



23 January 2019

**MARSTON'S PLC**  
**Trading for the 16 week period to 19 January 2019**  
**and update on capital allocation**

Marston's PLC issues the following trading update for the 16 week period to 19 January 2019 ahead of the Annual General Meeting to be held at 10:30 today.

## **Trading**

### **Pubs**

Total pub like-for-like sales growth for the period was 1.4% including strong trading over the Christmas fortnight, with like-for-like sales growth of 5.7%. Total pub margins were broadly in line with last year.

In Destination and Premium, like-for-like sales increased by 0.5% in the 16 week period, including like-for-like sales growth of 4.5% in the Christmas fortnight.

In Taverns, trading has continued to be strong with managed and franchised like-for-like sales growth of 3.2% including growth of 8.1% in the Christmas fortnight. The performance of our tenanted and leased estate was robust, with earnings up 1% in the 16 week period.

### **Marston's Beer Company**

We continue to make good progress in Beer Company with total volumes up 3.5% and own brewed and licensed volumes up 2.5% with particularly strong performances in both the Free Trade and Off-Trade channels.

### **Capital Allocation Update**

Following the guidance on cash flow improvements provided in November 2018, the Board have further reviewed capital allocation plans going forward. As a result of this review we are now committed to targeting a £0.2bn reduction in net debt to £1.2bn by 2023.

This will be achieved as follows:

- A reduction in new-build investment to around £25 million per annum from 2020 onwards, with investment weighted towards pubs with accommodation, where we are seeing the strongest returns.
- The disposal of £80-90 million of certain non-core assets in 2020-23.
- Through the improvements in free cash flow set out in November 2018 relating to the final salary pension scheme (which has a modest deficit that is expected to be eliminated within three years), the securitisation, and reduced organic capital expenditure.

Although new-build investment is being scaled back, new-build pubs and accommodation deliver strong returns and will continue to contribute to growth in Group earnings. In addition, the reduced level of estate expansion will facilitate increased focus on generating like-for-like profit growth from the core pub estate.

In light of the actions described above the Board are committed to maintain the dividend at the current level during this period of debt reduction focus.

## Commenting, Ralph Findlay, CEO said:

“Marston’s continues to perform well and this is a creditable performance in a challenging market. Taverns and the Beer Company both delivered strong trading over the core festive period in particular, continuing the trajectory of recent months, and our managed food-led pubs also returned to growth.

“We operate in increasingly uncertain times from a political and macro-economic perspective and, as such, we remain cautious about the potential consumer outlook until there is more clarity. However, we are confident of delivering further profitable growth this year, whilst focussing on our strategic priorities of generating cash and delivering our stated £0.2bn debt reduction target between 2020 and 2023. In addition, we are committed to maintaining the dividend at the current level during this period and believe that the combination of these actions will drive long term value for shareholders.”

There will be a call for sellside analysts at 0730 hours today. Please contact Andy Low at [andy.low@instinctif.com](mailto:andy.low@instinctif.com) or 020 7866 7886 for the dial-in details.

## Forthcoming Events

Please find below the forthcoming reporting dates for the Group, which are also available on the investor calendar on our website - [www.marstons.co.uk/investors](http://www.marstons.co.uk/investors)

2019 Interim results	15 May 2019
2019 Preliminary Results	27 November 2019

## ENQUIRIES:

**Marston’s PLC** Tel: 01902 329516  
Ralph Findlay, Chief Executive Officer  
Andrew Andrea, Chief Financial and Corporate  
Development Officer

**Instinctif Partners** Tel: 020 7457 2020  
Justine Warren  
Matthew Smallwood

## NOTES TO EDITORS

- Marston’s is a leading pub operator and independent brewer.
- It has an estate of 1,545 pubs situated nationally, comprising managed, franchised and leased pubs, as well as 1,551 hotel bedrooms across the Group’s pub and lodge accommodation portfolio.
- It is the UK’s leading brewer of premium cask and packaged ales, which include Marston’s Pedigree, Wainwright, and Hobgoblin in addition to a portfolio of regional, craft and world beers including Estrella Damm and Warsteiner.
- Marston’s employs around 14,300 people.