



24 July 2019

**MARSTON'S PLC
TRADING UPDATE
42 weeks to 20 July 2019**

Marston's PLC issues the following Trading Update for the 42 weeks to 20 July 2019.

Trading

We have achieved sales growth in both our pub and beer business in the 42 week period to date, despite weaker sales in the last 16 weeks reflecting strong trading in the same period last year, which included the World Cup and an unusually hot summer.

Like-for-like managed and franchised pub sales increased by 0.5% in the 42 week period. In Destination and Premium, like-for-like sales for the 42 week period were 0.1% ahead of last year and in Taverns, like-for-like sales for the 42 week period were 1.1% ahead of last year. We continue to remain disciplined in terms of pricing, discounting and promotion, with operating margin in line with our expectations.

In Marston's Beer Company, volumes are in line with last year and continue to outperform the market, with volume performance over the last 16 weeks principally reflecting weaker lager sales in the off-trade.

Debt Reduction Plans and Reallocation of Capital Expenditure

We set out in the Company's January trading update our target to reduce net debt by £200 million in the period 2020-2023 through reduced capital expenditure, £120 million of disposals and a reduction in interest and pension costs. We have made good progress already in this regard and remain on track to hit our 2019 cashflow and debt targets.

Following a further review of our plans, we have decided to accelerate the timeframe within which the debt reduction target is achieved. As a consequence, we are proposing to defer £70 million of the new-build investment planned for the next three years and reallocate £20-30 million of funds into our organic capital plans, which are generating significantly higher returns. The earnings impact of this capital reallocation will be minimal and this will generate an additional £40-£50 million of cash flow over the next three years.

Commenting, Ralph Findlay, Chief Executive Officer, said:

"We have achieved modest growth during the 42 weeks to date continuing the long term positive LFL sales trend despite May and June being hampered by relatively poor weather. We have a high-quality, balanced pub estate and a highly disciplined approach to preserving margin, together with a leading beer business which continues to perform well leveraging our outstanding brand portfolio and increasing our market share.

"Having made good progress with our cash generation and debt reduction plans, we have subsequently decided to accelerate our efforts in this context and defer our remaining new-build plans and reallocate £20-30 million of the £70 million new-build capex over the next three years to drive higher returns from our existing estate. We believe that this focus will further enhance our returns from our existing pub business and reduce our debt at an even greater pace."

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	15 October 2019
2019 Preliminary results	27 November 2019
2020 Interim results	13 May 2020
2020 Preliminary results	25 November 2020

Enquiries:

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Andrew Andrea, Chief Financial Officer		Matthew Smallwood	

NOTES TO EDITORS

- Marston's is a leading pub operator and independent brewer.
- It has an estate of around 1,500 pubs situated nationally, comprising managed, franchised and leased pubs.
- It is the UK's leading brewer of premium cask and bottled ales, including Marston's Pedigree, Thwaites Wainwright, Lancaster Bomber and Hobgoblin. The beer portfolio also includes Banks's, Jennings, Wychwood, Ringwood, Brakspear and Mansfield beers.
- It holds the UK distribution rights for several licensed brands including Estrella Damm, Shipyard, Founders, Kirin, Warsteiner, Erdinger and Kaltenberg.
- Marston's employs around 13,000 people.