

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

Trading update for the 42 weeks to 23 July 2022

Marston's PLC issues the following trading update for the 42 weeks to 23 July 2022.

Trading

All sales comparisons are compared to the same period in FY2019.

Total like-for-like sales for the 42-week period were down 2% vs FY2019. As previously reported, this reflects the impact of the reintroduction of trading restrictions in December and January and corresponding impact on consumer sentiment in H1.

Encouragingly, total retail sales in the Group's managed and franchise pubs returned to FY2019 levels in the period. Drinks sales have continued to outperform food sales, once again reinforcing the steadfast trading resilience of Marston's predominantly community pub estate.

Like-for-like sales in the last 16 weeks to 23 July are 1% below FY2019, but in the first 12 weeks of this period sales were slightly ahead of FY2019, and over the last four weeks of the period despite drinks sales continuing to be in growth, food sales have weakened principally due to the recent spell of very hot weather.

The level of customer demand has been encouraging, notwithstanding the uncertainty around the cost of living for consumers. Looking forward, the Group remains well placed to deliver positive trading with its balanced estate of predominantly community pubs, investment in outdoor trading areas and staycation custom.

Energy Costs

As previously highlighted, the Group's electricity contract ended in March 2022. The ongoing situation in Ukraine continues to impact energy prices, and consequently electricity costs are expected to be c. £2.0m higher than previously guided for H2 of this financial year.

With energy cost inflation likely to persist in the short term, Marston's has taken the decision to fix the Group's electricity rates for Winter 2022, covering the six-month period from September 2022 to March 2023 with an incremental cost impact of c£3.0m in financial year 2023. The Group's gas price is also fixed until the end of March 2025 with no additional incremental spend anticipated.

Notwithstanding the above, management continues to focus on making every effort to mitigate cost inflation over the medium term through the various opportunities open to it such as energy efficiency plans and future pricing strategies.

Commenting, Andrew Andrea, Chief Executive Officer, said:

“Since COVID restrictions were lifted, we have been encouraged with the level of sales as we have transitioned to operating on a ‘business as usual’ basis. In spite of external economic headwinds, we have not seen any discernible change to customer footfall to date and remain cautiously optimistic that we will continue to see similar levels of customer demand across the summer where we will benefit from our investments in outside space and staycations.

“We continue to focus on our strategic plans and remain on track with our debt reduction strategy. We are making considerable progress with the transition away from our value food Two for One brand which will be complete by the end of September. We have completed 45 of these pub conversions to date and, whilst still early days, initial indications are encouraging with positive customer feedback and improving returns. We remain confident that the changes we are implementing now will deliver a higher quality business for the Group over the medium to longer term.”

Forthcoming Events

Please find below the forthcoming reporting dates for Marston’s, which are also available on the investor calendar on our website - <https://www.marstonpubs.co.uk/investors/>

Year-end trading statement	11 October 2022
2022 Preliminary results	29 November 2022

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NOTES TO EDITORS

- Marston’s is a leading pub operator with a 40% holding in Carlsberg Marston’s Brewing Company
- It operates an estate of 1,481 pubs situated nationally, comprising managed, franchised and leased pubs
- Marston’s employs around 12,000 people