



MARSTON'S PUBS LIMITED

**Quarterly Investor Report
For the Period ended 1 January 2022**

**This Quarterly Investor Report covers the results for Marston's Pubs Limited
from 3 October 2021 to 1 January 2022**

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 3 October 2021 to 1 January 2022
 Q4 means the results for the Financial Quarter from 4 July 2021 to 2 October 2021
 Q3 means the results for the Financial Quarter from 4 April 2021 to 3 July 2021
 Q2 means the results for the Financial Quarter from 3 January 2021 to 3 April 2021

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 2021 £m	Scheduled repayments made £m	Repurchases £m	Balance as at 1 January 2022 £m
Aggregate principal amount outstanding at the Financial Quarter Date	680.6	(9.1)	-	671.5
Class A2 Notes	183.9	(6.6)	-	177.3
Class A3 Notes	200.0	-	-	200.0
Class A4 Notes	141.7	(2.5)	-	139.2
Class B Notes	155.0	-	-	155.0



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Principal Debt Movements on the Term Advance	Balance as at 3 October 2021 £m	Scheduled repayments made £m	Repurchases £m	Balance as at 1 January 2022 £m
Aggregate principal amount outstanding at the Financial Quarter Date	695.5	(9.1)	-	686.4
Class A2 Notes	194.4	(6.6)	-	187.8
Class A3 Notes	200.0	-	-	200.0
Class A4 Notes	146.1	(2.5)	-	143.6
Class B Notes	155.0	-	-	155.0

Specific Trading Details

Turnover for the 13 weeks comprising Q1 was £90.8m giving a total during the Relevant Year of £258.9m. EBITDA for the quarter was £14.6m giving a cumulative total of £47.1m.

	Tenanted (Q1) £m	Managed (Q1) £m	Total (Q1) £m	Relevant Period (Q1 + Q4) £m	Relevant Year (Q1+Q4+Q3+Q2) £m
Turnover	39.0	51.8	90.8	186.6	258.9
Operating expenses	32.3	46.8	79.1	148.6	223.5
Adjusted Operating Profit*	6.7	5.1	11.8	38.1	35.5
Operating Profit			9.6	34.1	27.6
EBITDA	7.8	6.8	14.6	43.8	47.1
Free Cash Flow			18.3	51.4	60.3
Debt Service			18.2	37.3	74.6

* Before amortisation of goodwill

Coverages and Covenants

FCF DSCR was 0.8 times and the EBITDA to Debt Service ratio was 0.6 times for the Relevant Year and 1.4 times and 1.2 times respectively for the Relevant Period.

	Relevant Period (Q1 + Q4)	Relevant Year (Q1+Q4+Q3+Q2)
Free Cash Flow: Debt Service	1.4 times	0.8 times
EBITDA: Debt Service	1.2 times	0.6 times
Debt Service Covenant satisfied	Yes	No
Restricted Payment Condition satisfied	No	No

The Debt Service Covenant and the Restricted Payment Condition were not satisfied. Under the waiver dated 26 March 2021 the requirement to meet the Debt Service Covenant has been waived therefore no Loan Event of Default has occurred.

Net Worth as at 1 January 2022 was £435.7m. No Restricted Payments were made in Q1 or during the Relevant Year. The Restricted Payment Maximum at 1 January 2022 was £17.2m and no calculation of the Further Restricted Payment Maximum was required.



Maintenance and Capital Enhancement

The cumulative Maintenance Expenditure* in the Relevant Year was £18.2m and the Relevant Period was £10.5m. The Required Maintenance Amount** for the Relevant Year was £11.0m.

Capital Enhancement Expenditure of £3.0m was made in Q1, £9.3m in the Relevant Year and £3.8m in the Relevant Period.

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

***Adjusted for the number of weeks of Covid-19 related full pub closure, on a pro rata basis*

Cash Balances

Balances on the following accounts at 1 January 2022 were as follows:

	£m
Borrower Transaction Account	3.1
Disposals Proceeds Account	4.8
Maintenance Reserve Account	-
All other Obligor Accounts	11.3

The amount available under the Liquidity Facility at 1 January 2022 was as follows:

	£m
Total Liquidity Facility	120.0
Liquidity Facility drawn	<u>(20.0)</u>
Available Liquidity Facility	100.0

Estate

	Tenanted Number	Managed Number	Total Number
Outlets at the beginning of Q1	674	271	945
Conversions from Managed to Tenanted	-	-	-
Conversion from Tenanted to Managed	-	-	-
Acquisitions and substitutions	-	-	-
Disposals	-	(2)	(2)
Outlets at the end of Q1	674	269	943

The aggregate proceeds from pub disposals was £1.4m for the quarter.



LIBOR Transition

As announced in the RNS issued on 17 August 2021, Marston's Issuer PLC successfully completed a consent solicitation process and subsequently amended all documentation to reflect the transition from LIBOR to SONIA plus the ISDA fallback spread adjustment

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.

For further information please contact:

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