

MARSTON'S PLC
Trading for the 16 week period to 18 January 2020
and update on debt reduction plans

Marston's PLC issues the following trading update for the 16 week period to 18 January 2020 ahead of the Annual General Meeting to be held at 11:00 hrs today.

Trading

Pubs

Total managed and franchise like-for-like sales growth for the period increased 1.0%, reflecting continued growth in drinks sales offset by weaker food sales. Trading over the Christmas fortnight was strong, with like-for-like sales growth of 4.5%, compensating for more subdued trading in the first three weeks of December as a consequence of poor weather.

Costs have generally been in line with the guidance provided at the preliminary results in November. However, the recently announced 6.2% increase in the National Minimum Wage from April is higher than anticipated, and will increase second half year costs by a further c. £2-3 million.

Marston's Beer Company

Volumes are slightly behind last year reflecting a weaker performance in the Off-Trade in December, particularly with lager sales. Excluding lager, volumes are in line with last year. Given the margin profile of the Off-Trade, despite the volume decline, earnings are in line with our expectations.

Debt reduction plans

As we have highlighted previously, it is our intention to reduce our borrowings by £200 million by 2023, with the intention to generate annual net cashflow of at least £50 million after dividends by that time.

We are focussed on achieving this target as quickly as possible, principally through the acceleration of our disposal programme. In the year to date, we have completed or exchanged on £60 million of disposals. Having originally targeted £40 million of disposal proceeds, we increased that to £70 million in November 2019 and today further increase the target to £85-90 million.

Commenting, Ralph Findlay, CEO said:

"Marston's has delivered a creditable performance in a challenging market. Trading in the key Christmas fortnight was good and has remained solid since which is encouraging. Our balanced pub portfolio enables us to perform well in the context of current market dynamics and our market-leading Beer Company has continued to increase market share in both the on and the off trade in the period. We are making excellent progress on our debt reduction strategy, well ahead of the original 2023 target.

"Looking forward, greater clarity on the political agenda should positively impact consumer confidence. Overall the economic environment for the consumer looks encouraging with low unemployment and healthy wage growth providing us with increasing confidence that the market will grow in 2020."

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

2020 Interim results	13 May 2020
2020 Preliminary Results	25 November 2020

ENQUIRIES:

Marston's PLC	Tel: 01902 329516	Instinctif Partners	Tel: 020 7457 2020
Ralph Findlay,	Chief Executive Officer	Justine Warren	
Andrew Andrea,	Chief Financial and Corporate Development Officer	Matthew Smallwood	

NOTES TO EDITORS

- Marston's is a leading pub operator and independent brewer.
- It has an estate of around 1,400 pubs situated nationally, comprising managed, franchised and leased pubs.
- It is the UK's leading brewer of premium cask and packaged ales, including Marston's Pedigree, Wainwright, Lancaster Bomber and Hobgoblin. The beer portfolio also includes Banks's, Jennings, Wychwood, Ringwood, Brakspear and Mansfield beers. Marston's has added Bombardier, Courage and McEwan's to its brand portfolio most recently, as well as a range of licensed brands including Young's, Founders and Estrella Damm.
- Marston's employs around 14,000 people.