

Chair's statement

A strong year of progress

As I reflect on my first full year as Chair, I remain inspired by the passion, professionalism and dedication of our people.

From the thousands of colleagues across our pubs to our Board and Executive team, the commitment to delivering exceptional guest experiences is what defines Marston's – and will continue to be the foundation of our success.

FY2025 marked our first full year as a pure-play hospitality business and it has been encouraging to see the business continue to strengthen through this transformation. The strategic actions we have taken are directly aligned with the financial targets outlined at our Capital Markets Day (CMD). We remain fully committed to driving revenue growth and enhancing margins, alongside the disciplined deployment of capital to support sustainable cash generation and long-term value creation for our stakeholders.

Progress in FY2025 and plans for FY2026

FY2025 has been a strong year of progress for Marston's as we began delivering tangible results from our refreshed strategy. The rollout of our differentiated pub formats has gathered momentum. This has been supported by our demand-driving event programme, further development of our digital agenda, through

our Order & Pay platform and our clear focus on improving the guest experience across the estate – which has now reached record levels.

Margin management has been a particular strength in FY2025, contributing to improved profitability and strong recurring free cash flow. Recurring free cash flow totalled £53.2 million – exceeding our £50 million CMD target ahead of schedule – and this has helped reduce our net debt (excluding IFRS 16 lease liabilities) to £837.5 million. A strong level of cash generation is essential to our goal of returning to a position where dividends and capital returns can be reinstated.

Looking ahead to FY2026, we will continue the phased rollout of our pub formats, with an accelerated programme of planned refurbishments, whilst continuing to remain targeted and disciplined with our capital investment, aligned to clear return thresholds. At the same time, we will maintain a strong focus on margin management and cash generation, both of which are critical to supporting our long-term financial objectives.

Our Board and Executive management

This year we announced the departure of Hayleigh Lupino, our Chief Financial Officer, who left Marston's after 22 years with the business. Hayleigh's contribution has been immense – from her early finance roles through to her time on the Executive Committee, she has been pivotal in shaping the Group's financial strategy and supporting its evolution

into a leading UK hospitality business. On behalf of the Board, I want to express our sincere gratitude to Hayleigh for her outstanding service and wish her every success in the next stage of her career.

We were delighted to welcome Stephen Hopson as Chief Financial Officer in September. Stephen brings extensive financial and leadership experience across the leisure and retail sectors and has already made a strong and positive impact. His expertise will be instrumental as we continue to execute our strategy, and the Board and I look forward to working closely with him in the years ahead.

Our shareholders

The Board continues to recognise that Marston's share price trades at a material discount to its net tangible asset value. While broader market conditions remain challenging, we do not believe our current valuation reflects the progress we are making or the long-term potential of the Group. Closing this gap remains a key priority.

We are executing a new strategy that is already delivering improved profitability and strong recurring free cash flow – enabling us to reduce debt and rebuild the investment case for Marston's as a compelling equity proposition. This is a growth-focused plan, underpinned by disciplined investment in the estate and guest experiences – because no business ever shrank to greatness.

We also understand, and have heard clearly, the concerns some shareholders have raised around capital allocation, shareholder returns, and our financing structure. These remain important areas of focus for the Board. As set out at our CMD, our capital allocation approach is based on maintaining a disciplined balance between investment in the business,

ongoing deleveraging, and, ultimately, shareholder distributions. We have made encouraging progress, reducing leverage from 5.2x EBITDA (excluding lease liabilities) in 2024 to 4.6x this year, however this does remain above our target. Once leverage falls below 4.0x, we expect to be in a position to begin returning capital to shareholders. Ensuring we have the right financial structure and foundations to support both operational delivery and long-term shareholder value creation remains central to our approach.

Alongside this, we remain committed to enhancing transparency and deepening engagement with shareholders and the wider market to ensure our strategy, performance and ambitions are clearly understood. We remain confident that, over time, the valuation gap will narrow. I would like to thank our shareholders for their continued support.

Our people

Finally, I want to acknowledge the exceptional commitment and hard work of our people. Over my first full year as Chair, I have spent a great deal of time in Marston's pubs and Pub Support Centre, and I'm consistently struck by our teams' passion for hospitality, their pride in our pubs and their unwavering dedication to delivering outstanding guest experiences. It's this spirit that drives our business forward every day. On behalf of the Board, I want to thank every member of the Marston's team for their contribution this year.

With a clear strategy, a strong leadership team and the right capabilities in place, I am confident we are well positioned to deliver sustainable growth and long-term value for all our stakeholders.

Ken Lever
Chair