
<td>(0.8)</td>
<td>-</td>
<td>(2.2)</td>
<td>0.8</td>
<td>5.9</td>
<td>27.0</td>
</tr>
</tbody>
</table>

| Balance Sheet |
| Non-current assets | 4,145.5 | - | - | - | 3.8 | 4.4 | 10.1 | - | 35.9 | 16.3 | 2.7 | (5.1) | 4,213.6 |
| Current assets | 2,062.0 | - | - | - | (1,280.9) | - | - | 0.0 | 26.5 | 9.7 | 6.1 | 17.6 | 840.9 |
| Current liabilities | (1,053.7) | - | (32.5) | (18.7) | 673.0 | (0.7) | (0.1) | (0.8) | (3.9) | (7.5) | 7.9 | (436.2) |
| Non-current liabilities | (2,659.6) | - | (601.9) | - | 103.9 | (4.0) | (0.7) | (69.1) | (39.4) | (0.6) | 1.0 | (3,270.5) |
| Net assets | 2,494.2 | - | (634.4) | (18.7) | (500.3) | (0.3) | 10.1 | (0.8) | (6.8) | (17.3) | 0.6 | 21.4 | 1,347.8 |

*Adjusted EBITDA is earnings before interest, tax, depreciation, amortisation, share of result of associate, gains and losses on sales and valuations of investment properties, and before significant items.

**Adjusted operating profit is operating profit before significant items.

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