



MARSTON'S

28 July 2021

MARSTON'S PLC ("Marston's" or "the Group")

TRADING UPDATE 42 weeks to 24 July 2021

Significantly improved trading since 17 May, and better than our expectations

Marston's PLC issues the following trading update for the 42 weeks to 24 July 2021.

As previously reported, the first half year was significantly disrupted by the impact of the pandemic with all of the period subject to either full closure or significant trading restrictions.

In the second half year, pubs were permitted to reopen for outdoor trading on 12 April in England and 26 April in Scotland and Wales, and subsequently indoor trading was permitted across all of the Group's pub estate from 17 May, albeit subject to the continuance of various social distancing restrictions. This has limited the number of customers we have been able to accommodate indoors with the rule of six and no standing at the bar, for example. The majority of restrictions were lifted on 19 July albeit with cautionary guidance from the Government. We opened around 70% of our pubs under outdoor trading restrictions and the Group's entire estate of c 1,500 pubs has been open since 17 May.

Over 90% of Marston's pubs have outside trading areas and the additional investment we made in our 'Inside Out' plans to enhance our external trading areas in Autumn 2020 has positively impacted trade since reopening in April. Looking ahead, these investments should also enable us to benefit from increased outdoor trading in early Spring and late Autumn.

In managed and franchised pubs our like-for-like trading performance since 12 April, reported as a percentage of sales relative to financial year 2019 (open sites only), is as follows:

	12 April- 16 May	17 May- 24 July	12 April- 24 July
Drink	89%	93%	92%
Food	59%	90%	82%
Total	77%	92%	88%
Food exc Carvery	62%	92%	85%
Total exc Carvery	79%	94%	90%

Since 17 May, overall sales have been encouraging, and better than our expectations, with the stronger performance driven by a combination of additional food covers, outdoor investment, warmer weather and the benefit of the delayed Euro 2020 tournament. The Brains estate, the operations of which acquired in February of this year, has performed well since reopening, with trading trends mirroring those of the core Marston's estate. Accommodation sales have been excellent benefitting from restrictions on international travel and the growth in staycation holidays.

We have provided like-for-like data including and excluding our 69 Carvery sites, as these inevitably faced particular challenges due to restrictions which prevented self-service, a fundamental component of the Carvery offer. Like-for-like sales in Carvery in the period since 12 April were 73% of their 2019 level.

In the first week of trading since restrictions were lifted on 19 July, we have seen a modest uplift in sales. Whilst this is clearly encouraging, it is too early to extrapolate any meaningful trends at this stage.

We have previously reported that we achieved break even from a cash flow and earnings perspective in April, and as a consequence of the easing of restrictions we generated positive earnings and cash flow in both May and June despite operating at around 70% capacity for those months.

Commenting, Ralph Findlay, Chief Executive Officer, said:

“The last 16 months have been extremely difficult, but we are delighted to be fully open again albeit taking our responsibilities seriously whilst striving to offer our guests a genuine but safe pub experience. Pubs are social spaces, and for pubs to prosper we need to be able to offer conviviality, sociability and a place to celebrate which we can now do as of last week.

“That said, there are challenges ahead as the sector starts out on the road to recovery with the immediate short term continuing to be uncertain and operationally disrupted. The tone of Government messaging will be an important influence on consumer confidence. At present, the message is one of caution. We believe that a Government review of the business rates system is long overdue and that VAT reduction should be permanent since the hospitality industry remains one of the most heavily taxed sectors. This would assist an industry that has been hit hard and aid hospitality’s employment and development of young workers which will be a key part of the UK’s economic recovery.

“Despite these challenges the role that the pub plays in the social fabric and culture of Britain as demonstrated by the pent-up demand and the rapid return of customers, is needed as never before, and therefore we are confident in our future.”

Forthcoming Events

Please find below the forthcoming reporting dates for the Group, which are also available on the investor calendar on our website - www.marstons.co.uk/investors

Year-end trading statement	13 October 2021
2021 Preliminary results	30 November 2021

ENQUIRIES:

Marston’s PLC	Tel: 01902 329516	Instinctif Partners	Tel: 020 7457 2010/2005
Ralph Findlay, Chief Executive Officer		Justine Warren	
Andrew Andrea, Chief Financial and Corporate Development Officer		Matthew Smallwood	

NOTES TO EDITORS

- Marston’s is a leading pub operator with a 40% holding in Carlsberg Marston’s Brewing Company
- It operates an estate of c1,500 pubs situated nationally, comprising managed, franchised and leased pubs
- Marston’s employs around 11,000 people