

CEO's statement

People-powered Purpose-led Performance-driven

FY2025 has been a year of strong delivery for Marston's as we continued to focus on being the UK's leading local pub company.

We have seen encouraging results across the board – from improved profitability and margin expansion, to record guest satisfaction and recurring free cash flow ahead of our target.

With strong momentum, a high-margin platform, and our formats growth engine poised to deliver, we are well positioned to build on this foundation and continue creating long-term value for all stakeholders.

Strategic and operational delivery

In FY2025 our efforts have been firmly concentrated on delivering a market-leading pub operating model, scaling our proven guest-led pub formats, and continuing to embed digital capabilities across the business.

Each of these areas is already delivering tangible performance benefits and collectively, they are laying the foundation for long-term sustainable growth.

Market-leading pub operating model

Delivering a market-leading operating model is central to our strategy and has underpinned much of the progress made this year. At its core, our model is built around three pillars: revenue growth, cost efficiency, and guest satisfaction – all working together to create a more profitable, consistent, and scalable business. We have continued to invest in initiatives that support top-line performance, with our demand-driving event programme playing a key role. From Trivial Pursuit: 'Win a Wedge' to Pub Life and partnerships like Paddington in Peru and the Cool Hand Cup, these events have supported engagement, driven footfall and strengthened our connection with guests.

Our operational discipline has driven a 140bps improvement in EBITDA margin – a standout result that reflects the strength of our approach. Our labour scheduling tool, which is

focused on ensuring we have the right people at the right time, has helped us manage external cost pressures, while procurement and energy efficiencies continue to deliver meaningful gains. Going forward, we view cost pressures as manageable within the context of our ongoing efficiency programme, and we expect to deliver further margin uplift in the year ahead.

At the heart of our progress is an unwavering focus on the guest. Our record Reputation score of 816 reflects the pride our teams take in creating great experiences and the tangible improvements we have made across the estate. From demand-driving events and better Signature menu execution, to increased Order & Pay usage and more efficient labour scheduling, every initiative is designed to enhance service and satisfaction – and it is great to see our pubs delivering that experience more consistently than ever.

Differentiated pub formats

Our differentiated pub formats are a key future growth engine. In FY2025, we completed 31 conversions – 21 Two Doors, five Grandstands and five Woodie's – all delivered on time, on budget and generating strong guest feedback and average initial revenue uplifts of 23%. With average capex per renovation of £260k, and a return on invested capital of over 30%, these formats are delivering in terms of both guest satisfaction and financial returns. Looking ahead to FY2026, we plan to accelerate the rollout with at least 50 further conversions, all within our disciplined 7–8% capex-to-revenue range. This next phase will continue to scale one of the most exciting and high-impact levers in our strategy.

**Record Reputation score
(end of FY2025)**

816

Recurring free cash flow

£53.2m

Digital transformation

Digital transformation is playing a central role in improving both the guest experience and operational efficiency across the business. At the heart of this is our enhanced Order & Pay platform, launched in March and now live across our entire managed estate. Results have been very encouraging, with revenue per transaction up over 10%, supported by stronger upselling and premiumisation. The platform also improves speed of service – particularly in high-volume and outdoor areas – and is therefore contributing to higher guest satisfaction.

More broadly, we are embedding AI tools across the business, from forecasting and labour planning to menu development and energy efficiency. With further investments in infrastructure – including new tills, tablets and an upgraded Wi-Fi network – we are building a more connected, data-driven estate that can scale more efficiently and deliver for guests in every pub at every visit.

CEO's statement continued

Financial progress

FY2025 marked a step-change in our financial performance. We delivered another year of significant profit growth and a material improvement in recurring free cash flow – enabling us to invest in our estate, reduce debt, and strengthen the platform for future shareholder returns. Like-for-like sales growth of 1.6% remained ahead of the market and was supported by strong performance from our 31 new format launches. Underlying profit before tax from continuing operations rose 71% to £72.1 million, following a 64% uplift in FY2024, driven by disciplined cost control and strong operational execution.

Recurring free cash flow of £53.2 million exceeded our CMD target and was delivered significantly ahead of schedule. This supported further deleveraging, with net debt (excluding IFRS 16 lease liabilities) reducing to £837.5 million. Net debt (excluding IFRS 16 lease liabilities) is now down by almost a third since FY2022 and remains underpinned by a predominantly freehold estate now valued at approximately £2.2 billion. Our leverage ratio improved to 4.6x, and net asset value per share rose to £1.25, reflecting increased profitability, estate revaluation gains, and debt reduction.

Over the near-to-medium term, we continue to expect to deliver on the targets set out at our CMD, which include:

- Revenue growth ahead of the market
- EBITDA margin expansion of 200-300 basis points beyond FY2024, targeting 23.4% to 24.4%
- Over £50 million recurring free cash flow
- >30% ROIC on investment focused capex

Sustainably operating the business

In FY2025, we continued to make meaningful progress across all areas of our sustainability agenda. We now have approximately 560 EV chargers across over 200 pubs, extended our glass reuse scheme to more than 150 locations, and completed the installation of solar panels at 65 pubs. We are proud to be leading the way on food waste too – achieving 74% of our 2030 reduction target and preventing over 43 tonnes of food waste through our partnership with Too Good To Go. On the people front, we were recognised as the UK pub industry's top employer by the Financial Times and with nearly 95% of our pubs achieving a 5* EHO rating, our commitment to high operational standards remains clear. We remain focused on driving further progress in FY2026, with practical, targeted actions that make our business more sustainable for the long term.

Outlook

Marston's heads into FY2026 with real momentum. Our high-margin operating model is underpinned by strong cost discipline, a scalable digital platform, and increasing operational efficiency – all of which are driving robust cash generation and ongoing margin improvement. Record guest satisfaction, reflected in our highest-ever Reputation scores, speaks to the consistency of our offer and the pride our teams take in delivering great local pub experiences. We are well-positioned heading into the critical festive period, with bookings tracking 11% ahead of the same point last year and a strong calendar of demand-driving events in place – such as Marston's Best Ever Christmas.

The standout opportunity for FY2026 is the acceleration of our guest-led pub formats – a proven growth engine at the heart of our strategy. The 31 conversions completed in FY2025 have continued to trade well beyond their initial uplift, giving us the confidence to step up to at least 50 format launches in the year ahead, with a focus on Two Door and Grandstand. This rollout represents a scalable, repeatable model for growth – one that is resonating with guests and supporting our longer-term ambitions. As we move into FY2026, our priorities are clear: to continue to drive performance through our market-leading operating model, new formats roll-out plan & digital transformation; delivering sustainable value for shareholders.

Justin Platt

Chief Executive Officer

Section 172(1) statement

Section 172(1) of the Companies Act 2006 requires the Directors to act in a way that they consider, in good faith, would most likely promote the success of the Company for the benefit of its members as a whole, whilst also considering the likely consequences of any decisions made over the long term and the needs and interests of stakeholders. Details of how the Directors have engaged with and had regard to the interests of all our stakeholders and the need to foster the Company's relationships with those stakeholders are set out on pages 14 and 15. Principal decisions taken by the Board during the financial year are embedded throughout the report, particularly in the Chair's and CEO's statements.