



MARSTON'S

MARSTON'S PUBS LIMITED

Quarterly Investor Report For the Period ended 30 September 2023

**This Quarterly Investor Report covers the results for Marston's Pubs Limited
from 2 October 2022 to 30 September 2023**

To: HSBC Trustee (C.I.) Limited (as **Borrower Security Trustee, Issuer Security Trustee, and Note Trustee**)
HSBC Bank plc (as **Principal Paying Agent**)
Standard & Poor's Rating Services
Fitch Ratings Limited

Terms defined in the Master Definitions and Construction Schedule (the **Master Definitions and Construction Schedule**) dated as of 9 August 2005 and amended and restated on 22 November 2007 and signed for the purposes of identification by Freshfields Bruckhaus Deringer and Linklaters shall bear the same meaning herein.

Definitions:

Q4 means the results for the Financial Quarter from 2 July 2023 to 30 September 2023
Q3 means the results for the Financial Quarter from 2 April 2023 to 1 July 2023
Q2 means the results for the Financial Quarter from 1 January 2023 to 1 April 2023
Q1 means the results for the Financial Quarter from 2 October 2022 to 31 December 2022

Relevant Period means Q4 + Q3; and
Relevant Year means Q4 + Q3 + Q2 + Q1

Principal Debt Movements

| Principal Debt Movements on the Notes | Balance as at 1 July 2023 £m | Scheduled repayments made £m | Repurchases £m | Balance as at 30 September 2023 £m |
|--|---------------------------------------|---------------------------------------|-------------------|---|
| Aggregate principal amount outstanding at the Financial Quarter Date | 613.9 | (10.1) | - | 603.8 |
| Class A2 Notes | 136.4 | (7.2) | - | 129.2 |
| Class A3 Notes | 200.0 | - | - | 200.0 |
| Class A4 Notes | 122.5 | (2.9) | - | 119.6 |
| Class B Notes | 155.0 | - | - | 155.0 |



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| Principal Debt Movements on the Term Advance | Balance as at 1 July 2023 £m | Scheduled repayments made £m | Repurchases £m | Balance as at 30 September 2023 £m |
|--|---------------------------------|---------------------------------|-------------------|---------------------------------------|
| Aggregate principal amount outstanding at the Financial Quarter Date | 623.5 | (12.1) | - | 611.4 |
| Class A2 Notes | 143.2 | (8.6) | - | 134.6 |
| Class A3 Notes | 200.0 | - | - | 200.0 |
| Class A4 Notes | 125.3 | (3.5) | - | 121.8 |
| Class B Notes | 155.0 | - | - | 155.0 |

Specific Trading Details

Turnover for the 13 weeks comprising Q4 was £110.3m giving a total during the Relevant Year of £421.9m. EBITDA for the quarter was £27.3m giving a cumulative total of £86.0m.

| | Tenanted (Q4) £m | Managed (Q4) £m | Total (Q4) £m | Relevant Period (Q4 + Q3) £m | Relevant Year (Q4+Q3+Q2+Q1) £m |
|----------------------------|------------------------|-----------------------|---------------------|------------------------------------|--------------------------------------|
| Turnover | 47.0 | 63.3 | 110.3 | 225.5 | 421.9 |
| Operating expenses | 36.0 | 50.1 | 86.1 | 180.0 | 348.3 |
| Adjusted Operating Profit* | 11.0 | 13.2 | 24.2 | 45.5 | 73.6 |
| Operating Profit | | | 21.4 | 41.7 | 65.9 |
| EBITDA | 12.3 | 15.0 | 27.3 | 51.7 | 86.0 |
| Free Cash Flow | | | 32.7 | 60.3 | 105.4 |
| Debt Service | | | 18.6 | 37.2 | 74.4 |

* Before amortisation of goodwill

Coverages and Covenants

FCF DSCR was 1.4 times and the EBITDA to Debt Service ratio was 1.2 times for the Relevant Year and 1.6 times and 1.4 times respectively for the Relevant Period.

| | Relevant Period (Q4 + Q3) | Relevant Year (Q4+Q3+Q2+Q1) |
|--|------------------------------|--------------------------------|
| Free Cash Flow: Debt Service | 1.6 times | 1.4 times |
| EBITDA: Debt Service | 1.4 times | 1.2 times |
| Debt Service Covenant satisfied | Yes | Yes |
| Restricted Payment Condition satisfied | No | No |

Net Worth as at 30 September 2023 was £590.3m. No Restricted Payments were made in Q4 or during the Relevant Year. The Restricted Payment Maximum at 30 September 2023 was £62.8m and no calculation of the Further Restricted Payment Maximum was required.



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Maintenance and Capital Enhancement

The cumulative Maintenance Expenditure in the Relevant Year was £27.8m and the Relevant Period was £13.5m. The Required Maintenance Amount for the Relevant Year was £17.7m.

Capital Enhancement Expenditure of £1.7m was made in Q4, £14.4m in the Relevant Year and £3.8m in the Relevant Period.

**Maintenance includes both capital items and items expensed through the profit and loss account.*

Cash Balances

Balances on the following accounts at 30 September 2023 were as follows:

| | |
|------------------------------|-----|
| | £m |
| Borrower Transaction Account | 5.2 |
| Disposals Proceeds Account | 7.1 |
| Maintenance Reserve Account | - |
| All other Obligor Accounts | 7.8 |

The amount available under the Liquidity Facility at 30 September 2023 was as follows:

| | |
|------------------------------|---------------|
| | £m |
| Total Liquidity Facility | 120.0 |
| Liquidity Facility drawn | <u>(10.0)</u> |
| Available Liquidity Facility | 110.0 |

Estate

| | Tenanted Number | Managed Number | Total Number |
|---------------------------------------|--------------------|-------------------|-----------------|
| Outlets at the beginning of Q4 | 657 | 264 | 921 |
| Conversions from Managed to Tenanted | - | - | - |
| Conversion from Tenanted to Managed | - | - | - |
| Acquisitions and substitutions | - | - | - |
| Disposals | (13) | - | (13) |
| Outlets at the end of Q4 | 644 | 264 | 908 |

The aggregate proceeds from pub disposals was £7.8m for the quarter.



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Accounting Policies

Marston's PLC certifies that these financials comply with Generally Accepted Accounting Principles applied in the United Kingdom.

Defaults

Marston's PLC certifies that no Loan Event of Default or Potential Loan Event of Default has occurred.

For further information please contact:

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