

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

COVID-19 Financing and Dividend Update

Further to Marston's announcement on 18 March 2020 and the subsequent directive from the UK Government on 20 March regarding the enforced temporary closure of all pubs and other hospitality venues to contain the spread of the COVID-19 virus, the Company today provides the following update.

We continue to take a highly prudent approach in our management of the business during this period. All Board members have volunteered significant cuts in pay and fees for the time being and recognise that Marston's many stakeholders, including employees, tenants and lessees, retailers, customers and communities are facing major challenges.

As described in our previous announcement, the impact of COVID-19 on our financial and trading performance will depend upon how the situation develops and over what timescale, which remains uncertain. The Government has recently announced a recovery strategy to lift lockdown restrictions in phases, including the potential for pubs to reopen in early July. However, this timing is by no means certain and is, of necessity, subject to meeting targets relating to containing the virus and the ability to meet 'Secure COVID-19 guidelines'. We await more detail from the UK Government in due course.

In order to ensure that Marston's is best placed to navigate this period of uncertainty, management has taken additional steps to strengthen its balance sheet to provide additional liquidity headroom and financial flexibility.

We have agreed £70 million of additional liquidity through an increased bank facility, subject to final documentation. We believe that this additional 180 day financing facility, together with ongoing Government support on employment costs, deferred tax payments and rent and rates relief, as well as continued income from beer sales into the off-trade, provide us with sufficient liquidity to meet our obligations beyond the end of the financial year even if pubs were closed until then. We have reached agreement with our banks to amend the Company's covenants for September 2020 and March 2021. Separately, as announced on 7 May, the Company has convened a meeting of its Bondholders for 29 May to seek a limited number of technical waivers and amendments.

We have made good progress to date towards our debt reduction targets and remain committed to our overall strategy to reduce the Company's leverage over the medium term. However, the temporary closure of our pub estate and the additional liquidity described above will impact that trajectory for the time being.

Financial Year 2020 Dividends

In our statement of 18 March, prior to the directive on temporary pub closure, we stated that it would be unlikely that the Board would recommend an interim dividend in May. Pending further guidance from the UK Government and in view of the continued uncertainty surrounding the re-opening of the pub sector and how that may be achieved, we have to prepare for the possibility that the current state of lock-down within the hospitality sector may continue for some months. Therefore, the Board believes it is prudent to plan for no dividends for financial year 2020. Future dividends will be reviewed when normalised trading resumes.

ENQUIRIES:

Marston's PLC Tel: 01902 329516
Ralph Findlay, Chief Executive Officer
Andrew Andrea, Chief Financial and Corporate
Development Officer

Instinctif Partners
Justine Warren Tel: 020 7457 2010
Matthew Smallwood Tel: 020 7457 2005

NOTES TO EDITORS

- Marston's is a leading pub operator and independent brewer.
- It has an estate of around 1,350 pubs situated nationally, comprising managed, franchised and leased pubs.
- It is the UK's leading brewer of premium cask and packaged ales, including Hobgoblin, Wainwright, Marston's Pedigree and 61 Deep. The portfolio also includes beers brewed at Banks's, Jennings, Wychwood, Ringwood, and Eagle Breweries and also includes McEwan's, Courage, Bombardier, Brakspear and Mansfield beers. To complement the UK portfolio, Marston's operates a number of brands under license with global brand owners such as Estrella Damm, Erdinger, Shipyard and Kirin.
- Marston's employs around 14,000 people.