



MARSTON'S PUBS LIMITED

**Quarterly Investor Report
For the Period ended 2 January 2021**

**This Quarterly Investor Report covers the results for Marston's Pubs Limited
from 4 October 2020 to 2 January 2021**

To: HSBC Trustee (C.I.) Limited (as **Borrower Security Trustee, Issuer Security Trustee, and Note Trustee**)
HSBC Bank plc (as **Principal Paying Agent**)
Standard & Poor's Rating Services
Fitch Ratings Limited

Terms defined in the Master Definitions and Construction Schedule (the **Master Definitions and Construction Schedule**) dated as of 9 August 2005 and amended and restated on 22 November 2007 and signed for the purposes of identification by Freshfields Bruckhaus Deringer and Linklaters shall bear the same meaning herein.

Definitions:

Q1 means the results for the Financial Quarter from 4 October 2020 to 2 January 2021
Q4 means the results for the Financial Quarter from 28 June 2020 to 3 October 2020
Q3 means the results for the Financial Quarter from 29 March 2020 to 27 June 2020
Q2 means the results for the Financial Quarter from 29 December 2019 to 28 March 2020

Relevant Period means Q1 + Q4; and
Relevant Year means Q1 + Q4 + Q3 + Q2

Principal Debt Movements

Principal Debt Movements on the Notes	Balance as at 3 October 2020 £m	Scheduled repayments made £m	Repurchases £m	Balance as at 2 January 2021 £m
Aggregate principal amount outstanding at the Financial Quarter Date	716.0	(8.6)	-	707.4
Class A1 Notes	-	-	-	-
Class A2 Notes	209.2	(6.3)	-	202.9
Class A3 Notes	200.0	-	-	200.0
Class A4 Notes	151.8	(2.3)	-	149.5
Class B Notes	155.0	-	-	155.0



MARSTON'S

Principal Debt Movements on the Term Advance	Balance as at 3 October 2020 £m	Scheduled repayments made £m	Repurchases £m	Balance as at 2 January 2021 £m
Aggregate principal amount outstanding at the Financial Quarter Date	724.6	-	-	716.0
Class A1 Notes	1.3	(1.3)	-	0
Class A2 Notes	214.0	(4.8)	-	209.2
Class A3 Notes	200.0	-	-	200.0
Class A4 Notes	154.3	(2.5)	-	151.8
Class B Notes	155.0	-	-	155.0

Specific Trading Details

Turnover for the 13 weeks comprising Q1 was £27.5m giving a total during the Relevant Year of £196.4m. EBITDA for the quarter was £ (1.9)m giving a cumulative total of £36.0m.

	Tenanted (Q1) £m	Managed (Q1) £m	Total (Q1) £m	Relevant Period (Q1 + Q4) £m	Relevant Year (Q1+Q4+Q3+Q2) £m
Turnover	11.7	15.8	27.5	115.9	196.4
Operating expenses	10.6	21.7	32.3	96.5	172.3
Adjusted Operating Profit*	1.1	(5.9)	(4.8)	19.4	24.1
Operating Profit			(6.8)	15.5	16.2
EBITDA	2.2	(4.1)	(1.9)	25.3	36.0
Free Cash Flow			(0.2)	29.6	53.2
Debt Service			18.7	38.2	75.7

* Before amortisation of goodwill

Coverages and Covenants

FCF DSCR was 0.7 times and the EBITDA to Debt Service ratio was 0.5 times for the Relevant Year and 0.8 times and 0.7 times respectively for the Relevant Period.

	Relevant Period (Q1 + Q4)	Relevant Year (Q1+Q4+Q3+Q2)
Free Cash Flow: Debt Service	0.8 times	0.7 times
EBITDA: Debt Service	0.7 times	0.5 times
Debt Service Covenant satisfied	No	No
Restricted Payment Condition satisfied	No	No

The Debt Service Covenant and the Restricted Payment Condition were not satisfied. Under the waiver dated 3 December 2020 the requirement to meet the Debt Service Covenant has been waived therefore no Loan Event of Default has occurred.

Net Worth as at 2 January 2021 was £463.6m. No Restricted Payments were made in Q1 and £22.3m during the Relevant Year. The Restricted Payment Maximum at 2 January 2021 was £36.4m and no calculation of the Further Restricted Payment Maximum was required.



Maintenance and Capital Enhancement

The cumulative Maintenance Expenditure* in the Relevant Year was £15.4m and the Relevant Period was £7.7m. The Required Maintenance Amount* for the Relevant Year was £8.9m.

Capital Enhancement Expenditure of £2.2m was made in Q1, £11.1m in the Relevant Year and £4.1m in the Relevant Period.

**Maintenance includes both capital items and items expensed through the profit and loss account.*

Cash Balances

Balances on the following accounts at 2 January 2021 were as follows:

	£m
Borrower Transaction Account	1.7
Disposals Proceeds Account	3.2
Maintenance Reserve Account	-
All other Obligor Accounts	16.6

Amounts available under the Liquidity Facility at the start of the quarter were £120m of which £10m was drawn on 15 October 2020.

Estate

	Tenanted Number	Managed Number	Total Number
Outlets at the beginning of Q1	676	272	948
Conversions from Managed to Tenanted	-	-	-
Conversion from Tenanted to Managed	-	-	-
Acquisitions and substitutions	-	-	-
Disposals	-	-	-
Outlets at the end of Q1	676	272	948

The aggregate proceeds from disposals were nil for the quarter.

Accounting Policies

Marston's PLC certifies that these financials comply with Generally Accepted Accounting Principles applied in the United Kingdom.

Defaults

Marston's PLC certifies that no Loan Event of Default or Potential Loan Event of Default has occurred.



MARSTON'S

For further information please contact:

Rob Leach, Director of Group Treasury & Tax

01902 329539

Andrew Andrea, Chief Financial & Corporate Development Officer

01902 329516