11 October 2022

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

Trading update for the 52 weeks to 1 October 2022

Marston's PLC issues the following trading update for the 52 weeks to 1 October 2022.

Sales comparisons are to the same period in FY2019, being the last period of unrestricted trading before Covid-19, and for the most recent trading, the comparison relates to the same period in FY2021.

Trading

Total like-for-like sales for the 52-week period were down 1% vs FY2019. As previously reported, this reflects the impact of trading restrictions in December and January as a result of Omicron and the corresponding impact on consumer sentiment in H1.

Total retail sales in the Group's managed and franchise pubs were up 2% vs FY2019. Drink sales have continued to outperform food sales, once again reinforcing the steadfast trading resilience of our predominantly community pub estate.

Like-for-like sales were encouraging and continued to improve in the 10 weeks from 24 July to 1 October: being 3% up vs FY2019 and 4% up on last year. Growth continues to be predominantly driven by drink sales. Food sales in this period were weaker principally due to the hot weather.

The level of customer demand remains encouraging, notwithstanding the continued uncertainty around the cost of living. We continue to have confidence that our pub strategy is beginning to deliver positive momentum, evidenced by this good trading performance. Our strategy is centred upon delivering affordable pub experiences for our guests in a quality environment both inside and out. Looking forward, the combination of our strategy and the predominantly community-based location of our pubs means we are well-placed to meet the challenging consumer environment.

Cost outlook

Energy

As previously highlighted, the Group's gas price is fixed until the end of March 2025 with no additional incremental spend anticipated. Electricity costs in the last 10 weeks of FY2022 have been higher than originally expected due the volatile market for energy over the last few months. The Group's electricity is hedged for H1 of FY2023, covering the six-month period from October 2022 to March 2023. The recent announcement by the Government concerning the energy price cap was helpful and further protects our H1 energy spend. Regarding H2, we await the review of the price cap, albeit we currently remain comfortable with the guidance we have provided on energy costs for the Group's financial year as a whole. As referenced previously, as part of our ESG strategy management continues to focus on making efforts to mitigate energy costs wherever possible, such as adopting further energy efficient or saving schemes.

Food and Drink

Inflationary pressures on the Group's food and drink costs remain in line with previous guidance.

Financing and cashflow

Net borrowings (excluding IFRS16 commitments) as at 1 October were £1,216 million, £16 million below last year and £30 million lower than H1.

During the year the £50 million deferred duty/VAT paid was offset by a contingent consideration of £28 million from CMBC and a payment by CMBC of £19.4 million, reflecting a one-off working capital movement recognised in CMBC's H1 (January 2022 – June 2022) results.

Our borrowing is largely long-dated and asset-backed. 86% of our borrowings are hedged and therefore not at risk of any changes in interest rate movements that may occur during the year. Further detail is set out below:

- The securitisation is fully hedged to 2035. Additionally, the Group's mark to market position on its interest rate swaps has reduced substantially in view of interest rate rises.
- The property leasing is index-linked capped and collared at 1% and 4% respectively.
- There are £60 million of swaps against the bank facility fixed at 4.0% until 2031. There is a £60 million forward start swap fixed at 2.2% which takes effect from April 2025.

At the year end, the Group had £65 million of headroom against its £280 million bank facility and £10 million of cash.

Commenting, Andrew Andrea, Chief Executive Officer, said:

"*This is a good performance, with the trading momentum we experienced in the Summer continuing. Marston's has a long-term capital structure which is well suited to the current market environment and we remain committed to our debt reduction strategy with which we continue to make progress. We are managing cost inflation well with food, drink and energy costs covered for the immediate future.*

"Whilst we are not complacent and can't predict what the future will hold, what is clear is that people want - and are continuing - to visit our predominantly community pubs. The level of customer demand we are experiencing is encouraging which underpins our confidence that our strategy is working and we are making positive progress in that regard. Looking forward, we are primed to maximise the trading opportunities provided by the forthcoming World Cup and first restriction-free Christmas in three years. Marston's is in good shape and well positioned to navigate the future."

Forthcoming Events

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

2022 Preliminary results	29 November 2022

ENQUIRIES:

Marston's PLC	Tel: 01902 329516	**Instinctif Partners**	Tel: 020 7457 2010/2005
Andrew Andrea,	Chief Executive Officer	Justine Warren	
Hayleigh Lupino,	Chief Financial 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 1,468 pubs situated nationally, comprising managed, franchised and leased pubs
- Marston's employs around 12,000 people