

Employers still making office Christmas party bookings despite Omicron, Marston's boss reports

Employers are hanging on to office Christmas party pub bookings despite the new Omicron variant, the new boss of Marston's has reported.

Andrew Andrea, the pubco's former finance chief who last month replaced Marston's leader of two decades, Ralph Findlay, told the Standard the group has not seen a surge in cancellations this week.

However, the firm has noted a trend towards firms booking slimmed-down festive gatherings of 10-to-30 employees, rather than pre-Covid parties of 50 or 60-plus.

Andrea said: "The bookings started late, but they are happening. We are seeing that office parties are being organised, but that employers are being quite responsible.

"We've been positively surprised, and we're still taking enquiries."

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Andrea spoke as Marston's – which has an estate of over 1,500 pubs – delivered results that showed an £100 million underlying pre-tax loss for the Covid-hit year to October 2, widened from a £22 million loss a year earlier.

The company withheld a dividend, and shares were as much as 4.2% lower this morning on the update.

Sales topped 2019 levels in August and September, however, and Andrea pointed out the group remained in growth despite VAT rising from 5% to 12.5% in the period.

The CEO added that soaring inflation costs are “manageable” for the group in FY 2022, in part due to having gas tariffs fixed until April 2023.

He said: “I think we've managed the pandemic pretty well. Clearly we're not through this, we've got a winter to navigate as last Saturday's announcement demonstrated, but we're really now taking the view that the worst is behind us.”

He added: “We really would like the government to extend that 12.5% VAT rate beyond the end of March – that would be incredibly helpful.”

Last year Marston's announced a new joint venture partnership with Carlsberg UK to create a £780 million beer brewing giant in which the pubco holds a 40% stake.

Today Andrea said that “having sold the beer company we are now a pure-pub play”, and announced his new “pubs to be proud of” strategy, set to see more high-end items hit Marston's pubs' menus.

Analysts at Peel Hunt said the results revealed a “road map to creating significant equity value”, with a strategy pointing

to further debt reduction. Analysts at Shore Capital said that the group delivering its debt reduction target – below £1 billion by fiscal year 2025 – is key.

It came as reports emerged that SoftBank-owned, US-based Fortress Investment Group is in talks to buy Punch Pubs & Co and its 1,300-plus sites for around £1 billion.

Punch, controlled by real estate-focused fund Patron Capital Partners, bought 56 pubs from rival Young's for £53 million earlier this year.

All parties have been contacted for comment.