



10 October 2018

MARSTON'S PLC YEAR END TRADING UPDATE

Marston's PLC "the Group" issues the following Trading Update for the year ended 29 September 2018. The preliminary results will be announced on 21 November 2018.

Trading

Strong trading during the World Cup and warm summer weather contributed to our achieving record revenue and underlying profit before tax for the financial year. Group turnover was up 15% to over £1.1bn and we anticipate reporting underlying profit before tax of around £104 million (2017: £100.1 million) with higher operating profits in each of our trading segments offset by higher interest charges.

Total pub sales increased 3.2%, including like-for-like sales growth of 0.6% and the contribution from our pub expansion programme. In the most recent 10 weeks, like-for-like sales were up 1.6%.

Taverns: our wet-led Taverns pubs performed strongly with managed and franchised like-for-like sales growth of 3.8% including growth of 3.8% in the last 10 weeks. This good performance from our community pub estate was boosted by the World Cup and warm summer weather, although trading has been consistently strong throughout the year. Like-for-like profit in our leased estate is around 2% up.

Destination and Premium: as previously reported, our food-led Destination pubs were impacted by poor weather in the first half-year, and weaker trading during the World Cup as expected. In Premium pubs and bars, Pitcher & Piano and Revere Country traded well. Like-for-like sales were 1.2% behind last year, with growth in both drink and accommodation offset by weaker food sales. In the last 10 weeks momentum has improved with like-for-like sales up 0.1% on last year. We have maintained a keen focus on cost control and continue to remain disciplined in terms of pricing, discounting and promotion, with operating margin expected to be around 0.5% below last year.

Marston's Beer Company: we achieved strong growth with total volumes up around 47% in the year benefitting from the acquisition of Charles Wells Brewing and Beer Business in 2017, good summer weather and the World Cup. We have made significant distribution gains in the last year and our portfolio, which includes an outstanding range of premium ales, World Lagers and Craft Beers, further increased market share. Marston's now distributes to one in four of the UK's 46,000 pubs nationwide. Sales of own and licensed brand volumes exceeded one million barrels for the first time this year, and we distributed around 2.5 million composite barrels of drinks to the on and off trade sectors. Around 90% of 'own brand' volume is now sold outside Marston's own pubs.

Estate Expansion

We continue to grow our estate, opening 14 pub restaurants and bars and seven lodges in the year. As previously reported, we plan to open 10 pub restaurants and bars and five lodges in 2019.

Acquisition

We have reached agreement to acquire 15 former Mitchell's & Butlers' pubs from Aprirose, a property investment company. These well located, community pubs have good potential and are highly complementary to our business model. We expect to complete and lease-fund this acquisition in the first half of 2019 and will invest approximately £4 million post acquisition with a target EBITDA of around £0.5 million in 2019 and at least £1 million in 2020.

Commenting, Ralph Findlay, Chief Executive Officer, said:

“2018 was a strong year for our Taverns and Beer businesses. We have seen clear benefit from our balanced portfolio having achieved good growth in wet-led pubs and from brewing, maximising the trading opportunities provided by the good summer weather and World Cup.

“This year has been transformational for our market-leading beer business, with the benefits of the acquisition of CWBB and the new distribution contracts delivering strong profit growth. Although trading in Destination food-led pubs was weaker, this predominantly reflects issues beyond our control relating to unseasonal weather extremes and the World Cup. However we are encouraged that our dining pubs are now seeing improving momentum and we expect to make further progress in 2019. We are meeting the demands of our customers and continue to manage the inflationary cost environment well, which gives us confidence for the future.”

**Peach tracker outside M25*

Forthcoming Events

Please find below the forthcoming reporting dates for the Group, which are also available on the investor calendar on our website -

2018 Preliminary results	21 November 2018
2019 Interim results	15 May 2019
2019 Preliminary results	27 November 2019*

*Please note date change for Marston's 2019 Preliminary Results to 27 November 2019 (from 28 November 2019) due to a sector clash.

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.
- Marston's is the UK's leading brewer of premium cask and packaged ales, with a portfolio including Marston's Pedigree, Wainwright, Hobgoblin, Young's, Bombardier, Lancaster Bomber, Banks's, Jennings, Wychwood, Ringwood, Brakspear, Courage, McEwan's and Mansfield beers. Marston's also has a range of licensed brands including Estrella Damm, Warsteiner, Erdinger, Kirin, Shipyard and Founders.
- Marston's employs around 14,500 people.