



**MARSTON'S PUBS LIMITED**

**Quarterly Investor Report  
For the Period ended 3 July 2021**

**This Quarterly Investor Report covers the results for Marston's Pubs Limited  
from 4 April 2021 to 3 July 2021**

To: HSBC Trustee (C.I.) Limited (as **Borrower Security Trustee, Issuer Security Trustee, and Note Trustee**)  
HSBC Bank plc (as **Principal Paying Agent**)  
Standard & Poor's Rating Services  
Fitch Ratings Limited

Terms defined in the Master Definitions and Construction Schedule (the **Master Definitions and Construction Schedule**) dated as of 9 August 2005 and amended and restated on 22 November 2007 and signed for the purposes of identification by Freshfields Bruckhaus Deringer and Linklaters shall bear the same meaning herein.

**Definitions:**

Q3 means the results for the Financial Quarter from 4 April 2021 to 3 July 2021  
Q2 means the results for the Financial Quarter from 3 January 2021 to 3 April 2021  
Q1 means the results for the Financial Quarter from 4 October 2020 to 2 January 2021  
Q4 means the results for the Financial Quarter from 28 June 2020 to 3 October 2020

Relevant Period means Q3 + Q2; and  
Relevant Year means Q3 + Q2 + Q1 + Q4

**Principal Debt Movements**

Principal Debt Movements on the Notes	Balance as at 4 April 2021 £m	Scheduled repayments made £m	Repurchases £m	Balance as at 3 July 2021 £m
Aggregate principal amount outstanding at the Financial Quarter Date	698.7	(9.1)	-	689.6
Class A2 Notes	196.6	(6.3)	-	190.3
Class A3 Notes	200.0	-	-	200.0
Class A4 Notes	147.1	(2.8)	-	144.3
Class B Notes	155.0	-	-	155.0



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Principal Debt Movements on the Term Advance	Balance as at 4 April 2021 £m	Scheduled repayments made £m	Repurchases £m	Balance as at 3 July 2021 £m
Aggregate principal amount outstanding at the Financial Quarter Date	707.4	-	-	707.4
Class A1 Notes	-	-	-	-
Class A2 Notes	202.9	-	-	202.9
Class A3 Notes	200.0	-	-	200.0
Class A4 Notes	149.5	-	-	149.5
Class B Notes	155.0	-	-	155.0

## Specific Trading Details

Turnover for the 13 weeks comprising Q3 was £71.9m giving a total during the Relevant Year of £188.1m. EBITDA for the quarter was £13.6m giving a cumulative total of £28.6m.

	Tenanted (Q3) £m	Managed (Q3) £m	Total (Q3) £m	Relevant Period (Q3 + Q2) £m	Relevant Year (Q3+Q2+Q1+Q4) £m
Turnover	32.6	39.3	71.9	72.3	188.1
Operating expenses	26.3	35.0	61.3	74.9	171.3
Adjusted Operating Profit*	6.3	4.3	10.6	(2.6)	16.8
Operating Profit			8.7	(6.5)	9.0
EBITDA	7.5	6.1	13.6	3.3	28.6
Free Cash Flow			16.3	8.9	38.5
Debt Service			18.8	37.4	75.6

\* Before amortisation of goodwill

## Coverages and Covenants

FCF DSCR was 0.5 times and the EBITDA to Debt Service ratio was 0.4 times for the Relevant Year and 0.2 times and 0.1 times respectively for the Relevant Period.

	Relevant Period (Q3 + Q2)	Relevant Year (Q3+Q2+Q1+Q4)
Free Cash Flow: Debt Service	0.2 times	0.5 times
EBITDA: Debt Service	0.1 times	0.4 times
Debt Service Covenant satisfied	No	No
Restricted Payment Condition satisfied	No	No

The Debt Service Covenant and the Restricted Payment Condition were not satisfied. Under the waiver dated 26 March 2021 the requirement to meet the Debt Service Covenant has been waived therefore no Loan Event of Default has occurred.

Net Worth as at 3 April 2021 was £434.9m. No Restricted Payments were made in Q3 or during the Relevant Year. The Restricted Payment Maximum at 3 July 2021 was £6.9m and no calculation of the Further Restricted Payment Maximum was required.



## Maintenance and Capital Enhancement

The cumulative Maintenance Expenditure\* in the Relevant Year was £16.6m and the Relevant Period was £7.7m. The Required Maintenance Amount\*\* for the Relevant Year was £9.2m.

Capital Enhancement Expenditure of £1.4m was made in Q3, £9.6m in the Relevant Year and £5.5m in the Relevant Period.

\*Maintenance includes both capital items and items expensed through the profit and loss account.

\*\*Adjusted for the number of weeks of full pub closure on a pro rata basis

## Cash Balances

Balances on the following accounts at 3 July 2021 were as follows:

	£m
Borrower Transaction Account	4.9
Disposals Proceeds Account	-
Maintenance Reserve Account	-
All other Obligor Accounts	29.6

The amount available under the Liquidity Facility at 3 July 2021 was as follows:

	£m
Total Liquidity Facility	120.0
Liquidity Facility drawn	<u>(28.0)</u>
Available Liquidity Facility	92.0

## Estate

	Tenanted Number	Managed Number	Total Number
<b>Outlets at the beginning of Q3</b>	<b>675</b>	<b>272</b>	<b>947</b>
Conversions from Managed to Tenanted	-	-	-
Conversion from Tenanted to Managed	-	-	-
Acquisitions and substitutions	-	-	-
Disposals	-	-	-
<b>Outlets at the end of Q3</b>	<b>675</b>	<b>272</b>	<b>947</b>

The aggregate proceeds from pub disposals were nil for the quarter.

## LIBOR Transition

A noteholder consent process commenced on 26 July in respect of the transition away from a LIBOR reference rate. An update will be issued following the conclusion of this consent process on 17 August.



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## **Accounting Policies**

Marston's PLC certifies that these financials comply with Generally Accepted Accounting Principles applied in the United Kingdom.

## **Defaults**

Marston's PLC certifies that no Loan Event of Default or Potential Loan Event of Default has occurred.

For further information please contact:

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