

INTERIM RESULTS 2024



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Hayleigh Lupino

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Positive Momentum YTD with encouraging outlook for H2



**Strong Trading Performance
ahead of market**

LFL Revenue +7.3%

Good Earnings Growth

Pub Operating Profit +22%

Continued Debt Reduction

Debt down £25M

Solid Operational Progress

Reputation up to 787

Encouraging Outlook for H2



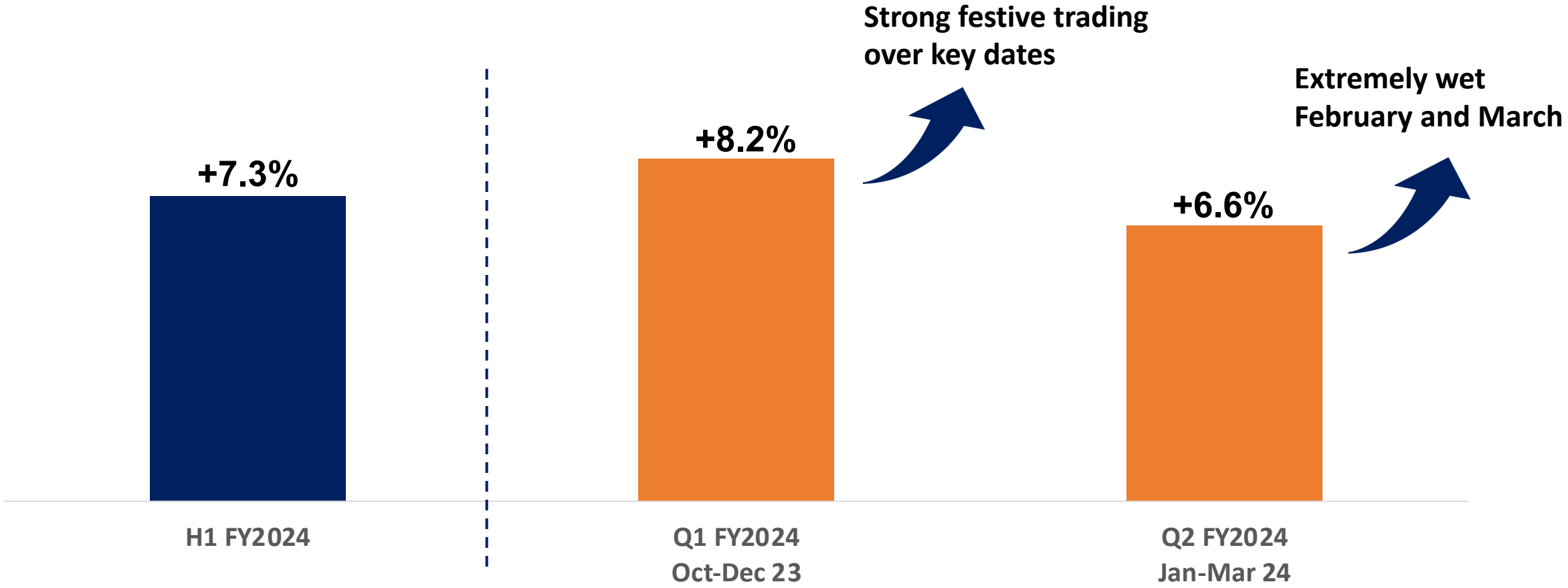
Hayleigh Lupino

CFO

FINANCIAL REVIEW



LFLs up vs. H1 FY2023, consistently outperforming the market



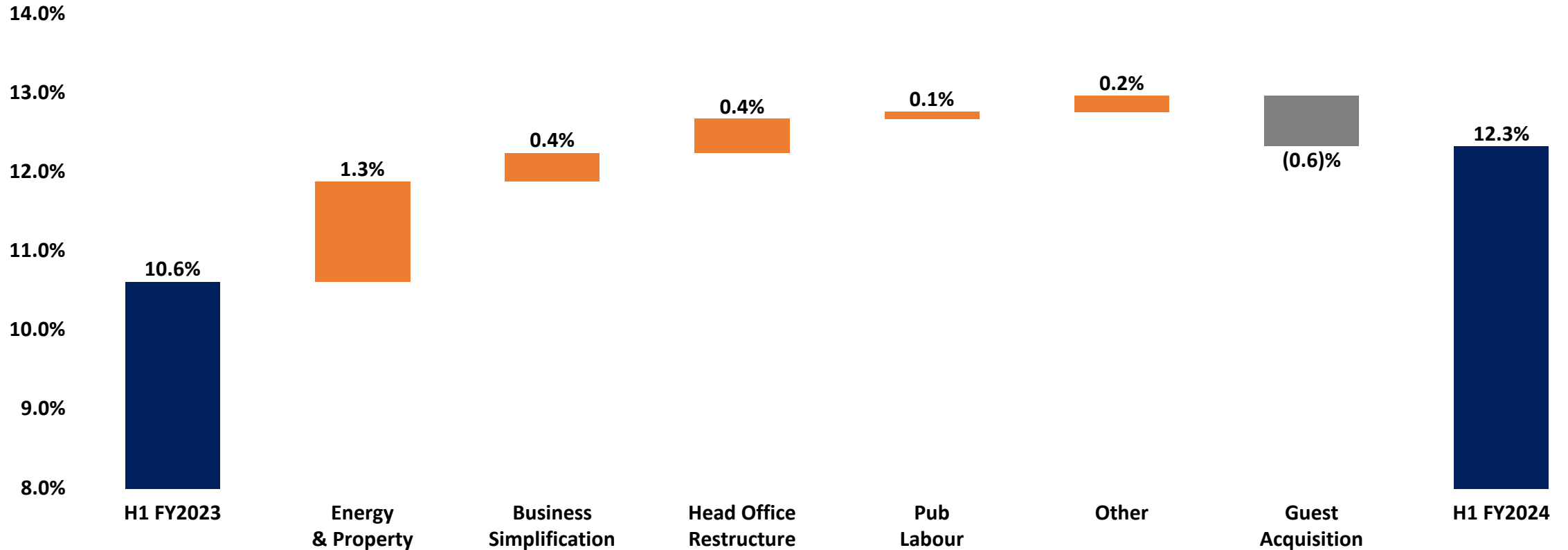
Strong earnings and operating profit growth, with significant margin improvement

	H1 FY2024	H1 FY2023	<i>Comments</i>
Revenue	£428m	£407m	+5.2% growth
Pub operating profit	£53m	£43m	+22.3% pub profit growth
Pub operating profit margin	12.3%	10.6%	+170bps
Net finance costs	£(53)m	£(49)m	
Income/(loss) from associates	£(1)m	£2m	£13.8m dividend received
Loss before tax	£(1)m	£(4)m	
Loss per share	(0.1)p	(0.5)p	

Improved margins to deliver further cash upside

1.7% PUB OPERATING MARGIN IMPROVEMENT

Operating Margin % - H1 FY2023 vs H1 FY2024

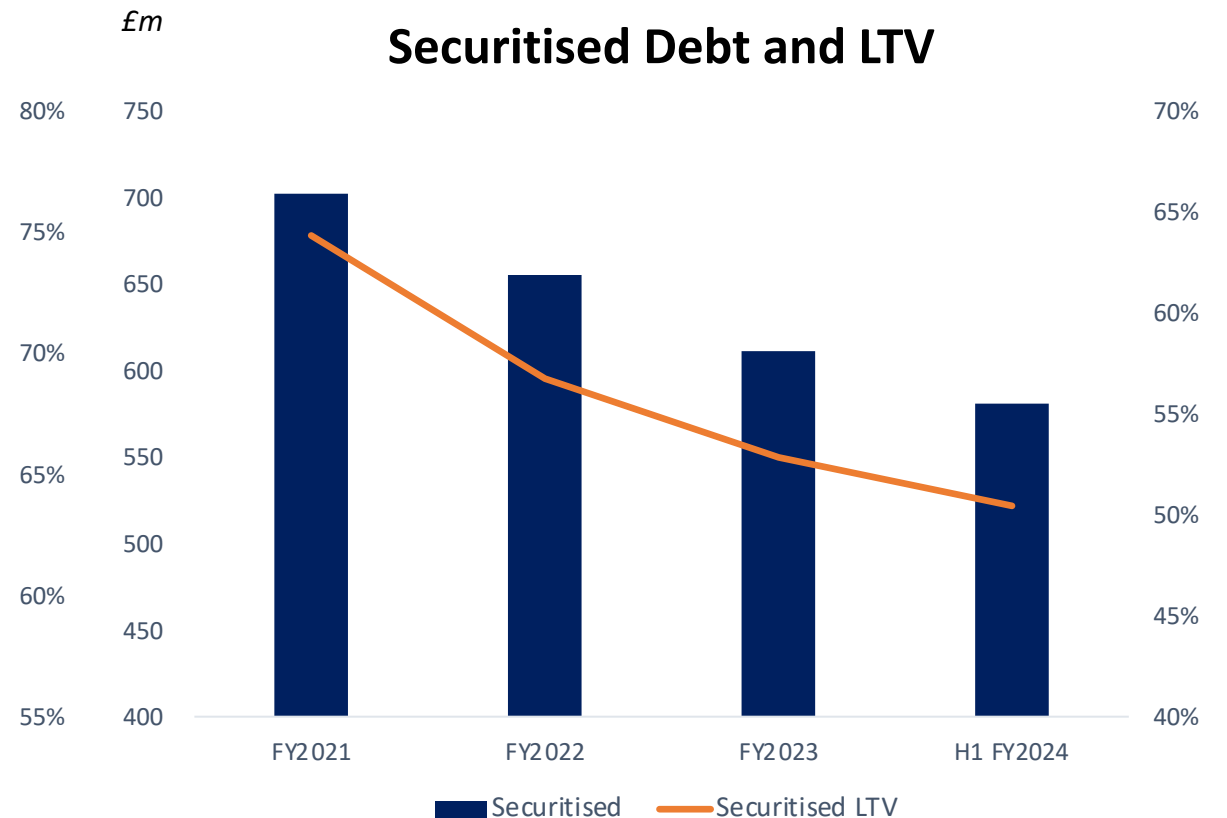
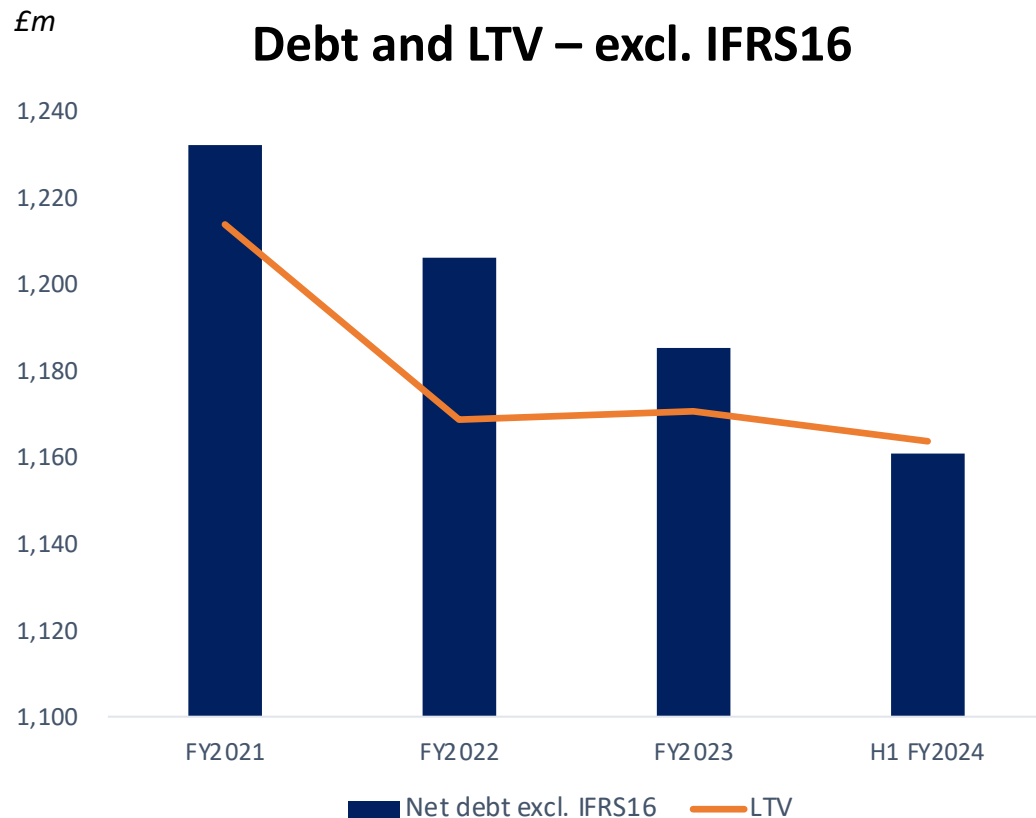


Improving operating cash flow

<i>£m</i>	H1 FY2024	H1 FY2023	<i>Comments</i>
Operating cash flow	91	70	
Net interest	(48)	(41)	
Pre-investment FCF	43	29	
Capex	(22)	(41)	<i>FY2024 c.£50m</i>
Disposals	10	24	<i>FY2024 c.£50m</i>
Net cash flow	31	12	

Continued debt reduction, underpinned by freehold estate

SECURITISATION LTV c.50% WITH A LONG-TERM, LOW-COST DEBT STRUCTURE





Financing

Finance Facility

- £340 million amendment and extension to the financing facility to the end of July 2026
- £120 million is hedged, £60 million fixed at 3.73% to 2031, £60 million fixed at 3.45% to 2029

Securitisation

- £581 million Long-term securitisation debt to 2035
- £120 million securitisation liquidity facility; not utilised

Long Term Leases

- £338 million long-term other lease related borrowings, capped and collared at 1% and 4%
- £376 million - IFRS 16 lease liabilities

93% OF MEDIUM TO LONG-TERM FINANCING HEDGED, UNDERPINNED BY £2.1BN OF ASSETS

Stable NAV, continued strategic disposals

Property

- £10 million disposal proceeds in H1, c.£26 million by 14 May, £50 million expected in FY2024
- High quality 83% freehold pub estate, £2.1bn asset value

Net Asset Value

- NAV of £0.95 per share (H1 FY2023: £0.98 per share)

Pensions

- £11.4 million surplus vs £12.9 million surplus September 2023
- £6m net annual deficit contribution expected to cease at end of FY2024

Positive cash contribution from CMBC

UNDERLYING RESULT:

H1 FY2024 £(0.6)m

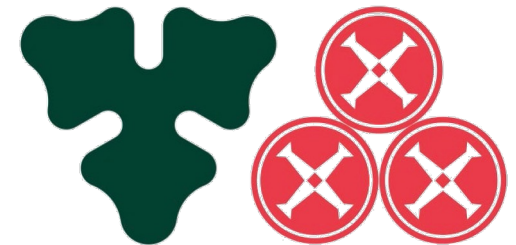
H1 FY2023 £2.2m

DIVIDEND RECEIVED:

H1 FY2024 £13.8m

H1 FY2023 £10.6m

As with prior years, CMBC H1 result reflects seasonality, with majority of profit earned in H2



CARLSBERG MARSTON'S
BREWING COMPANY



Summary

Current Trading

- Encouraging start to H2 with like-for-like sales in the last six weeks +4.0% vs. last year
- Excluding impact of additional May bank holiday like-for-like sales were +5.3%

Costs & Margin

- Expect to deliver £8 million of cost efficiencies in FY2024, including impact of financing transaction costs
- Targeting margin improvement of at least 200bps over the medium-term

Financing

- £340 million amendment and extension to the financing facility to the end of July 2026
- 93% of medium to long-term financing hedged and underpinned by £2.1bn of assets



Justin Platt

CEO

INITIAL IMPRESSIONS

Current focus is identifying Marston's future value drivers

Broad Consumer & Leisure Sector Background



- Most recently in a multi-site leisure business
- Driving Guest Experience Operating Model
- Application to the Pub Sector
... opportunity to upskill & modernise

Immersion into Marston's Business



- Nationwide UK Pub Visit Programme
- Understand what drives the business
- Identify value driving opportunities

AUTUMN INVESTOR DAY - The Marston's Opportunity

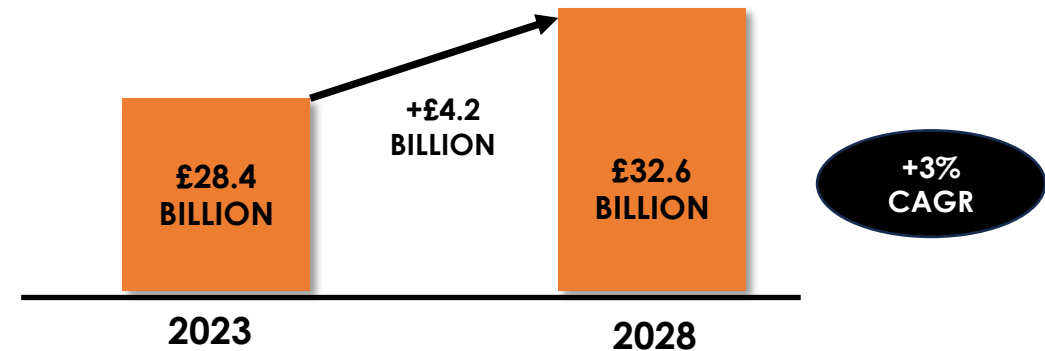
The UK Pub Market offers significant value opportunity

Inherent human need to socialise



Pubs weaved into the fabric of UK society

UK PUBS & BARS MARKET – TOTAL REVENUE³



- 2/3 of UK adults socialise with friends/family every week¹
- 82% of adults want more leisure time away from screens²
- Experiences are increasingly valued over goods
- 88% of UK adults visited the pub in 2023³
- 1/3 UK adults go to the pub at least monthly³
- 81% of UK adults say pub is vital to bring people together⁴



Local Pub Segment will be lucrative for those who get it right

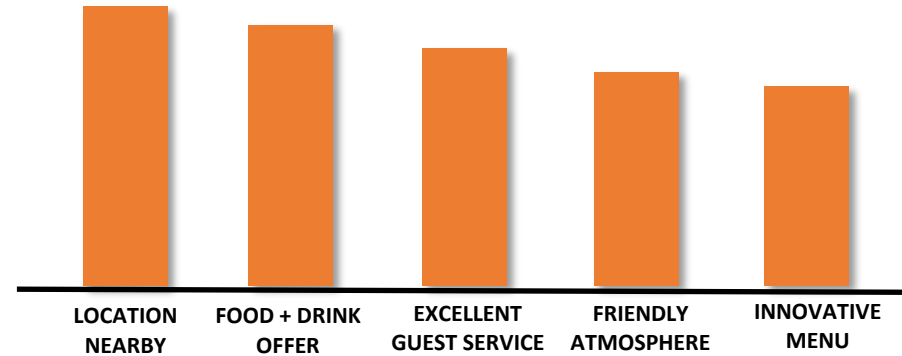
Local Pub Market is buoyant

Relentless delivery to drive consumer demand

**HOSPITALITY MARKET LFL REVENUE GROWTH
MARCH '24 MAT**



TOP 5 FACTORS DRIVING PUB VISITATION



- Local Pub market +7.4% in last 12 months¹
- Rise of 'low tempo' socialising
- £3 Billion shift of retail/hospitality spend to suburbs²

- Delivery against all top 5 factors drives visitation for 91%³
- Powerful execution of a simple operating model
- The Local Manager is central to success

Marston's has strong fundamentals to build on

Community Based Estate



Predominantly Freehold Ownership



Balanced Management Model

MARSTON'S TOTAL PUB MANAGEMENT



Cash Generative Operating Model

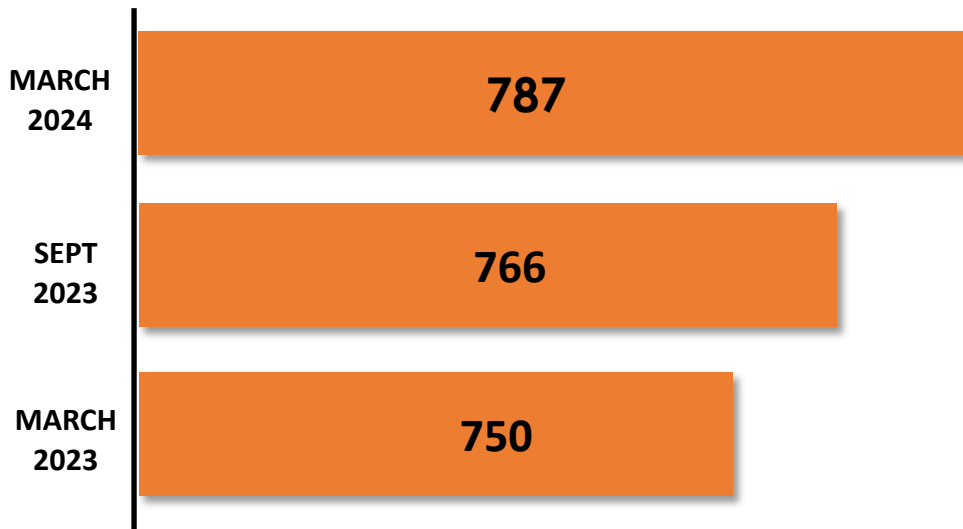


2023 P+L	
REVENUE	£1,030K
EBITDA	£335K
FCF	£325K

Operational delivery has been strong in the last 6 months

Promising improvements in guest satisfaction

MARSTON'S REPUTATION SCORE¹



- Simple and loved food menus
- Enhanced premium drinks offer
- Guest obsessed - a warm welcome and attentive service
- Comfortable and atmospheric pub environment

Operational delivery has been strong in the last 6 months

Early strides on reducing cost to drive margin improvements

<u>COST</u>	<u>MARGIN IMPACT</u>	<u>INITIATIVES</u>
LABOUR	+0.5%	<ul style="list-style-type: none">• Head Office reorganisation – ongoing efficiencies• Right people, right time - Labour Scheduling Tool benefits
FOOD + DRINK	+0.4%	<ul style="list-style-type: none">• Continued menu simplification• Reductions in food input costs
ENERGY + PROPERTY	+1.3%	<ul style="list-style-type: none">• Energy saving initiatives – incl. smart meters for out of hours usage• Unit cost reductions

Operational delivery has been strong in the last 6 months

Continued passion for driving progress on our ESG agenda

H1 HIGHLIGHTS

PRODUCT

- 15,000+ meals rescued from food waste in H1
- Supporting charities to eradicate food poverty

PLANET

- Increased electric vehicle chargers ... now totalling 437
- NEW major solar tech capability at Pub Support Centre

PEOPLE

- BEST Large Pub Company Employer 2024
- BEST Workplace Mental Health Strategy 2024



H2 outlook is very encouraging

Driving Demand to Sustain Revenue



- MAJOR Sports TV Events
- Massively upgraded beer gardens
- Simplified and loved food menus

Continued Focus on Costs

LABOUR

- Negated impact of NLW increase April 2024
- Variable labour scheduling refinement

FOOD + DRINK

- Majority of costs fixed
- 75-80% of food & drink contracted through H2

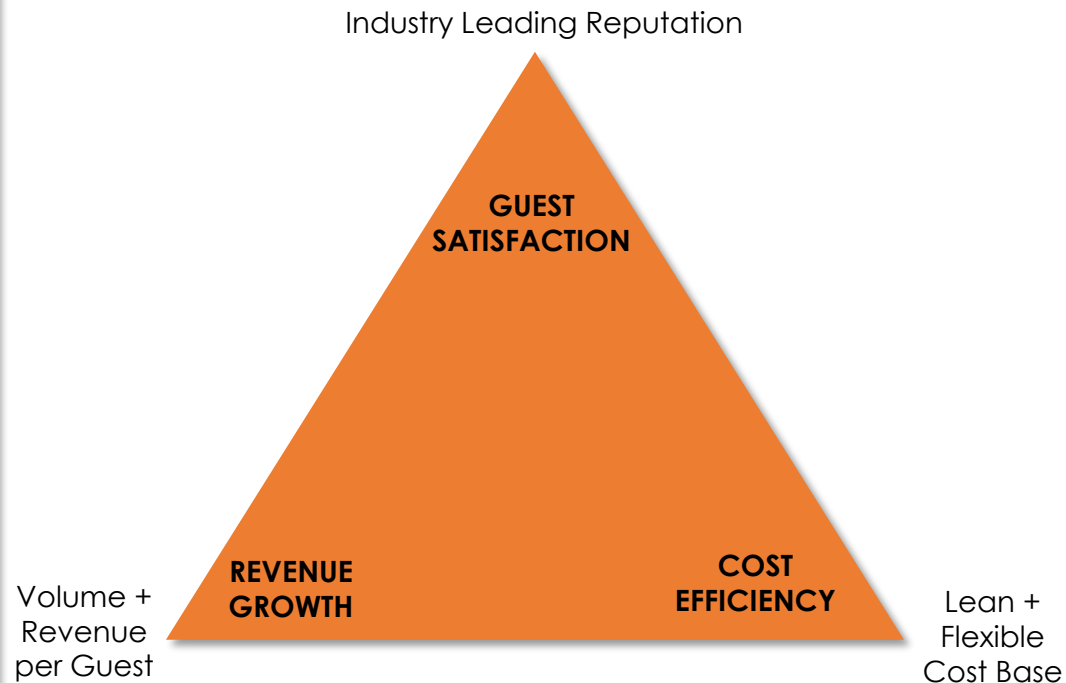
UTILITIES

- Relentless focus on energy usage
- Unit cost prices fixed for H2

Future strategy focused on reliable delivery of free cash flow

Optimising the Operating Model

The Holy Trinity of Pub Management



Consumer-led drive for Growth



Well-defined
Target
Segments



Differentiated
Consumer
Propositions



Effective
use of Capital
Investment

An Investment Case for a reliable growth company

Marston's Autumn Investor Day



Powerful value drivers for growth



Sustained Free Cash Flow Generation



Pathway to reduce debt below a billion



Clear and consistent metrics to track success

Summary and Outlook



**Strong H1 Performance
Encouraging H2 Outlook**

**Well placed to win in
a growing market**

**Future value drivers to
provide platform for
sustainable growth**

**Reliable cash generation
enabling continued
reduction of debt**

Autumn Investor Day

Q&A

Appendix

Statutory P&L summary

<i>£m</i>	H1 FY2024	H1 FY2023	<i>Comments</i>
Revenue	428.1	407.0	+5.2% growth
Pub operating profit	51.8	43.1	+20.2% growth
Income/(loss) from associates	(16.6)	2.2	<i>£13.8.m dividend received</i>
Loss before tax	(43.5)	(38.1)	<i>Swap movement & CMBC one-offs</i>
Loss per share (p)	(5.8)	(4.5)	

High quality pub estate

	Pubs		Lodges		Total
	Number	Value (£m)	Number	Value (£m)	Value (£m)
Securitized	895	1,137	7	15	1,152
Non-securitized					
Unsecured freehold	141	247	5	13	260
Freehold – property lease	127	309	10	28	337
Total Freehold	1,163	1,693	22	56	1,749
Leasehold	232	270	8	13	283
Total	1,395	1,963	30	69	2,032
Freehold mix	83%		73%		
<i>Unlicensed Properties¹</i>					22
Total Fixed Assets					2,053

IFRS 16 – depreciation and interest analysis

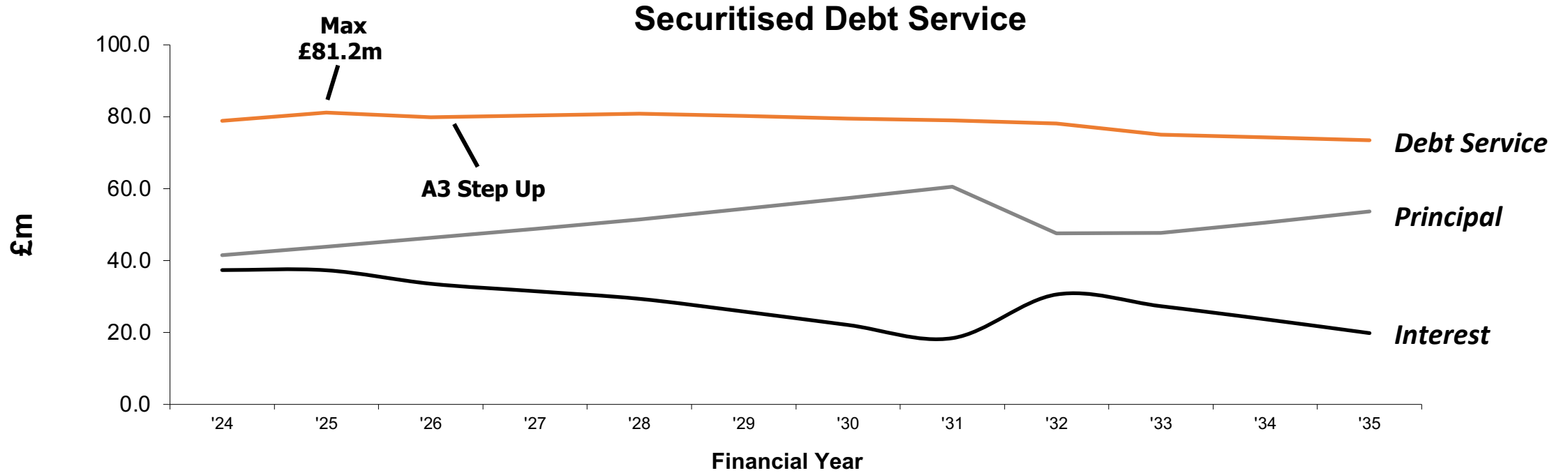
<i>£m</i>	Depreciation		Interest	
	H1 FY2024	H1 FY2023	H1 FY2024	H1 FY2023
Non-IFRS 16	16.7	16.9	46.0	42.0
IFRS 16	6.1	5.9	6.9	6.9
Total	22.8	22.8	52.9	48.9

Securitised debt profile

Tranche	Type	Principal outstanding at 30 March 2024	Step-up date	Final maturity date
A2	Fixed/floating	£114.5m	July 2019	2027
A3	Fixed/floating	£200.0m	April 2027	2032
A4	Floating	£113.9m	October 2012	2031
B	Fixed/floating	£155.0m	July 2019	2035
Total		£583.4m		



Debt profile



(£m)	FY2024	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031	FY2032	FY2033	FY2034	FY2035
Principal	41.5	43.9	46.3	48.8	51.5	54.4	57.4	60.5	47.6	47.8	50.6	53.6
Interest	37.4	37.3	33.6	31.5	29.4	25.8	22.1	18.4	30.6	27.3	23.7	19.8
Debt Service	78.9	81.2	79.8	80.3	80.8	80.2	79.5	79.0	78.2	75.1	74.3	73.5

Estate analysis by operating model

	No. of Pubs		Revenue (£m)		EBITDA (£m)		Operating Profit (£m)	
	H1 FY2024	H1 FY2023	H1 FY2024	H1 FY2023	H1 FY2024	H1 FY2023	H1 FY2024	H1 FY2023
Managed and Franchised	1,186	1,194	411.4	388.9	66.3	55.9	44.1	33.5
Tenanted and Leased	209	246	16.7	18.2	9.2	10.3	8.6	9.7
Total	1,395	1,440	428.1	407.1	75.5	66.2	52.7	43.2