



23 January 2018

MARSTON'S PLC
Trading update for the 16 week period to 20 January 2018

Marston's PLC issues the following trading update for the 16 week period to 20 January 2018 ahead of the Annual General Meeting to be held at noon today.

Trading summary: We continued to make progress in the period with growth in both sales and underlying earnings, helped by the acquisition of the Charles Wells Brewing Business in May 2017 and the contribution from the 19 new-build pubs in financial year 2017.

Snow and icy weather towards the end of the period, both in early December and between Christmas and New Year, caused some unavoidable disruption to the business.

Destination and Premium: Total sales for the period are up 4.9% reflecting the contribution from the estate expansion in 2017. Like-for-like sales in the period, excluding the impact of the two snow-affected weeks, are up 1.1%. The weather impact on like-for like sales was around 2%, and on an unadjusted basis like-for-like sales were down 0.9% in the period. We estimate the profit impact of this to be £1 million.

We continue to maintain a disciplined approach to operating margins without recourse to the significant discounting which has remained prevalent in the sector. Margins remain in line with expectations and are slightly below last year reflecting cost increases as previously guided. There are no changes to the cost guidance previously provided in November 2017.

Taverns: Like-for-like sales for the period are up 2.6% benefiting from the performance of franchise-style agreements and an improved drinks range.

Leased: Our leased estate has performed well, with profit growth in the period estimated to be 2%.

Brewing: Marston's Beer Company has achieved good growth in the period to date, with own-brewed volumes up 33%. In addition to the acquisition of Charles Wells Brewing Business ("CWBB") we are benefiting from distribution gains achieved in 2017 and a stronger brand portfolio well represented in the premium ale, craft beer and 'world beer' segments of the market. We remain on-track to achieve the targeted synergies from the acquisition.

New-build developments: We remain on target to open 15 pub restaurants and bars and six lodges this year. We have opened three pub-restaurants and two lodges in the year to date, including a 104 bed lodge in Ebbsfleet.

Ralph Findlay, Chief Executive Officer, commented: "We are pleased with our progress, which included record total retail sales in our pubs of £4 million on Christmas Day – 5.4% higher than last year. We continue to achieve growth against tough market conditions and are benefiting from investment in both pubs and brewing. We look forward to continuing to provide our customers with a great pub experience and excellent service, as well as delivering value for shareholders, over the year ahead."

ENQUIRIES:

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NOTES TO EDITORS

- Marston's is a leading pub operator and independent brewer.
- It has an estate of 1,568 pubs situated nationally, comprising managed, franchised and leased pubs.
- It is the UK's leading brewer of premium cask and packaged ales, including Marston's Pedigree, Wainwright, Lancaster Bomber and Hobgoblin. The beer portfolio also includes Banks's, Jennings, Wychwood, Ringwood, Brakspear and Mansfield beers. Following the acquisition of CWBB, Marston's has added Bombardier, Courage and McEwan's to its brand portfolio most recently, as well as a range of licensed brands including Young's, Founders and Estrella Damm.
- Marston's employs around 14,500 people.