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Marston's PLC
25 November 2025

MARSTON'S

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MARSTON'S PLC
("Marston's" or "the Group")

PRELIMINARY RESULTS FOR THE 52 WEEKS ENDED 27 SEPTEMBER 2025

A YEAR OF STRONG DELIVERY, AHEAD OF PLAN: SIGNIFICANT PROFIT GROWTH, MARGIN EXPANSION, FREE CASH FLOW ABOVE TARGET AND RECORD GUEST SATISFACTION

Marston's, a leading UK hospitality business with an estate of more than 1,300 pubs, today announces its Preliminary Results for the 52 weeks ended 27 September 2025.

	Underlying			Statutory / Total		
	FY2025	**FY2024**	**Change**	**FY2025**	**FY2024**	**Change**
Total revenue (£m)	897.9	898.6	(0.1)%	897.9	898.6	(0.1)%
EBITDA[1,2] (£m)	205.1	192.5	6.5%	224.9	197.0	14.2%
EBITDA margin[1,2] (%)	22.8	21.4	140bps	25.0	21.9	310bps
Operating profit[1] (£m)	159.9	147.2	8.6%	179.7	151.7	18.5%
Profit before tax[1] (£m)	72.1	42.1	71.3%	88.3	14.4	513.2%
Basic earnings per share[1] (pence)	8.5	5.2	63.5%	11.3	2.8	303.6%
Capex (£m)	-	-	-	61.2	46.2	32.5%
Recurring free cash flow[2] (£m)	-	-	-	53.2	43.6	22.0%
Pre IFRS 16 Net Debt[2] (£m)	-	-	-	837.5	883.7	(5.2)%
Pre IFRS 16 Net Debt / EBITDA[1,2]	4.6	5.2	(0.6)	-	-	-
NAV per share[2] (£)	-	-	-	1.25	1.03	21.4%

Step-change in profitability

- Total revenue of £897.9 million (2024: £898.6 million), with like-for-like (LFL) growth, format roll-out and revenue management initiatives offsetting impact of c. £50 million of pub disposals in the prior period
- LFL sales rose 1.6% (2024: 4.8%), ahead of the market, with, food, drink and machines all in growth[3]
- Underlying EBITDA margin up to 22.8% (2024: 21.4%), reflecting the strength of our market-leading pub operating model and strategic cost management including improvements to labour efficiency, procurement gains and energy management
- Underlying profit before tax up 71.3% to £72.1 million (2024: £42.1 million), marking the second consecutive year of significant profit growth driven by our progress on LFL sales, contribution from new formats, disciplined cost control, and reduced interest costs

Clear progress on recurring free cash flow and debt reduction

- Recurring free cash flow of £53.2 million (2024: £43.6 million), ahead of £50 million Capital Markets Day (CMD) target, delivered ahead of schedule and providing confidence in the Group's ability to sustainably deliver significant levels of recurring free cash flow
- Capital investment of £61.2 million (2024: £46.2 million), including expansionary capital of £8.0 million, reflecting the first year of investment into the new pub formats and wider estate upgrades
- Net debt excluding IFRS 16 lease liabilities reduced to £837.5 million (2024: £883.7 million), down nearly one-third since FY2022 and underpinned by a predominantly freehold estate now valued at £2.2 billion (2024: £2.1 billion)
- Leverage ratio (pre-IFRS 16) reduced to 4.6x (2024: 5.2x); the Group remains committed to reducing leverage to less than 4.0x and expects to recommence shareholder returns at this point
- NAV per share increased to £1.25 (2024: £1.03), underpinned by improvement in profitability, estate revaluation and deleveraging

Strong strategic and operational delivery underpinning financial performance

- Record Reputation score of 816, up from 800 in the prior period, reflecting consistently high guest satisfaction and a continued focus on delivering excellent experiences across the estate
- 31 format conversions completed during FY2025, delivered on time and within budget, with exceptional guest feedback. Average revenue uplifts of 23% and return on invested capital of over 30%
- Demand-driving event programme supporting engagement and footfall, with highlights including Trivial Pursuit 'Win a Wedge', Pub Life, Paddington in Peru and the Cool Hand Cup darts tournament
- Enhanced Order & Pay platform now live across the entire managed estate, supporting a 10% increase in spend per guest and improving operational efficiency
- 'Right People, Right Time' labour model offsetting National Insurance and minimum wage increases, demonstrating ability to absorb external cost pressures and protect margins; with further opportunity ahead

Outlook

- LFL sales for the 8 weeks to 22 November are tracking in line with the prior year
- Christmas bookings are strong, 11% ahead of the same point last year. The Group is well positioned for a strong festive period and FY2026, supported by ongoing format conversions and a robust calendar of demand-driving events, including the 2026 World Cup
- The roll-out of our pub formats is building momentum, and we plan to accelerate this growth engine this year with at least 50 new format launches. Capex spend will remain in line with CMD guidelines of 7-8% of total revenue
- Cost pressures remain manageable within the context of our ongoing efficiency programme, we expect to deliver further margin uplifts in the year ahead given current cost visibility
- The Board remains focused on delivering long-term shareholder value through disciplined investment and deleveraging; shareholder returns are expected to commence once leverage reduces below 4.0x
- Remain firmly on track to deliver further strategic progress and achieve the targets set out at the CMD

Justin Platt, CEO of Marston's PLC, commented:

"We've delivered another strong year ahead of plan, executing on our strategy to be a high-margin, highly cash-generative local pub company. For the second consecutive year, we've delivered significant growth in profit, margin and free cash flow, underlining the strength of our market-leading pub operating model and the outstanding work of our teams.

Guest satisfaction has reached record levels - a fantastic endorsement of the passion and dedication of our people and the quality and consistency they deliver every day. Our new pub formats are performing exceptionally well, clearly demonstrating the growth opportunity ahead and giving us real conviction to scale further.

"We enter 2026 with significant momentum and confidence in our ability to keep driving growth, while delivering great experiences for our guests and creating sustainable value for our shareholders."

Results Call:

An analyst and investor presentation will be held on 25 November 2025 at 10.00am UK time. Participants need to register using this link: https://brrmedia.news/MARS_FY_25

A full playback of the presentation will be made available shortly after its conclusion on the Marston's Investor Relations website: https://www.marstonspubs.co.uk/investors/results-presentations/

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Notes

1. *Results from continuing operations.*
2. *Alternative Performance Measure. See from page 26 for reconciliation to GAAP.*
3. *CGA RSM Hospitality Business Tracker - total market. Like-for-like sales means sales for the Group's managed and partnership pubs, including food, drink, accommodation and gaming machine income, considered on a daily basis where the pub was trading in both the current and prior period.*

Notes to Editors

Marston's PLC, listed on the London Stock Exchange under the ticker MARS, is a leading UK hospitality business with an estate of more than 1,300 pubs nationally, comprising managed, partnership ('franchised') and tenanted and leased pubs. Marston's employs around 9,000 people.

More information is available at https://www.marstonspubs.co.uk/

The Group uses a number of alternative performance measures (APMs) to enable management and users of the financial statements to better understand elements of financial performance in the period. APMs are explained and reconciled in the appendix to the financial statements.

CEO Statement

FY2025 has been a year of strong delivery for Marston's as we continued to focus on being the UK's leading local pub company. We have seen encouraging results across the board - from improved profitability and margin expansion to record guest satisfaction and recurring free cash flow ahead of our target. With strong momentum, a high-margin platform, and our formats growth engine poised to deliver, we are well positioned to build on this foundation and continue creating long-term value for all stakeholders.

Strategic & Operational Delivery

In FY2025 our efforts have been firmly concentrated on delivering a market-leading pub operating model, scaling our proven guest-led pub formats, and continuing to embed digital capabilities across the business. Each of these areas is already delivering tangible performance benefits and collectively, they are laying the foundation for long-term, sustainable growth.

Market-Leading Pub Operating Model

Delivering a market-leading operating model is central to our strategy and has underpinned much of the progress made this year. At its core, our model is built around three pillars: revenue growth, cost efficiency, and guest satisfaction - all working together to create a more profitable, consistent, and scalable business. We have continued to invest in initiatives that support top-line performance, with our demand-driving event programme playing a key role. From Trivial Pursuit: 'Win a Wedge' to Pub Life and partnerships like Paddington in Peru and the Cool Hand Cup, these events have supported engagement, driven footfall, and strengthened our connection with guests.

Our operational discipline has driven a 140bps improvement in EBITDA margin - a standout result that reflects the strength of our approach. Our labour scheduling tool, which is focused on ensuring we have the right people at the right time, has helped us manage external cost pressures, while procurement and energy efficiencies continue to deliver meaningful gains. Going forward, we view cost pressures as manageable within the context of our ongoing efficiency programme, and we expect to deliver further margin uplift in the year ahead.

At the heart of our progress is an unwavering focus on the guest. Our record Reputation score of 816 reflects the pride our teams take in creating great experiences and the tangible improvements we have made across the estate. From demand-driving events and better Signature menu execution to increased Order & Pay usage and more efficient labour scheduling, every initiative is designed to enhance service and satisfaction - and it is great to see our pubs delivering that experience more consistently than ever.

Differentiated Pub Formats

Our differentiated pub formats are a key future growth engine. In FY2025, we completed 31 conversions - 21 Two-Doors, 5 Grandstands and 5 Woodie's - all delivered on time, on budget and generating strong guest feedback and average revenue uplifts of 23%. With average capex per renovation of £260k and a return on invested capital of over 30%, these formats are delivering in terms of both guest satisfaction and financial returns. Looking ahead to FY2026, we plan to accelerate the roll-out with at least 50 further conversions, all within our disciplined 7-8% capex-to-revenue range. This next phase will continue to scale one of the most exciting and high-impact levers in our strategy.

Digital Transformation

Digital transformation is playing a central role in improving both the guest experience and operational efficiency across the business. At the heart of this is our enhanced Order & Pay platform, launched in March and now live across our entire managed estate. Results have been very encouraging, with revenue per transaction up over 10%, supported by stronger upselling and premiumisation. The platform also improves speed of service - particularly in high-volume and outdoor areas - and is therefore contributing to higher guest satisfaction. More broadly, we are embedding AI tools across the business, from forecasting and labour planning to menu development and energy efficiency. With further investments in infrastructure - including new tills, tablets and an upgraded Wi-Fi network - we are building a more connected, data-driven estate that can scale more efficiently and deliver for guests in every pub, at every visit.

Financial Progress

FY2025 marked a step-change in our financial performance. We delivered another year of significant profit growth and a material improvement in recurring free cash flow - enabling us to invest in our estate, reduce debt, and strengthen the platform for future shareholder returns. Like-for-like sales growth of 1.6% remained ahead of the market and was supported by strong performance from our 31 new format launches. Underlying profit before tax from continuing operations rose 71.3% to £72.1 million, following a 64.5% uplift in FY2024, driven by disciplined cost control and strong operational execution.

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Recurring free cash flow of £53.2 million exceeded our CMD target and was delivered significantly ahead of schedule. This supported further deleveraging, with net debt (excluding IFRS 16 lease liabilities) reducing to £837.5 million. Net debt (excluding IFRS 16 lease liabilities) is now down by almost a third since FY2022 and remains underpinned by a predominantly freehold estate now valued at approximately £2.2 billion. Our leverage ratio improved to 4.6x, and net asset value per share rose to £1.25, reflecting increased profitability, estate revaluation gains, and debt reduction.

Over the near-to-medium term, we continue to expect to deliver on the targets set out at our CMD, which include:

- Revenue growth ahead of the market
- EBITDA margin expansion of 200-300 basis points beyond FY2024, targeting 23.4% to 24.4%
- Over £50 million recurring free cash flow
- >30% ROIC on investment focused capex

Sustainably Operating the Business

In FY2025, we continued to make meaningful progress across all areas of our sustainability agenda. We now have approximately 560 EV chargers across over 200 pubs, extended our glass reuse scheme to more than 150 locations, and completed the installation of solar panels at 65 pubs. We are proud to be leading the way on food waste too - achieving 74% of our 2030 reduction target and preventing over 43 tonnes of food waste through our partnership with Too Good To Go. On the people front, we were recognised as the UK pub industry's top employer by the Financial Times and with nearly 95% of our pubs achieving a 5* EHO rating, our commitment to high operational standards remains clear. We remain focused on driving further progress in FY2026, with practical, targeted actions that make our business more sustainable for the long term.

Outlook

Marston's heads into FY2026 with real momentum. Our high-margin operating model is underpinned by strong cost discipline, a scalable digital platform, and increasing operational efficiency - all of which are driving robust cash generation and ongoing margin improvement. Record guest satisfaction, reflected in our highest-ever Reputation score, speaks to the consistency of our offer and the pride our teams take in delivering great local pub experiences. We are well positioned heading into the critical festive period, with bookings tracking 11% ahead of the same point last year and a strong calendar of demand-driving events in place - such as Marston's Best Ever Christmas.

The standout opportunity for FY2026 is the acceleration of our guest-led pub formats - a proven growth engine at the heart of our strategy. The 31 conversions completed in FY2025 have continued to trade well beyond their initial uplift, giving us the confidence to step up to at least 50 format launches in the year ahead, with a focus on Two-Door and Grandstand. This roll-out represents a scalable, repeatable model for growth that is resonating with guests and supporting our longer-term ambitions. As we move into FY2026, our priorities are clear: to continue to drive performance through our market-leading operating model, new formats roll-out plan & digital transformation; delivering sustainable value for shareholders.

Financial Review

Revenue

Revenue was stable at £897.9 million (2024: £898.6 million). Total sales in the Group's managed and partnership pubs for the 52-week period increased to £871.9 million (2024: £864.6 million). Like-for-like sales within our managed and partnership pubs were up 1.6% compared to FY2024, outpacing the market which grew at 0.7% (source: CGA RSM Hospitality Tracker). Like-for-like growth, although modest, was broad based, including drink like-for-like sales up 0.3% and food like-for-like sales up 2.2%. Sales were supported by our increasing focus on revenue-driving activity, 31 format conversions and consistent focus on customer service. Revenues in the tenanted and leased estate were £26.0 million (2024: £34.0 million). This follows c. £50 million of strategic disposals across FY2024 and FY2025, predominantly from the tenanted and leased estate, together with conversion of sites to the managed and partnership models.

Underlying EBITDA and operating profit

A key target for the Group, outlined at the CMD, was to grow underlying EBITDA margin by 200-300 basis points from 2024 levels, giving a target range of 23.4% to 24.4%.

The Group's profitability stepped up materially in the period. In FY2025, underlying EBITDA from continuing operations increased by 6.5% to £205.1 million (2024: £192.5 million). The EBITDA margin was up 140 basis points to 22.8%, despite c. £10.0 million of inflationary and regulatory cost headwinds, including employment cost increases following the national insurance and national living wage changes of April 2025, as we made strong progress in executing our market-leading operating model. Significant savings were made as we rolled out enhanced labour scheduling systems, and the Group delivered central efficiencies, procurement gains, and more efficient repairs and maintenance spend, whilst investing in increased marketing expenditure and more specialist roles. We see further opportunity to increase the EBITDA margin in FY2026 as we move towards our target.

As a result of the progress made on EBITDA margin, the average EBITDA per pub in managed and partnership increased 7.5% to £161.3k, the average EBITDA per pub in tenanted and leased increased 2.5% to £98.6k and the overall EBITDA per pub increased 7.4% to £154.4k.

Underlying depreciation and amortisation costs of £45.2 million were broadly flat year-on-year (2024: £45.3 million).

Underlying operating profit from continuing operations increased by 8.6% to £159.9 million (2024: £147.2 million). Underlying operating margins of 17.8% grew by 140 basis points compared to the prior period (2024: 16.4%). Statutory operating profit from continuing operations, including non-underlying items (see below), was £179.7 million (2024: £151.7 million).

below), was £170.7 million (2024: £154.7 million).

Net finance costs
Underlying net finance costs were £87.8 million, substantially lower than the prior period (2024: £105.1 million) as a result of lower average net debt year-on-year, in particular following the disposal of the remaining 40% interest in Carlsberg Marston's Limited (CMBC) part way through FY2024. Please see the Debt and Financing section below for a breakdown of the components of net debt.

Underlying net finance costs include £34.8 million relating to the business's securitised debt (2024: £35.3 million), £11.9 million relating to bank borrowings (2024: £25.4 million), £23.3 million relating to other lease-related borrowings (2024: £22.9 million), a £19.0 million expense relating to IFRS 16 lease liabilities (2024: £19.2 million), and £(1.2) million of other items (2024: £2.3 million). There was a non-underlying charge of £3.6 million relating to the Group's interest rate swaps (2024: £32.2 million).

Profit before tax
As a result of a £12.7 million increase in underlying operating profit and a £17.3 million decrease in underlying net finance costs, underlying profit before tax from continuing operations increased year-on-year by £30.0 million, or 71.3%, to £72.1 million (2024: £42.1 million). Statutory profit before tax from continuing operations was £88.3 million (2024: £14.4 million), with the difference reflecting a net non-underlying profit of £16.2 million, the details of which are set out below.

Non-underlying items
There was a net non-underlying profit of £16.2 million before tax. This included a £22.9 million net gain representing net reversals of previous impairments of freehold and leasehold property values, following the external estate valuation of the Group's effective freehold properties and the impairment review of the Group's leasehold properties, partially offset by £3.1 million of reorganisation, restructuring and relocation costs and a £3.6 million net expense in respect of interest rate swap movements.

In the prior period, there was a net non-underlying loss from continuing operations of £27.7 million before tax, consisting of a net loss of £32.2 million in respect of interest rate swap movements and £1.2 million of restructuring costs, partially offset by £5.7 million of net impairment reversals from the 2024 property revaluation and leasehold impairment review.

Taxation
The underlying tax charge was £18.3 million (2024: £9.0 million), with an underlying effective tax rate of 25.4% (2024: 21.4%). The effective rate is slightly higher than the standard rate of corporation tax primarily due to the impact of disallowed depreciation on non-qualifying assets offset by a prior period tax credit. We expect the underlying effective tax rate to be approximately in line with the standard rate of corporation tax in future years.

Tax on non-underlying items was a credit of £1.6 million (2024: £12.1 million), driven primarily from the recognition of a £5.4 million deferred tax asset from capital losses, previously derecognised, arising from the upward revaluation of land and buildings.

The statutory tax charge was £16.7 million (2024: credit of £3.1 million) on statutory profit before tax from continuing operations of £88.3 million (2024: £14.4 million), with an effective tax rate of 18.9% (2024: negative effective tax rate of 21.5%). The effective tax rate for prior periods including discontinued operations was positively impacted by income from associates, now discontinued, recognised on a post-tax basis.

Profit after tax and earnings per share
The statutory profit after tax from continuing operations was £71.6 million, compared to £17.5 million in the prior period. In the prior period, there was a loss of £36.0 million from discontinued operations, including an impairment of the carrying value of the CMBC investment and losses on disposal. The statutory profit from both continuing and discontinued operations in the current period was £71.6 million compared to a loss of £18.5 million in the prior period.

Basic underlying earnings per share from continuing operations increased 63.5% to 8.5 pence per share (2024: 5.2 pence per share). Total statutory basic earnings per share were 11.3 pence (2024: loss of 2.9 pence).

Capital expenditure
Our capital expenditure strategy was set out at the CMD, with a near-term target spend of 7-8% of revenue, including
projects to enhance the estate through differentiated formats. Making progress on this, capital expenditure was £61.2 million in the current period (2024: £46.2 million), representing 6.8% of revenue (2024: 5.1% of revenue). Of the total expenditure, £8.0 million was spent on 31 format conversions, including 21 Two-door, 5 Grandstand and 5 Woodie's. Since re-opening, these conversions have delivered sales uplifts of 23% with EBITDA returns on investment in excess of 30% in trading to date. In addition, we continued to invest in maintaining our core business and in our IT platforms.

Property and disposals
The Group's policy is to revalue its effective freehold estate on an annual basis and review its leasehold estate annually for impairment. The Group conducts an annual external valuation of all its properties to assist with this process, with all pubs inspected on a rotating basis. Approximately one-third of the estate undergoes physical inspection each year, while the remainder is subject to a desktop valuation. In June 2025, Christie & Co carried out an external valuation, the results of which are reflected in the full year accounts.

The carrying value of the estate is £2.2 billion (2024: £2.1 billion). Following the valuation, the Group recognised a £22.9 million net impairment reversal of freehold and leasehold properties in the income statement (2024: £5.7 million), and a £109.8 million unrealised surplus on the revaluation of properties (2024: £80.8 million) together with a £38.6 million reversal of past revaluation surplus (2024: £39.8 million)

(2024: £80.8 million) together with a £38.6 million reversal of past revaluation surplus (2024: £39.8 million) in other comprehensive income.

During the current period, the Group generated £6.4 million in net proceeds from non-core pub disposals (2024: £46.9 million), mainly reflecting the end of the prior period's strategic disposal programme.

The Group ended the period with 1,328 pubs (2024: 1,339 pubs), of which 1,182 were operating under the managed or partnership models (2024: 1,182) and 146 were operating under the tenanted and leased models (2024: 157 pubs).

Pensions
The balance on our defined benefit scheme was a £15.4 million surplus as at 27 September 2025 (2024: £13.1 million surplus). The Group will continue to pay the administrative fees associated with the scheme but is currently making no other contributions to the scheme.

Net asset value
The table below shows the main movements in net asset value:

	2025	2024	Variance	Variance
	£m	£m	£m	%
Property, plant and equipment	2,181.3	2,069.0	112.3	5.4 %
Other assets excluding cash*	99.1	98.8	0.3	0.3 %
Cash*	35.9	45.5	(9.6)	(21.1)%
Total assets	**2,316.3**	**2,213.3**	103.0	4.7 %
Borrowings	(1,241.6)	(1,302.9)	61.3	4.7 %
Other liabilities	(284.0)	(255.6)	(28.4)	(11.1)%
Total liabilities	**(1,525.6)**	**(1,558.5)**	32.9	2.1 %
Net assets	**790.7**	**654.8**	**135.9**	**20.8 %**
Net asset value per share	**£1.25**	**£1.03**	**£0.22**	**21.4 %**

* 'Cash' in this table refers to cash and cash equivalents, together with other cash deposits.

Net assets increased to £790.7 million (2024: £654.8 million), with a net asset value per share of £1.25 (2024: £1.03). The main changes in net asset value were an increase in property, plant and equipment as a result of the property revaluation and the capital investment made in the business, a decrease in borrowings net of cash due to the positive progress made in generating free cash flow in the year, and an increase in deferred tax liabilities, largely as a result of the property revaluation gain.

Cash flow
A summary of the Group's cash flow is given below:

	2025	2024
	£m	£m
Cash adjusted total EBITDA	203.1	192.8
Working capital movement	3.0	8.2
DB pension contributions	(1.6)	(7.5)
Corporation tax (payments) / receipts	(5.3)	0.1
Net cash inflow from operating activities excluding CMBC dividend	**199.2**	**193.6**
Net interest (incl finance lease capital repayments received)	(83.2)	(98.2)
Capex	(61.2)	(46.2)
Bank fees & swap termination costs	(0.9)	(5.6)
Purchase of and sales proceeds from own shares	(0.7)	-
Recurring free cash flow (RFCF)	**53.2**	**43.6**
CMBC dividend	-	13.8
Sale of property, plant and equipment and assets held for sale	6.4	46.9
Disposal of associate	(2.8)	205.5
Net cash flow (NCF)	**56.8**	**309.8**
Debt repayments and transfers from other cash deposits	(66.4)	(291.9)
Net increase/(decrease) in cash and cash equivalents	**(9.6)**	**17.9**

There was a net cash inflow from operating activities of £199.2 million (2024: £207.4 million, £193.6 million excluding the CMBC dividend). Within this, working capital timing differences were £3.0 million (2024: £8.2 million). There were £1.6 million of payments in relation to the defined benefit pension scheme (2024: £7.5 million) following the cessation of c. £6 million annual cash contributions at the end of FY2024. Cash tax payments were £5.3 million (2024: repayments of £0.1 million), comprising payments in respect of FY2024 and payments on account for FY2025 under the 'large company' regime. As the Group's taxable profits increase, it expects to move into the 'very large company' regime in FY2026 which will result in c. 18 months of cash tax charges being included in the FY2026 cash flow.

Net interest costs including finance lease capital repayments received were £83.2 million (2024: £98.2 million) and capital expenditure was £61.2 million (2024: £46.2 million). After bank fees, swap termination million) and capital expenditure was £61.2 million (2024: £46.2 million). After bank fees, swap termination costs, and the purchase of and sales proceeds from own shares, recurring free cash flow was £53.2 million (2024: 43.6 million), meeting the target set out at the CMD of recurring free cash flow of over £50 million a year.

Taking into account disposals proceeds received of £6.4 million (2024: £46.9 million), a CMBC dividend of £nil (2024: £13.8 million) and cash outflows in relation to the disposal of the Group's remaining 40% interest in CMBC of £2.8 million (2024: inflow of £205.5 million), net cash flow for the period was £56.8 million (2024: £309.8 million).

Mandatory securitised loan note repayments of £43.8 million (2024: £41.5 million), repayments of the capital element of lease liabilities relating to IFRS 16 of £8.6 million (2024: £8.4 million) and other debt repayments and transfers from other cash deposits of £14.0 million (2024: £242.0 million) resulted in an overall decrease in cash and cash equivalents of £9.6 million (2024: increase of £17.9 million).

Debt and financing

Net debt, excluding IFRS 16 lease liabilities, was £837.5 million (2024: £883.7 million), a reduction of £46.2 million. Including IFRS 16 lease liabilities of £368.2 million (2024: £373.7 million), total net debt was £1,205.7 million (2024: £1,257.4 million).

The Group has continued to make progress in net debt reduction during the year; with net debt:EBITDA excluding IFRS 16 falling from 5.2x in 2024 to 4.6x at the period end. Leverage including IFRS 16 reduced from 6.5x to 5.9x.

The Group's financing, providing an appropriate level of flexibility and liquidity for the medium term, comprises:

Debt types	**Repayment/expiry date or average length**	**Debt (£m)**	**Cash balances (£m)**	**Net Debt (£m)**
Securitisation	2035	516.7	21.4	495.3
Securitisation liquidity facility (£120m)		-	-	-
Marston's Issuer PLC's cash		-	0.4	(0.4)
Securitisation totals		516.7	21.8	494.9
Other lease-related borrowings	2047-2058	338.9	-	338.9
			-	
Bank facility (£200.0m)	July 2027	21.0	14.1	6.9
Unamortised issue costs		(3.3)	-	(3.3)
Seasonal overdraft (£5m)		-	-	-
Bank facility totals		17.7	14.1	3.6
Preference shares		0.1	-	0.1
Total excluding IFRS 16 lease liabilities		873.4	35.9	**837.5**
IFRS 16 lease liabilities	24 years, on average	368.2	-	**368.2**
Total		1,241.6	35.9	**1,205.7**

The securitisation debt is loan notes issued in 2005 and 2007, secured on ring-fenced properties. It is long-term debt with predictable debt servicing (capital and interest payments). All floating rate notes are economically hedged in full by the Group using interest rate swaps whereby all interest payments are swapped to fixed interest payable. The weighted average fixed interest rate payable by the Group on its securitised debt as at 27 September 2025 was 6.4%. The terms of the securitisation require a liquidity facility to be in place, of which £nil was drawn at year end.

'Other lease-related borrowings' is debt recognised against properties subject to sale and leaseback arrangements with repurchase options available to the Group at nominal value. The obligations under these arrangements do not fall within the scope of IFRS 16 "Leases" and are accounted for in accordance with IFRS 9 "Financial Instruments", with the assets treated as "effective freeholds". Caps and collars are in place to limit the index-linked increases in interest costs. Currently, no capital repayments are being made on the borrowings, which are economically similar to mortgages; repayment of the capital element is expected to begin in FY2033 with full repayment by 2058.

During the current period, the Group successfully secured a one-year extension to its banking facility, which was due to expire in July 2026. The revised bank facility to July 2027 is for £200.0 million, of which £21.0 million was drawn at the year end.

IFRS 16 lease liabilities are obligations from leases including sale and leaseback arrangements that completed without an option to repurchase the asset at nominal value.

The Group holds three interest swaps in relation to its borrowing facilities with a net valuation of £(53.9) million as at the period end (2024: £(59.0) million), which are excluded from net debt.

The vast majority of our borrowings are long-dated and asset-backed, including the securitisation debt. The loan to value of securitised debt, which is decreasing year-on-year, is currently 41% (2024: 46%), and the loan to value of net debt excluding lease liabilities is 44% (2024: 50%).

In summary, we have adequate cash headroom in our financing structures to provide operational flexibility. Importantly, all of our medium to long-term financing is hedged or contains caps and collars, thereby minimising any exposure to interest rate movements. Good progress has been made in deleveraging the business and we expect this progress to continue moving forwards.

Capital allocation and shareholder returns
As set out at our CMD, our capital allocation framework is focused on enhancing long-term shareholder value through a disciplined balance of delivering strong returns on investment and deleveraging. The Board is pleased that the Group has delivered initial EBITDA returns in excess of 30% on expansionary capital. In addition, deleveraging has continued and net debt to EBITDA before IFRS 16 has fallen from 5.2x in FY2024 to 4.6x at this period end. However, leverage remains higher than target and, as such, no dividend will be paid in respect of FY2025.

Shareholder returns remain a core part of our capital allocation strategy and are planned once leverage (excluding IFRS 16) falls below 4.0x. Given the significant discount between net asset value per share and the share price, consideration will be given at that point to the use of cash for share buy backs alongside or instead of other returns of capital, taking into account further planned debt reduction, the requirement of cash for growth investment and the availability of distributable reserves.

Going concern
Having considered the Group's forecast financial position and exposure to principal risks and uncertainties, including cost and inflationary pressures, the Directors have a reasonable expectation that the Group has adequate resources to continue to operate within its borrowing facilities and covenants for a period of at least 12 months from the date of signing the financial statements. Accordingly, the financial statements have been prepared on the going concern basis. Full details are included in note 1 of the financial statements. This forecast predates the Autumn Budget 2025 and therefore does not include the impact of any specific measures which may be announced.

Key estimates and significant judgements
Under IFRS the Group is required to make estimates and assumptions that affect the application of policies and
reported amounts. Details are provided in note 1 of the financial statements.

Director Dealings
During the financial year, the Chief Executive Officer purchased 148,103 ordinary shares in the Company, representing one third of the FY2024 bonus award, together with completing four automatic disposals to cover administrative charges. These disposals totalled 203 shares at a weighted average price of 39.55 pence, for aggregate proceeds of £80.29.

<u>*Notes:*</u>
- *Prior period was a 52-week period to 28 September 2024.*
- *The Group uses a number of alternative performance measures (APMs) to enable management and users of the financial statements to better understand elements of financial performance in the period. APMs are explained and reconciled in the appendix to the financial statements.*

GROUP INCOME STATEMENT
For the 52 weeks ended 27 September 2025

	2025			2024		
	Underlying[1] £m	**Non-underlying[1] £m**	**Total £m**	Underlying[1] £m	Non-underlying[1] £m	Total £m
Revenue	**897.9**	**-**	**897.9**	898.6	-	898.6
Net operating expenses	**(738.0)**	**19.8**	**(718.2)**	(751.4)	4.5	(746.9)
Operating profit	**159.9**	**19.8**	**179.7**	147.2	4.5	151.7
Finance costs	**(90.0)**	**-**	**(90.0)**	(106.5)	-	(106.5)
Finance income	**2.2**	**-**	**2.2**	1.4	-	1.4
Interest rate swap movements	**-**	**(3.6)**	**(3.6)**	-	(32.2)	(32.2)
Net finance costs	**(87.8)**	**(3.6)**	**(91.4)**	(105.1)	(32.2)	(137.3)
Profit/(loss) before taxation	**72.1**	**16.2**	**88.3**	42.1	(27.7)	14.4
Taxation	**(18.3)**	**1.6**	**(16.7)**	(9.0)	12.1	3.1
Profit/(loss) for the period from continuing operations	**53.8**	**17.8**	**71.6**	33.1	(15.6)	17.5
Discontinued operations						
Profit/(loss) for the period from discontinued operations	**-**	**-**	**-**	0.5	(36.5)	(36.0)
Profit/(loss) for the period attributable to equity shareholders	**53.8**	**17.8**	**71.6**	33.6	(52.1)	(18.5)

The results for the current period reflect the 52 weeks ended 27 September 2025 and the results for the prior period reflect the 52 weeks ended 28 September 2024.

Earnings/(loss) per share:	**2025 p**	2024 p
Basic earnings/(loss) per share		
Total	**11.3**	(2.9)
Continuing	**11.3**	2.8
Discontinued	**-**	(5.7)
Basic underlying[1] earnings per share		

Total	**8.5**	5.3
Continuing	**8.5**	5.2
Discontinued	**-**	0.1
Diluted earnings/(loss) per share		
Total	**11.1**	(2.8)
Continuing	**11.1**	2.7
Discontinued	**-**	(5.5)
Diluted underlying[1] earnings per share		
Total	**8.3**	5.1
Continuing	**8.3**	5.0
Discontinued	**-**	0.1

[1] Alternative performance measures (APMs) are defined and reconciled to a statutory equivalent in the APM section of these Preliminary Results.

GROUP STATEMENT OF COMPREHENSIVE INCOME

For the 52 weeks ended 27 September 2025

	2025 £m	2024 £m
Profit/(loss) for the period	**71.6**	(18.5)
Items of other comprehensive income that may subsequently be reclassified to profit or loss		
Gains/(losses) arising on cash flow hedges	**1.9**	(2.8)
Transfers to the income statement on cash flow hedges	**6.8**	7.6
Other comprehensive expense of associates relating to discontinued operations	**-**	(0.1)
Tax on items that may subsequently be reclassified to profit or loss	**(2.2)**	(1.2)
	6.5	3.5
Items of other comprehensive income that will not be reclassified to profit or loss		
Remeasurement of retirement benefits	**1.5**	(6.9)
Unrealised surplus on revaluation of properties	**109.8**	80.8
Reversal of past revaluation surplus	**(38.6)**	(39.8)
Tax on items that will not be reclassified to profit or loss	**(16.2)**	(8.1)
	56.5	26.0
Other comprehensive income for the period	**63.0**	29.5
Total comprehensive income for the period attributable to equity shareholders	**134.6**	11.0

The results for the current period reflect the 52 weeks ended 27 September 2025 and the results for the prior period reflect the 52 weeks ended 28 September 2024.

GROUP CASH FLOW STATEMENT

For the 52 weeks ended 27 September 2025

	2025 £m	2024 £m
Operating activities		
Profit/(loss) for the period	**71.6**	(18.5)
Taxation	**16.7**	(3.1)
Net finance costs	**91.4**	137.3
Depreciation and amortisation	**45.2**	45.3
Working capital movement	**3.0**	8.2
Non-cash movements	**(21.5)**	32.7
Decrease in provisions and other non-current liabilities	**(0.3)**	(0.9)
Difference between defined benefit pension contributions paid and amounts charged	**(1.6)**	(7.5)
Dividends from associates	**-**	13.8
Income tax (paid)/received	**(5.3)**	0.1
Net cash inflow from operating activities	**199.2**	207.4
Investing activities		
Interest received	**2.2**	1.7
Sale of property, plant and equipment and assets held for sale	**6.4**	46.9
Purchase of property, plant and equipment and intangible assets	**(61.2)**	(46.2)
Disposal of associate	**(2.8)**	205.5
Finance lease capital repayments received	**1.2**	2.0
Net transfer from other cash deposits	**-**	2.0
Net cash (outflow)/inflow from investing activities	**(54.2)**	211.9
Financing activities		
Interest paid	**(86.6)**	(101.9)

Arrangement costs of bank facilities	**(0.9)**	(3.6)
Swap termination costs	**-**	(2.0)
Purchase of own shares	**(0.8)**	-
Proceeds from sale of own shares	**0.1**	-
Repayment of securitised debt	**(43.8)**	(41.5)
Repayment of bank borrowings*	**(215.0)**	(419.0)
Advance of bank borrowings*	**201.0**	225.0
Net repayments of capital element of lease liabilities	**(8.6)**	(8.4)
Repayment of other borrowings	**-**	(50.0)
Net cash outflow from financing activities	**(154.6)**	(401.4)
Net (decrease)/increase in cash and cash equivalents	**(9.6)**	17.9

The cash flows for the current period reflect the 52 weeks ended 27 September 2025 and the cash flows for the prior period reflect the 52 weeks ended 28 September 2024.

* The Group reports cash flows arising from its bank borrowing facilities on a gross basis where the maturity periods were greater than three months. The net repayment of bank borrowings in the current period was £14.0 million (2024: £194.0 million).

GROUP BALANCE SHEET

As at 27 September 2025

	27 September 2025 £m	28 September 2024 £m
Non-current assets		
Intangible assets	**26.9**	29.3
Property, plant and equipment	**2,181.3**	2,069.0
Other non-current assets	**14.7**	14.4
Retirement benefit surplus	**15.4**	13.1
Derivative financial instruments	**0.7**	0.4
	2,239.0	2,126.2
Current assets		
Inventories	**13.8**	14.4
Trade and other receivables	**27.6**	25.9
Other cash deposits	**1.1**	1.1
Cash and cash equivalents	**34.8**	44.4
	77.3	85.8
Assets held for sale	**-**	1.3
	77.3	87.1
Current liabilities		
Borrowings	**(62.2)**	(58.2)
Trade and other payables	**(182.1)**	(179.5)
Current tax liabilities	**(3.9)**	(2.8)
Provisions for other liabilities and charges	**(0.6)**	(0.6)
	(248.8)	(241.1)
Non-current liabilities		
Borrowings	**(1,179.4)**	(1,244.7)
Derivative financial instruments	**(54.6)**	(59.4)
Other non-current liabilities	**(9.4)**	(8.3)
Provisions for other liabilities and charges	**(2.5)**	(2.6)
Deferred tax liabilities	**(30.9)**	(2.4)
	(1,276.8)	(1,317.4)
Net assets	**790.7**	654.8
Shareholders' equity		
Equity share capital	**48.7**	48.7
Share premium account	**334.0**	334.0
Revaluation reserve	**486.2**	431.6
Capital redemption reserve	**6.8**	6.8
Hedging reserve	**(34.3)**	(40.8)
Own shares	**(108.3)**	(110.2)
Retained earnings	**57.6**	(15.3)
Total equity	**790.7**	654.8

GROUP STATEMENT OF CHANGES IN EQUITY

For the 52 weeks ended 27 September 2025

	Equity share capital £m	**Share premium account £m**	**Revaluation reserve £m**	**Capital redemption reserve £m**	**Hedging reserve £m**	**Own shares £m**	**Retained earnings £m**	**Total equity £m**
At 29 September 2024	48.7	334.0	431.6	6.8	(40.8)	(110.2)	(15.3)	654.8
Profit for the period	-	-	-	-	-	-	71.6	71.6
Remeasurement of retirement benefits	-	-	-	-	-	-	1.5	1.5
Tax on remeasurement of retirement benefits	-	-	-	-	-	-	(0.4)	(0.4)
Gains on cash flow hedges	-	-	-	-	1.9	-	-	1.9
Transfers to the income statement on cash flow hedges	-	-	-	-	6.8	-	-	6.8
Tax on hedging reserve movements	-	-	-	-	(2.2)	-	-	(2.2)
Property revaluation			109.8					109.8

Property revaluation	-	-	109.8	-	-	-	-	109.8
Property impairment	-	-	(38.6)	-	-	-	-	(38.6)
Deferred tax on properties	-	-	(15.8)	-	-	-	-	(15.8)
Total comprehensive income	-	-	55.4	-	6.5	-	72.7	134.6
Share-based payments	-	-	-	-	-	-	1.8	1.8
Tax on share-based payments	-	-	-	-	-	-	0.2	0.2
Purchase of own shares	-	-	-	-	-	(0.8)	-	(0.8)
Sale of own shares	-	-	-	-	-	2.7	(2.6)	0.1
Transfer disposals to retained earnings	-	-	(0.8)	-	-	-	0.8	-
Total transactions with owners	-	-	(0.8)	-	-	1.9	0.2	1.3
At 27 September 2025	**48.7**	**334.0**	**486.2**	**6.8**	**(34.3)**	**(108.3)**	**57.6**	**790.7**

For the 52 weeks ended 28 September 2024

	Equity share capital £m	Share premium account £m	Revaluation reserve £m	Capital redemption reserve £m	Hedging reserve £m	Own shares £m	Retained earnings £m	Total equity £m
At 1 October 2023	48.7	334.0	412.1	6.8	(44.4)	(110.6)	(6.5)	640.1
Loss for the period	-	-	-	-	-	-	(18.5)	(18.5)
Remeasurement of retirement benefits	-	-	-	-	-	-	(6.9)	(6.9)
Tax on remeasurement of retirement benefits	-	-	-	-	-	-	1.7	1.7
Losses on cash flow hedges	-	-	-	-	(2.8)	-	-	(2.8)
Transfers to the income statement on cash flow hedges	-	-	-	-	7.6	-	-	7.6
Tax on hedging reserve movements	-	-	-	-	(1.2)	-	-	(1.2)
Other comprehensive expense of associates	-	-	-	-	-	-	(0.1)	(0.1)
Property revaluation	-	-	80.8	-	-	-	-	80.8
Property impairment	-	-	(39.8)	-	-	-	-	(39.8)
Deferred tax on properties	-	-	(9.8)	-	-	-	-	(9.8)
Total comprehensive income/(expense)	-	-	31.2	-	3.6	-	(23.8)	11.0
Share-based payments	-	-	-	-	-	-	2.0	2.0
Tax on share-based payments	-	-	-	-	-	-	0.1	0.1
Sale of own shares	-	-	-	-	-	0.4	(0.4)	-
Transfer disposals to retained earnings	-	-	(13.8)	-	-	-	13.8	-
Transfer tax to retained earnings	-	-	2.1	-	-	-	(2.1)	-
Changes in equity of associates	-	-	-	-	-	-	1.6	1.6
Total transactions with owners	-	-	(11.7)	-	-	0.4	15.0	3.7
At 28 September 2024	**48.7**	**334.0**	**431.6**	**6.8**	**(40.8)**	**(110.2)**	**(15.3)**	**654.8**

NOTES

For the 52 weeks ended 27 September 2025

1 ACCOUNTING POLICIES

The Group's principal accounting policies are set out below:

Basis of preparation

These consolidated financial statements for the 52 weeks ended 27 September 2025 (2024: 52 weeks ended 28 September 2024) have been prepared in accordance with UK-adopted International Accounting Standards in conformity with the requirements of the Companies Act 2006. The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain items, principally effective freehold land and buildings, certain financial instruments, retirement benefits and share-based payments, as explained below.

The financial information contained in this preliminary announcement does not constitute the Group's statutory accounts within the meaning of section 434 of the Companies Act 2006. The financial information has been extracted from the statutory accounts of the Group for the 52 weeks ended 27 September 2025, which will be filed with the Registrar of Companies in due course. The statutory accounts for the 52 weeks ended 28 September 2024 have been delivered to the Registrar of Companies. The auditor has reported on those accounts; their reports were (i) unqualified and (ii) did not contain a statement under section 498 (2) or (3) of the Companies Act 2006.

Going concern

The Group successfully secured the extension of its bank facility, which was due to expire in July 2026. The revised funding comprises a £200.0 million bank facility available until July 2027 (of which £21.0 million was drawn at 27 September 2025) and a £5.0 million overdraft facility (of which £nil was drawn at 27 September 2025). The Group's sources of funding also include its securitised debt.

There are three covenants associated with the Group's amended bank borrowings for the non-securitised group of companies - Debt Cover, Interest Cover and Liquidity. The Debt Cover covenant is a measure of net borrowings to EBITDA, the Interest Cover covenant is a measure of EBITDA to finance charges, and the Liquidity covenant is a measure of headroom on the Group's bank borrowings. The covenant levels remain unchanged except for the Interest Cover covenant which does not step up to 2.0 times until 3 April 2027 (previously 28 March 2026).

There are two covenants associated with the Group's securitised debt. The FCF DSCR is a measure of free cash flow to debt service for the group headed by Marston's Pubs Parent Limited and the Net Worth is derived from the net assets of that group of companies.

The Directors have performed an assessment of going concern over the period of 12 months from the date of signing these financial statements, to assess the adequacy of the Group's financial resources. In performing their assessment, the Directors considered the Group's financial position and exposure to principal risks, including the risk of 'uncertain economic and geopolitical outlook', in which high inflation, slow GDP growth and elevated interest rates may lead to lower discretionary spending on leisure activities, leading to reduced footfall and average spend per visit. This assessment predates the Autumn Budget 2025 and therefore does not include the impact of any specific measures which may be announced. However, downsides are considered in this going concern assessment as set out below.

The Group's base case forecast assumes moderate sales price increases and operational costs (that have not already been secured) rising broadly in line with inflation together with continuing progress on the margin expansion programme. The conclusion of this assessment was that the Directors are satisfied that the Group has adequate liquidity, is not forecast to breach any covenants within its banking group or securitisation in its base case forecast and has sufficient resources to continue in operational existence for a period of at least 12 months from the date of approval of these financial statements.

Due to the uncertain economic and geopolitical outlook, risk of further inflationary pressures and the potential impact of this on guest sentiment, the Group has analysed a downside scenario in which a lower level of sales are achieved compared to the base case forecast with additional costs beyond those forecast in the base case and variable costs flexing with the reduced volume, excluding any potential mitigating management actions. The result of this downside scenario is that the Group would still have sufficient liquidity to settle liabilities as they fall due and headroom within its financial covenants throughout the going concern review period.

The Group has also performed a reverse stress test case, which analyses to what extent sales would need to decrease from the base case in order to breach financial covenants, with similar cost assumptions to that of the base case forecast and variable costs flexing with the reduced volume. This reverse stress test shows that the Group could withstand a reduction in sales of over 10% from those assessed in the base case throughout the going concern period, excluding any mitigating actions other than the removal of discretionary employee reward payments. The Directors consider this scenario to be remote as, other than when the business was closed during the pandemic, the Group has never experienced sales declines to this level. Additionally, the Group could take management actions within the Directors' control including deferral or reduction of discretionary spend to partially mitigate the financial impact.

Accordingly, the financial statements have been prepared on the going concern basis.

Key estimates and significant judgements

Under IFRS the Group is required to make estimates and assumptions that affect the application of policies and reported amounts. Estimates and judgements are continually evaluated and are based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

The following are the critical judgements, apart from those involving estimates (which are dealt with separately below), that the Directors have made in the process of applying the Group's accounting policies and that have had the most significant effect on the amounts recognised in the financial statements in the current and prior periods:

1 ACCOUNTING POLICIES (CONTINUED)

Key estimates and significant judgements (continued)

Non-underlying[1] items

- Determination of items to be classified as non-underlying[1].

Discontinued operations

- Determination of income from associates representing a separate major line of business resulting in the classification as a discontinued operation.

The following estimates and assumptions have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities:

Property, plant and equipment

- Valuation of effective freehold land and buildings.

Retirement benefits

- Actuarial assumptions in respect of the defined benefit pension plan, which include discount rates, rates of increase in pensions, inflation rates and life expectancies.

Financial instruments

- Valuation and accounting treatment of derivative financial instruments.

2 SEGMENT REPORTING

The Group is considered to have one operating segment under IFRS 8 'Operating Segments' and therefore no disclosures are presented. This is in line with the reporting to the chief operating decision maker and the operational structure of the business. The measure of profit or loss reviewed by the chief operating decision maker is underlying[1] profit/(loss) before tax for the total of continuing and discontinued operations.

Geographical areas

All of the Group's revenue is generated in the UK. All of the Group's material assets are located in the UK.

3 REVENUE

Revenue	**2025 £m**	2024 £m
Sales from managed and pub partnership sites	**871.9**	864.6
Wholesale sales	**19.9**	26.2
Revenue from contracts with customers	**891.8**	890.8
Rental income	**6.1**	7.8
Total revenue	**897.9**	898.6

4 NON-UNDERLYING[1] ITEMS

	2025 £m	2024 £m
Non-underlying[1] operating items from continuing operations		
Net impairment reversal of freehold and leasehold properties and other operating charges	**(22.9)**	(5.7)
Reorganisation, restructuring and relocation costs and other operating charges	**3.1**	0.7
Duplication costs	**-**	0.5
	(19.8)	(4.5)
Non-underlying[1] non-operating items from continuing operations		
Interest rate swap movements	**3.6**	32.2
	3.6	32.2
Total non-underlying[1] items from continuing operations	**(16.2)**	27.7
Non-underlying[1] items from discontinued operations		
Non-underlying[1] loss from associates	**-**	16.6
Impairment of associate	**-**	8.0
Loss on disposal of associate	**-**	11.9
	-	36.5
Total non-underlying[1] items	**(16.2)**	64.2

4 NON-UNDERLYING[1] ITEMS (CONTINUED)

Net impairment reversal of freehold and leasehold properties and other operating charges
At 29 June 2025 the Group's effective freehold properties were revalued by independent chartered surveyors on an open market value basis. The Group also undertook an impairment review of its leasehold properties in the current and prior period.

The revaluation and impairment adjustments in respect of the above were recognised in the revaluation reserve or income statement as appropriate. The amount recognised in the income statement comprises:

	2025 £m	2024 £m
Impairment of property, plant and equipment	**30.7**	37.4
Reversal of past impairment of property, plant and equipment	**(54.0)**	(43.4)
Impairment of assets held for sale	**0.2**	0.1
Valuation fees	**0.2**	0.2
	(22.9)	(5.7)

Reorganisation, restructuring and relocation costs and other operating charges
As previously reported during the interim results for the 26 weeks ended 29 March 2025, during the current period the Group commenced a programme to align and resource teams against the Group's strategic priorities and reduce cost for future resilience of the business. The costs identified as non-underlying[1] in the current period are one-off headcount-related costs which are expected to be short-term in nature. The cost of implementing this programme in the current period was £3.1 million (2024: £nil), of which £2.0 million was incurred in the first half of the current period. This is a cash cost of which £2.5 million was paid in the current period and £0.6 million will be paid in the subsequent period. The cost has been recorded within non-underlying[1] items in the income statement based on its significance, nature, expected infrequency and consistency with treatment of similar historical programmes.

During the prior period, the Group completed the implementation of an operational programme to simplify the business and drive efficiencies. The cost of this programme in the prior period was £0.7 million.

Interest rate swap movements
The Group's interest rate swaps are revalued to fair value at each balance sheet date. These fair value (gains)/losses have been recognised in the hedging reserve or the income statement as appropriate. Reclassifications within the income statement and/or with the hedging reserve have also been made as required.

	52 weeks to 27 September 2025			52 weeks to 28 September 2024		
	Hedging reserve	**Underlying[1] net finance costs**	**Non-underlying[1] interest rate swap movements**	Hedging reserve	Underlying[1] net finance costs	Non-underlying[1] interest rate swap movements
	£m	**£m**	**£m**	£m	£m	£m
Interest rate swaps designated as part of a hedging relationship:						
Effective portion						
(Gain)/loss on change in fair value	**(1.9)**	**-**	**-**	2.8	-	-
Reclassification in respect of cash received	**0.1**	**(0.1)**	**-**	0.4	(0.4)	-
	(1.8)	**(0.1)**	**-**	3.2	(0.4)	-
Ineffective portion						
Loss on change in fair value	**-**	**-**	**0.6**	-	-	0.2
Reclassification in respect of cash paid	**-**	**0.6**	**(0.6)**	-	1.2	(1.2)
	-	**0.6**	**-**	-	1.2	(1.0)
Interest rate swaps not designated as part of a hedging relationship:						
(Gain)/loss on change in fair value	**-**	**-**	**(3.1)**	-	-	18.2
Reclassification in respect of cash paid/received	**-**	**0.2**	**(0.2)**	-	(7.0)	7.0
	-	**0.2**	**(3.3)**	-	(7.0)	25.2
Reclassification in respect of discontinued cash flow hedges	**(6.9)**	**-**	**6.9**	(8.0)	-	8.0
	(6.9)	**-**	**6.9**	(8.0)	-	8.0
Total interest rate swap movements	**(8.7)**	**0.7**	**3.6**	(4.8)	(6.2)	32.2

A loss of £0.6 million (2024: £0.2 million) on the ineffective portion of the fair value movement of interest rate swaps designated as part of a hedging relationship and a fair value gain of £3.1 million (2024: loss of £18.2 million) on interest rate swaps not designated as part of a hedging relationship have also been recognised within non-underlying[1] items in the income statement.

Cash paid of £0.6 million (2024: £1.2 million) in respect of interest rate swaps designated as part of a hedging relationship and cash paid of £0.2 million (2024: received of £7.0 million) in respect of interest rate swaps not designated as part of a hedging relationship were reclassified from non-underlying[1] items to underlying[1] net finance costs to ensure that underlying[1] net finance costs reflect the fixed rate paid on the associated debt.

NOTES CONTINUED
For the 52 weeks ended 27 September 2025

4 NON-UNDERLYING[1] ITEMS (CONTINUED)

Interest rate swap movements (continued)
Finally, £6.9 million (2024: £8.0 million) of the balance remaining in the hedging reserve in respect of discontinued cash flow hedges has been reclassified as charge to the income statement within non-underlying[1] items.

The treatment of the amounts as non-underlying[1] has been made based on their significance, nature and consistency with previous classification. Unless specified, the movements have no cash impact.

Prior period non-underlying[1] items
Duplication costs
On 17 November 2023 Andrew Andrea stepped down from his role as CEO of the Group and, following an external process, Justin Platt was appointed as CEO from 10 January 2024. During the prior period duplicated costs were incurred as a result of the change in CEO which were unusual and one-off for Marston's. The duplicated costs have been recorded within non-underlying[1] items in the income statement based on their nature and expected infrequency.

Non-underlying[1] loss from associates

The Group's associate, Carlsberg Marston's Limited (CMBC), recognised an impairment (of which the Group's share was £14.0 million) during the prior period in relation to some of the ale brands that it held. The ale category had been severely impacted by the COVID-19 pandemic, secular trends, and the cost-of-living crisis, resulting in long-term expectations specifically for the ale brands being updated. The brand impairment of £14.0 million was material in the context of both the Group's total results and the underlying[1] loss from associates of £0.5 million. The resulting brand impairment, which had no cash impact, was recorded within non-underlying[1] items in the income statement based on its significance, nature and expected infrequency.

CMBC also recognised an onerous contract provision (of which the Group's share was £2.6 million) during the prior period in relation to a specific porterage contract that it held. The significant cost inflation experienced from the cost-of-living crisis, alongside the increases in distribution costs over and above what was reasonably anticipated, led to an acute and short-term (rather than business-as-usual) environment of cost inflation which required an onerous provision to be recorded for this specific contract. The onerous contract provision of £2.6 million was material in the context of the underlying[1] loss from associates of £0.5 million. The resulting onerous contract provision, which had no cash impact, was recorded within non-underlying[1] items in the income statement based on its significance, nature and expected infrequency.

Impairment of associate and loss on disposal of associate
On 31 July 2024, Marston's PLC completed the sale of its remaining non-core brewing assets, being its 40% interest in Carlsberg Marston's Limited (CMBC), to a subsidiary of Carlsberg A/S for £206.0 million in cash, to create a business entirely focused on pubs.

An impairment assessment over the carrying value of the Group's investment in CMBC was performed immediately prior to disposal on 31 July 2024. The result of the impairment assessment was an impairment to the carrying value of the Group's investment in CMBC of £8.0 million. The remaining difference between the newly impaired carrying value of the investment and the net disposal proceeds represented a loss on disposal of £11.9 million.

These costs were recorded within non-underlying[1] items in the income statement based on their materiality, nature and expected infrequency.

Impact of taxation
The current tax credit relating to the above non-underlying[1] items amounts to £0.5 million (2024: £0.1 million). The deferred tax credit relating to the above non-underlying[1] items amounts to £1.1 million (2024: £12.0 million).

5 FINANCE COSTS AND INCOME

Finance costs	**2025 £m**	2024 £m
Bank borrowings	**11.9**	25.4
Securitised debt	**34.8**	35.3
Lease liabilities	**19.0**	19.2
Other lease related borrowings	**23.3**	22.9
Other interest payable and similar charges	**1.0**	3.7
Total finance costs	**90.0**	106.5
Finance income		
Finance lease and other interest receivable	**(2.2)**	(1.4)
Total finance income	**(2.2)**	(1.4)
Interest rate swap movements		
Hedge ineffectiveness on cash flow hedges (net of cash paid)	**-**	(1.0)
Change in carrying value of interest rate swaps	**(3.3)**	25.2
Transfer of hedging reserve balance in respect of discontinued hedges	**6.9**	8.0
	3.6	32.2
Net finance costs for continuing operations	**91.4**	137.3

6 TAXATION

Income statement	**2025 £m**	2024 £m
Current tax		
Current period	**6.7**	4.6
Adjustments in respect of prior periods	**0.2**	-
Credit in respect of tax on non-underlying[1] items	**(0.5)**	(0.1)
	6.4	4.5
Deferred tax		
Current period	**12.4**	5.2
Adjustments in respect of prior periods	**(1.0)**	(0.8)
Credit in respect of tax on non-underlying[1] items	**(1.1)**	(12.0)
	10.3	(7.6)
Taxation charge/(credit) reported in the income statement from continuing operations	**16.7**	(3.1)

Statement of comprehensive income	**2025 £m**	2024 £m
Remeasurement of retirement benefits	**0.4**	(1.7)
Impairment and revaluation of properties	**15.8**	9.8
Hedging reserve movements	**2.2**	1.2
Taxation charge reported in the statement of comprehensive income	**18.4**	9.3

A taxation credit in relation to tax on share-based payments of £0.2 million (2024: £0.1 million) has been recognised directly in equity.

The actual tax rate for the period is lower (2024: lower) than the standard rate of corporation tax of 25% (2024: 25%). The differences are explained below:

Tax reconciliation	**2025 £m**	2024 £m
Profit before tax from continuing operations	**88.3**	14.4
Profit before tax multiplied by the corporation tax rate of 25% (2024: 25%)	**22.1**	3.6
Effect of:		
Adjustments in respect of prior periods	**(0.8)**	(0.8)

Adjustments in respect of prior periods	**(0.8)**	(0.8)
Recognition of capital losses not previously recognised	**(5.4)**	(5.4)
Non-qualifying depreciation	**1.4**	1.3
Property items taxed on a different basis to accounting entries	**(0.2)**	(1.1)
Costs not deductible for tax purposes	**0.3**	0.1
Other amounts on which tax relief is available	**(0.7)**	(0.8)
Taxation charge/(credit) for continuing operations	**16.7**	(3.1)

In December 2021, the Organisation for Economic Co-operation and Development (OECD) published the Pillar Two model rules to introduce a global minimum effective tax rate of 15%, under its Inclusive Framework on Base Erosion and Profit Shifting (BEPS).

UK legislation adopting the Pillar Two rules was substantively enacted on 20 June 2023 and will apply to the Group for the 52 weeks ended 27 September 2025 onwards.

Based on its assessment of the trading results, the Group anticipates that it will benefit from the transitional safe harbour rules and does not expect to pay any Pillar Two top-up tax in respect of the 52 weeks ended 27 September 2025.

The Group has applied the exemption under the IAS 12 'Income Taxes' amendment for recognising and disclosing information about deferred tax assets and liabilities relating to Pillar Two income taxes.

7 EARNINGS PER ORDINARY SHARE

Basic earnings/(loss) per share are calculated by dividing the profit/(loss) attributable to equity shareholders by the weighted average number of ordinary shares in issue during the period, excluding treasury shares and those held on trust for employee share schemes.

For diluted earnings/(loss) per share, the weighted average number of ordinary shares in issue is adjusted to assume conversion of all dilutive potential ordinary shares. These represent share options granted to employees where the exercise price is less than the weighted average market price of the Company's shares during the period.

Underlying[1] earnings per share figures are presented to exclude the effect of non-underlying[1] items. The Directors consider that the supplementary figures are a useful indicator of performance.

	2025		2024	
	Earnings £m	**Per share amount p**	Earnings £m	Per share amount p
Basic earnings/(loss) per share				
Total	**71.6**	**11.3**	(18.5)	(2.9)
Continuing	**71.6**	**11.3**	17.5	2.8
Discontinued	**-**	**-**	(36.0)	(5.7)
Diluted earnings/(loss) per share				
Total	**71.6**	**11.1**	(18.5)	(2.8)
Continuing	**71.6**	**11.1**	17.5	2.7
Discontinued	**-**	**-**	(36.0)	(5.5)
Underlying[1] earnings per share figures				
Basic underlying[1] earnings per share				
Total	**53.8**	**8.5**	33.6	5.3
Continuing	**53.8**	**8.5**	33.1	5.2
Discontinued	**-**	**-**	0.5	0.1
Diluted underlying[1] earnings per share				
Total	**53.8**	**8.3**	33.6	5.1
Continuing	**53.8**	**8.3**	33.1	5.0
Discontinued	**-**	**-**	0.5	0.1

	2025 m	2024 m
Basic weighted average number of shares	**633.2**	633.5
Dilutive potential ordinary shares	**11.9**	23.0
Diluted weighted average number of shares	**645.1**	656.5

8 PROPERTY, PLANT AND EQUIPMENT

	Effective freehold land and buildings £m	**Leasehold land and buildings £m**	**Fixtures, fittings, tools and equipment £m**	**Total £m**
Cost or valuation				
At 29 September 2024	1,661.7	430.0	276.1	2,367.8
Additions	31.5	14.2	19.0	64.7
Disposals	(2.7)	(5.3)	(21.9)	(29.9)
Revaluation	96.3	-	-	96.3
At 27 September 2025	**1,786.8**	**438.9**	**273.2**	**2,498.9**
Depreciation and impairment reversal				
At 29 September 2024	-	149.0	149.8	298.8
Charge for the period	-	14.2	26.1	40.3
Disposals	-	(2.0)	(21.3)	(23.3)
Impairment	-	1.8	-	1.8
At 27 September 2025	**-**	**163.0**	**154.6**	**317.6**
Net book amount at 28 September 2024	1,661.7	281.0	126.3	2,069.0
Net book amount at 27 September 2025	**1,786.8**	**275.9**	**118.6**	**2,181.3**

NOTES CONTINUED
For the 52 weeks ended 27 September 2025

8 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Effective freehold land and buildings £m	Leasehold land and buildings £m	Fixtures, fittings, tools and equipment £m	Total £m
Cost or valuation				
At 1 October 2023	1,645.1	434.4	280.1	2,359.6
Additions	17.2	10.7	22.5	50.4
Disposals	(44.7)	(15.1)	(26.4)	(86.2)
Net transfers to assets held for sale	(1.2)	-	(0.1)	(1.3)
Revaluation	45.3	-	-	45.3
At 28 September 2024	**1,661.7**	**430.0**	**276.1**	**2,367.8**
Depreciation and impairment				
At 1 October 2023	-	147.6	147.2	294.8
Charge for the period	-	13.8	26.2	40.0
Disposals	-	(10.7)	(23.6)	(34.3)
Impairment	-	(1.7)	-	(1.7)
At 28 September 2024	**-**	**149.0**	**149.8**	**298.8**
Net book amount at 30 September 2023	1,645.1	286.8	132.9	2,064.8
Net book amount at 28 September 2024	**1,661.7**	**281.0**	**126.3**	**2,069.0**

Revaluation/impairment

At 29 June 2025 independent chartered surveyors revalued the Group's effective freehold properties on an open market value basis. During the current and prior period various assets were also reviewed for impairment and/or material changes in value. These valuation adjustments were recognised in the revaluation reserve or the income statement as appropriate.

	2025 £m	2024 £m
Income statement		
Impairment	**(30.7)**	(37.4)
Reversal of past impairment	**54.0**	43.4
	23.3	6.0
Revaluation reserve		
Unrealised revaluation surplus	**109.8**	80.8
Reversal of past revaluation surplus	**(38.6)**	(39.8)
	71.2	41.0
Net increase in shareholders' equity/property, plant and equipment	**94.5**	47.0

A reasonably possible increase of 10% in the multiple would increase the fair value by £186.1 million and a reasonably possible decrease of 10% in the multiple would decrease the fair value by £186.1 million. A reasonably possible increase of 10% in the fair maintainable trade would increase the fair value by £186.1 million and a reasonably possible decrease of 10% in the fair maintainable trade would decrease the fair value by £186.1 million. These are based on the top ends of observable multiples achieved in the market and historical movements in the average fair maintainable trade.

Fair maintainable trade is a measure of sustainable trading performance which focuses on medium to long term trends. Short term fluctuations in trading results may not be fully reflected in fair maintainable trade until they are demonstrated to be continuing in nature.

The Group's effective freehold land and buildings are revalued by external independent qualified valuers on an annual basis using open market values so that the carrying value of an asset does not differ significantly from its fair value at the balance sheet date. The annual valuations are determined via third party inspection of approximately a third of the sites, and a desktop valuation of the remaining two-thirds of the sites, such that all sites are individually inspected every three years. The last external valuation of the Group's effective freehold land and buildings was performed as at 29 June 2025. The Group has an internal team of qualified valuers and at each reporting date the estate is reviewed for any indication of significant changes in value. Where this is the case internal valuations are performed on a basis consistent with those performed externally. The Group has concluded that the valuation as at 29 June 2025 does not differ materially from that which would have been determined using fair value as at 27 September 2025.

8 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Impairment testing of leasehold properties

Leasehold properties, comprising leasehold land and buildings and associated fixtures, fittings, tools and equipment and computer software, are held under the cost model. These properties were reviewed for impairment in the current and prior period by comparing the recoverable amount of each property to the carrying amount of the assets. Recoverable amount is the higher of value in use and fair value less costs to sell. The key assumptions used in the value in use calculations were the future trading cash flows of the properties, a pre-tax discount rate of 11.9% (2024: 12.2%) and a long-term growth rate of 2.0% (2024: 2.0%). No adjustment has been made in the current or prior period for any potential climate change related impact as the future potential additional cash inflows and outflows are not deemed to be a key assumption in the value in use calculations.

Changes in these key assumptions could impact the impairment charge/reversal recognised for these assets. The future trading cash flows used in the value in use calculations are property level EBITDA less maintenance expenditure forecasts. If the forecast cash flows were to decline by 10% then there would be a £1.5 million increase in the impairment recognised. If the pre-tax discount rate were to increase by 0.5% it would increase the impairment by £0.4 million. If the long-term growth rate were to decrease by 0.5% it would increase the impairment by £0.6 million.

9 NET DEBT

Analysis of net debt	**2025 £m**	2024 £m
Cash and cash equivalents		
Cash at bank and in hand	**34.8**	44.4
	34.8	44.4
Financial assets		
Other cash deposits	**1.1**	1.1
	1.1	1.1
Debt due within one year		

Debt due within one year		
Bank borrowings	**1.8**	2.5
Securitised debt	**(45.9)**	(43.5)
Lease liabilities	**(18.6)**	(17.7)
Other lease related borrowings	**0.5**	0.5
	(62.2)	(58.2)
Debt due after one year		
Bank borrowings	**(19.5)**	(33.0)
Securitised debt	**(470.8)**	(516.7)
Lease liabilities	**(349.6)**	(356.0)
Other lease related borrowings	**(339.4)**	(338.9)
Preference shares	**(0.1)**	(0.1)
	(1,179.4)	(1,244.7)
Net debt	**(1,205.7)**	(1,257.4)

Other cash deposits and cash and cash equivalents include deposits securing letters of credit for reinsurance contracts. Included within cash and cash equivalents is an amount of £5.4 million (2024: £5.5 million) relating to collateral held in the form of cash deposits. These amounts are both considered to be restricted cash. In addition, any other cash held in connection with the securitised business is governed by certain restrictions under the covenants associated with the securitisation.

Reconciliation of net cash flow to movement in net debt	**2025 £m**	2024 £m
(Decrease)/increase in cash and cash equivalents in the period	**(9.6)**	17.9
Decrease in other cash deposits	**-**	(2.0)
Cash outflow from movement in debt	**66.4**	293.9
Net cash inflow	**56.8**	309.8
Non-cash movements and deferred issue costs	**(5.1)**	(1.4)
Movement in net debt in the period	**51.7**	308.4
Net debt at beginning of the period	**(1,257.4)**	(1,565.8)
Net debt at end of the period	**(1,205.7)**	(1,257.4)

	2025 £m	2024 £m
Net debt excluding lease liabilities	**(837.5)**	(883.7)
Lease liabilities	**(368.2)**	(373.7)
Net debt	**(1,205.7)**	(1,257.4)

9 NET DEBT (CONTINUED)

Changes in liabilities arising from financing activities are as follows:

	2025			2024 (restated)		
	Borrowings £m	**Derivative financial instruments £m**	**Total financing liabilities £m**	Borrowings £m	Derivative financial instruments £m	Total financing liabilities £m
At beginning of the period	**(1,302.9)**	**(59.0)**	**(1,361.9)**	(1,595.4)	(33.6)	(1,629.0)
Cash flow	**152.3**	**0.7**	**153.0**	402.0	(4.2)	397.8
Changes in fair value	**-**	**4.4**	**4.4**	-	(21.2)	(21.2)
Other changes	**(91.0)**	**-**	**(91.0)**	(109.5)	-	(109.5)
At end of the period	**(1,241.6)**	**(53.9)**	**(1,295.5)**	(1,302.9)	(59.0)	(1,361.9)

Comparative information has been restated to include changes in liabilities arising from interest on financing activities, in addition to principal movements.

10 ORDINARY DIVIDENDS ON EQUITY SHARES

No dividends were paid during the current or prior period. A final dividend for 2025 has not been proposed.

Notes:

(a) The Annual Report and Accounts for the 52 weeks ended 27 September 2025 will be posted to shareholders on 12 December 2025. The Annual Report and Accounts will be available to be downloaded from the Marston's PLC website: www.marstonspubs.co.uk. Alternatively, copies will be obtainable from the Group General Counsel & Company Secretary, Marston's PLC, St Johns House, St Johns Square, Wolverhampton, WV2 4BH.

(b) The maintenance and integrity of the website is the responsibility of the Directors. The work carried out by the auditors does not involve consideration of these matters. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

ALTERNATIVE PERFORMANCE MEASURES

In addition to statutory financial measures, these full year results include financial measures that are not defined or recognised under IFRS, all of which the Group considers to be alternative performance measures (APMs). APMs should not be regarded as a complete picture of the Group's financial performance, which the Group presents within its total results.

The APMs are used by the Board and management to analyse operational and financial performance and track the Group's progress against long-term strategic plans. The APMs provide additional information to investors and other external shareholders to enhance their understanding of the Group's results and facilitate comparison with industry peers.

Capital expenditure (Capex)
Capital expenditure is the cost of acquiring and maintaining fixed assets, comprising both maintenance and investment expenditure. It is a measure by which the Group and interested stakeholders assess the level of investment in the estate to maintain and increase the Group's profit. Capital expenditure is the purchase of property, plant and equipment and intangible assets as presented directly within the Group cash flow statement.

Loan to value
Loan to value is presented both for the Group's securitised debt and for the Group's net debt excluding lease liabilities. The loan to value ratio is the percentage of the amount borrowed against the value of the Group's assets.

	2025	2024
	2025	2024
	£m	£m
Securitised pubs and lodges	**1,211.0**	1,145.9
Non-securitised effective freehold pubs and lodges	**671.9**	618.5
	1,882.9	1,764.4
Non-securitised leasehold pubs and lodges	**274.1**	282.8
Other non-core properties and administration assets	**24.3**	21.8
Property, plant and equipment total	**2,181.3**	2,069.0
Securitised debt due within one year	**45.9**	43.5
Securitised debt due after one year	**470.8**	516.7
	516.7	560.2
Cash balances in respect of the securitisation	**(21.8)**	(34.0)
Securitised net debt	**494.9**	526.2
Loan to value of securitised net debt	**41%**	46%
Net debt excluding lease liabilities at end of the period	**837.5**	883.7
Loan to value of net debt excluding lease liabilities	**44%**	50%

Like-for-like (LFL) sales
LFL sales reflect sales for all pubs that were trading in the two periods being compared expressed as a percentage. LFL sales from managed and pub partnership sites includes food, accommodation and gaming machine income, and excludes door income.

The inclusion of a pub within LFL sales is considered on a daily basis and a pub is included within LFL sales for only the days within the trading period where it meets the definition of LFL. A site is considered fully open for trading if it generated more than £100 per day. If a site is acquired or disposed of during the two periods being compared, LFL sales include the days where the site is fully open for trading in both periods.

LFL sales is a widely used industry measure which provides better insight into the trading performance of the Group as total revenue is impacted by acquisitions, disposals, and investment into the estate through conversions and refurbishments.

	52 weeks to 27 September 2025 £m	52 weeks to 28 September 2024 £m	**LFL %**
LFL sales from managed and pub partnership sites	**856.3**	842.6	**1.6**
Non-LFL sales from managed and pub partnership sites	**14.8**	21.2	
Door income	**0.8**	0.8	
Sales from managed and pub partnership sites	**871.9**	864.6	

Net asset value (NAV) per share
NAV per share is the value of net assets of the Group, divided by the number of shares in issue excluding own shares held.

	2025	2024
Net assets (£m)	**790.7**	654.8
Number of shares outstanding (m)	**633.2**	633.8
NAV per share (£)	**1.25**	1.03

ALTERNATIVE PERFORMANCE MEASURES (CONTINUED)

Net cash flow (NCF)
NCF is the increase/(decrease) in cash and cash equivalents in the period, adjusted for movements in other cash deposits and the cash movement in debt. NCF was used by the Group to determine targets for Long Term Incentive Plan (LTIP) awards.

	2025 £m	2024 £m
Underlying EBITDA	**205.1**	193.0
Non-underlying EBITDA	**19.8**	(32.0)
Total EBITDA	**224.9**	161.0
Non-cash movements	**(21.5)**	32.7
Decrease in provisions and other non-current liabilities	**(0.3)**	(0.9)
Cash adjusted total EBITDA	**203.1**	192.8
Income tax (paid)/received	**(5.3)**	0.1
Working capital	**3.0**	8.2
Difference between defined benefit pension contributions paid and amounts charged	**(1.6)**	(7.5)
Net cash inflow from operating activities (excluding dividends from associates)	**199.2**	193.6
Net interest paid and finance lease capital repayments received	**(83.2)**	(98.2)
Purchase of property, plant and equipment and intangible assets	**(61.2)**	(46.2)
Arrangement costs of bank facilities and swap termination costs	**(0.9)**	(5.6)
Purchase of own shares	**(0.8)**	-
Proceeds from sale of own shares	**0.1**	-
Recurring free cash flow	**53.2**	43.6
Dividends from associates	**-**	13.8
Sale of property, plant and equipment and assets held for sale	**6.4**	46.9
Disposal of associate	**(2.8)**	205.5
Net cash flow	**56.8**	309.8
Cash outflow from movement in debt	**(66.4)**	(293.9)
Decrease in other cash deposits	**-**	2.0
Net (decrease)/increase in cash and cash equivalents	**(9.6)**	17.9

Net debt
Net debt is defined as the sum of cash and cash equivalents and other cash deposits, less total borrowings, at the balance sheet date. Net debt is also presented excluding lease liabilities. The net debt to EBITDA leverage ratio is presented both inclusive and exclusive of IFRS 16 lease liabilities and the associated EBITDA impact which is both post- and pre- IFRS 16 impacts respectively.

	2025 £m	2024 £m
Underlying EBITDA under IFRS 16	**205.1**	192.5
Net rental charge	**(22.4)**	(21.7)
Underlying EBITDA pre- IFRS 16	**182.7**	170.8
Net debt including lease liabilities at end of the period	**1,205.7**	1,257.4
Net debt to EBITDA leverage including lease liabilities	**5.9**	6.5
Net debt excluding lease liabilities at end of the period	**837.5**	883.7
Net debt to EBITDA leverage excluding lease liabilities	**4.6**	5.2

Non-underlying
Non-underlying items are presented separately on the face of the income statement and are defined as those items of income and expense which, because of the size, nature and/or expected infrequency of the events giving rise to them, are considered material, and merit separate presentation to enable users of the financial statements to better understand elements of financial performance in the period, and to facilitate comparison with future and prior periods. As management of the freehold and leasehold property estate is an essential and significant area of the business, the threshold for classification of property-related items as non-underlying is higher than other items.

Underlying results should not be regarded as a complete picture of the Group's financial performance as they exclude specific items of income and expense. The full financial performance of the Group is presented within its total statutory results.

Operating profit/(loss)
Operating profit/(loss) is revenue less net operating expenses. Operating profit/(loss) is presented directly on the Group income statement. It is not defined in IFRS; however, it is a generally accepted profit measure.

Profit/(loss) before tax
Profit/(loss) before tax is profit/(loss) for the period presented before the tax charge/credit for the period. Profit/(loss) before tax is presented directly on the Group income statement. It is not defined in IFRS; however, it is a generally accepted profit measure.

Recurring free cash flow (FCF)
Recurring FCF represents NCF adjusted for the sale of property, plant and equipment and assets held for sale, disposal proceeds from the sale of the Group's investment in Carlsberg Marston's Limited, and dividends received from associates.

ALTERNATIVE PERFORMANCE MEASURES (CONTINUED)

Sales from managed and pub partnership sites
Sales from managed and pub partnership sites represents all revenue that is generated in our managed and franchised pubs, which includes food, drink, accommodation, gaming machine and door income.

Underlying earnings/(loss) per share
Underlying earnings/(loss) per share reflects the earnings attributable to ordinary shareholders, adjusted to exclude non-underlying items.

Underlying EBITDA
Underlying EBITDA is the earnings before interest, tax, depreciation, amortisation and non-underlying items. The Directors regularly use underlying EBITDA as a key performance measure in assessing the Group's profitability. The measure is considered useful to users of the financial statements as it is a widely used industry measure which allows comparison to peers and comparison of performance across periods and is used to determine bonus outcomes for Directors' remuneration.

	2025			2024		
	Underlying £m	**Non-underlying £m**	**Total £m**	Underlying £m	Non-underlying £m	Total £m
Continuing operations						
Operating profit	**159.9**	**19.8**	**179.7**	147.2	4.5	151.7
Depreciation and amortisation	**45.2**	**-**	**45.2**	45.3	-	45.3
EBITDA	**205.1**	**19.8**	**224.9**	192.5	4.5	197.0
Discontinued operations						
Profit/(loss) for the period from discontinued operations	**-**	**-**	**-**	0.5	(36.5)	(36.0)
	-	**-**	**-**	0.5	(36.5)	(36.0)
EBITDA for continuing and discontinued operations	**205.1**	**19.8**	**224.9**	193.0	(32.0)	161.0

	2025 £m	2024 £m
Operating profit	**179.7**	151.7
Non-underlying operating items	**(19.8)**	(4.5)
Underlying operating profit	**159.9**	147.2
Depreciation and amortisation	**45.2**	45.3
Underlying EBITDA	**205.1**	192.5
Revenue	**897.9**	898.6
Underlying operating margin	**17.8%**	16.4 %
Underlying EBITDA margin	**22.8%**	21.4 %

Wholesale sales
Wholesale sales represents revenue from contracts with customers generated from our tenanted and leased pubs.

Year
The current year refers to the 52-week period ended 27 September 2025. The prior year refers to the 52-week period ended 28 September 2024.

END

PREFEWESLEISEDF